



CITY OF LONG BEACH **C-11**

DEPARTMENT OF HUMAN RESOURCES

333 West Ocean Boulevard 13th Floor • Long Beach, CA 90802

DECEMBER 18, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached resolution to terminate the Joint Powers Agreement with California Public Entity Excess Insurance Authority (CPEIA-JPA) that was entered into in 2002 to purchase excess workers' compensation insurance under the California State Association of Counties' (CSAC's) insurance program for California public entities. (Citywide)

DISCUSSION

Maintenance of excess workers' compensation insurance is important to protect the City from the negative financial consequences of potential catastrophes involving multiple employee injuries or deaths from occurrences such as major fires, police activities, terrorist attacks and earthquakes during work hours.

In 2002, in order to receive the lowest rates available, the City entered into a Joint Powers Agreement with California Public Entity Excess Insurance Authority (CPEIA-JPA) to purchase excess workers' compensation insurance under the California State Association of Counties (CSAC's) insurance program for California public entities. In 2006, the California Association of Counties notified members that it was absolving the CPEIA and creating the California State Association of Counties Excess Insurance Authority (CSAC-EIA). Cities, school districts, and special districts were given the opportunity to join the CSAC-EIA. There were no disadvantages to the City of Long Beach in joining the CSAC-EIA as the City does not pool risk with the organization and there were significant advantages to the City of Long Beach in joining the CSAC-EIA including voting rights and the opportunity to sit on EIA committees, which were rights the City of Long Beach did not have in the CPEIA. On June 20, 2006, the City Council authorized the City Manager to execute the Memorandum of Understanding between the City of Long Beach and the CSAC-EIA.

The transition of the CPEIA members into the CSAC-EIA has now been completed and the final phase of the transition plan is for CPEIA members, acting through their governing boards, to terminate the CPEIA Joint Powers Agreement. The CPEIA will be officially terminated upon approval of three-fourths of the CPEIA members. Upon Council's action, the executed resolution will be sent to the CSAC as documentation of the City of Long Beach's approval to terminate the CPEIA.

This matter was reviewed by Deputy City Attorney Amy Burton on December 4, 2007 and Budget Management Officer Victoria Bell on December 7, 2007.

TIMING CONSIDERATIONS

City Council action is requested on December 18, 2007, as approval is needed by three-fourths of the CPEIA members to effect the termination of the CPEIA-JPA.

FISCAL IMPACT

There is no cost to terminate the Joint Powers Agreement with the CPEIA.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,


SUZANNE R. MASON
DIRECTOR OF HUMAN RESOURCES

SRM:MVA:TB

Attachment

APPROVED:


for PATRICK H. WEST
CITY MANAGER

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH TERMINATING THE CALIFORNIA
PUBLIC ENTITY INSURANCE AUTHORITY JOINT
POWERS AGREEMENT

WHEREAS, the California State Association of Counties (“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 the three-fourth 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, the City Council of the City of Long Beach resolves as follows:

Section 1. Pursuant to the provisions of Article 22 of the Agreement it elects to terminate the CPEIA, said termination shall become effective upon the affirmative vote of the governing bodies of three-fourth of the members.

Section 2. This resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 20__ by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

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