

**City of Culver City, California
Agenda Item Report**

Meeting Date: 9/26/11		Item Number: <u>C-8</u>	
CITY COUNCIL AGENDA ITEM: Adoption of a Resolution Approving the Amended Joint Powers Agreement Forming the California Transit Systems Joint Powers Authority			
Contact Person/Dept.: Art Ida /Transportation		Phone Number: 310-253-6535	
Fiscal Impact: Yes ☐ No ☒		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: Agenda and Meetings – City Council (09/21/11)			
Department Approval: Art Ida (9/1/2011)		City Attorney Approval: Carol Schwab (by H. Baker) (09/19/11)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (09/20/11)		City Manager Approval: John M. Nachbar (09/20/11)	
<u>RECOMMENDATION:</u> Staff recommends the City Council adopt a resolution approving the amended joint powers agreement forming the California Transit Systems Joint Powers Authority. <u>BACKGROUND:</u> On April 20, 1987, the City Council authorized the City of Culver City to join the California Transit Systems Joint Powers Authority (CalTIP or Authority) to obtain liability coverage and risk management services through jointly pooling resources with the other transit agencies that are members of the Authority. CalTIP has provided competitive and stable rates and needed risk management services over the years. CalTIP, as were many other self-insurance pools, was formed in 1987 during a time when public entities found it difficult to obtain coverage from the insurance market. Although the difficulty of obtaining insurance from the standard markets eventually waned, the coverage provided by the insurance industry usually was not tailored to the specific needs of public entities and did not provide tailored risk management services. CalTIP was formed through the execution of a joint powers agreement (Agreement) by each of its member agencies. The Agreement was drafted in 1987 and has not been changed since. Although the Agreement has not changed, CalTIP has. It has added a vehicle physical damage program, a more robust safety and loss control program, and a more refined means of accounting for funds, expenses and claims			

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costs. Additionally, it now participates in a larger public entity self-insurance pool for higher limits of liability. Because of the growth of activities, committees were formed with certain authorities that align with the current activities of the Authority. In addition to CalTIP changing, there have been changes in the laws pertaining to joint powers authorities, such as specifically allowing distribution of excess contributions based on the claims and losses paid and acknowledging that the withdrawal of one member does not cancel the contract as respects to the other signatories or parties to the Agreement. In addition, the original Agreement was restrictive in that it provided detailed information on the liability program for which the joint powers authority was initially created. It did not specifically recognize the addition of new programs developed to meet the needs of the members. Thus, the Board of Directors of CalTIP believed it was time to update the Agreement by reflecting the changes that have occurred in the last twenty-four years and have a document that will be responsive to future changes in CalTIP, the legal environment, and its members.

DISCUSSION:

The revised Agreement was reviewed by the CalTIP Oversight Committee and the Board of Directors. The Agreement was distributed to all the members for comment. The comments were brought back to the Oversight Committee and revisions were made to the Agreement. Then the Agreement was taken to the Board of Directors, who commented further and moved to have the Agreement sent to the members' governing bodies for adoption.

The Agreement needs to be adopted by the governing bodies of at least three-fourths of the members of CalTIP. Although not all members' adoption is needed, CalTIP believes it best to have all members adopt the amended Agreement. The amendments will bring the Agreement up-to-date with current laws and best practices within the risk management joint powers authorities. It will also provide flexibility to the Board of Directors to change its structure and function from time to time as needed. Each member, including the City of Culver City, has representation on the CalTIP Board of Directors

FISCAL ANALYSIS:

Adoption of the resolution approving the amended Agreement has no fiscal impact. The annual costs for participation in the program have been authorized through the budget process, and are not expected to change as a result of the approval of the updated Agreement.

ATTACHMENTS:

Proposed Resolution.

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MOTION:

That the City Council:

Adopt a Resolution approving the amended joint powers agreement forming the California Transit Systems Joint Powers Authority.