



Legislation Text

File #: 07-1477, **Version:** 1

Recommendation to adopt 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)

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.

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.

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

Approve recommendation.

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

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DIRECTOR OF HUMAN RESOURCES

APPROVED:

PATRICK H. WEST
CITY MANAGER