



Staff Report

RESOLUTION TERMINATING THE CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY JOINT POWERS AGREEMENT

Honorable Mayor and Council Members:

Summary

Approval of the attached resolution will authorize termination of the Joint Powers Agreement with the California Public Entity Excess Insurance Authority (CPEIA) to Self Insure Workers' Compensation Liabilities.

Background

On October 26, 2004, Council authorized an application to the Director of Industrial Relations, State of California, for a Certificate of Consent to Self Insure Workers' Compensation Liabilities.

At the time, the City was experiencing unprecedented increases with its Workers' Compensation program costs. Looking for alternatives to the State Compensation Insurance Fund (SCIF), staff requested that Driver Alliant, the City's insurance broker, propose several options for consideration, which included joining a risk pool, implementing a self-insurance program, or continuing with the current premium-based program offered by SCIF.

The application was filed and the City subsequently bound coverage under the risk pool and self-insurance programs with CPEIA.

Discussion

For the past year and a half, CPEIA has been in the process of merging with the County Supervisors Association of California – Excess Insurance Authority (CSAC EIA) to create one pool rather than 2 separate entities.

CSAC EIA reported that, as of June 30, 2007, all CPEIA members, the City of Belmont included, executed the appropriate documentation to join the CSAC EIA directly. Therefore, the last phase of this merge is the termination of the CPEIA as an entity. The CPEIA will be officially terminated upon approval by three-fourths of the members. Each member is encouraged to pass a resolution to document their action to terminate the CPEIA as soon as possible and before December 31, 2007.

General Plan/Vision Statement

No Impact.

Fiscal Impact

There is no fiscal impact associated with this resolution.

Public Contact

Posting of City Council agenda.

Recommendation

Approve attached resolution.

Alternatives

1. Take no action.

Attachments

- A. Resolution Terminating the California Public Entity Insurance Authority Joint Powers Agreement

Respectfully submitted,

Thomas Fil
Finance Director

Jack R. Crist
City Manager

Staff Contact:

Thomas Fil, Finance Director
(650) 595-7435
tfil@belmont.gov

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BELMONT
TERMINATING THE CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY
JOINT POWERS AGREEMENT**

WHEREAS, the CSAC Excess Insurance Authority (EIA) and the California Public Entity Insurance Authority (CPEIA) have merged into one organization, the EIA, and there is no need for the CPEIA to continue to exist, and,

WHEREAS, CPEIA members are able to join the EIA as public entity members; and,

WHEREAS, pursuant to Article 22 of the CPEIA Joint Powers Agreement (Agreement) the affirmative vote of the governing bodies of three-fourths of the members are required to terminate the Agreement; and,

WHEREAS, there are no assets or other property to distribute under Article 22 of the Agreement;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Belmont, pursuant to the provisions of Article 22 of the Agreement, elects to terminate the CPEIA, and said termination shall become effective upon the affirmative vote of the governing bodies of three-fourths of the members.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Belmont at a regular meeting thereof held on August 14, 2007 by the following vote:

AYES, COUNCILMEMBERS: _____

NOES, COUNCILMEMBERS: _____

ABSTAIN, COUNCILMEMBERS: _____

ABSENT, COUNCILMEMBERS: _____

CLERK of the City of Belmont

APPROVED:

MAYOR of the City of Belmont