

M E M O R A N D U M
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors
FROM: Thomas M. Miller, County Executive Officer
BY: Maryellen Peters, Deputy County Executive Officer
DATE: December 6, 2011
SUBJECT: California Transit Systems Joint Powers Authority (CalTIP) Amended Agreement

ACTION REQUESTED: Adopt a Resolution approving the amended California Transit Systems Joint Powers agreement forming the California Transit Systems Joint Powers Authority and authorizing the Chairman of the Placer County Board of Supervisors to sign the amended agreement.

BACKGROUND: Placer County joined California Transit Systems Joint Powers Authority (CalTIP or Authority) in 1987 to obtain liability coverage and risk management services through jointly pooling resources with the other transit agencies that are members of the Authority. Vehicle physical damage coverage was obtained in the following years. 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 difficult time for public entities 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 the public entities and did not provide the tailored risk management services.

CalTIP was formed with the signing of a joint powers agreement by each of its members. This 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, a more refined means of accounting for funds, expenses and claims costs. 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 joint powers agreement was restrictive in that it provided detailed information on the one program, 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 and reflect 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.

The revised Agreement attached was reviewed by the CalTIP Oversight Committee and the Board of Directors. The Agreement was distributed to all the members, asking for comments from each of the members. 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.

CONCLUSION: 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 Placer County, has representation on the CalTIP Board of Directors and each director has similar interests as Placer County in the operations of CalTIP because each member is a transit agency similar to Placer County.

ACTION: Staff respectfully requests the Board to approve the amended California Transit Systems Joint Powers agreement forming the California Transit Systems Joint Powers Authority and authorizing the Chairman of the Placer County Board of Supervisors to sign the amended agreement.

FISCAL IMPACT: None

A copy of the CalTIP Amended JPA is available for review at the Clerk of the Board's office.

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of:

A Resolution approving the amended California Transit Systems Joint Powers agreement forming the California Transit Systems Joint Powers Authority and authorizing the Chairman of the Placer County Board of Supervisors to sign the amended agreement.

Resol. No: _____

First Reading: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____ by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

CHAIRMAN, BOARD OF SUPERVISORS

Attest:
Clerk of said Board

The Board of Supervisors of the County of Placer, State of California, does hereby resolve as follows:

WHEREAS, on March 17, 1987, by its Resolution No.87-100, the Placer County Board of Supervisors approved entering into an agreement that provided for the creation of the California Transit Systems Joint Powers Insurance Authority (hereinafter CalTIP) for the purpose of jointly funding tort liabilities and other losses and providing risk management services to reduce such losses;

WHEREAS, CalTIP has provided Placer County coverage for such liabilities [including losses to vehicles] at stable and overall cost-effective pricing;

WHEREAS, the Placer County Board of Supervisors finds it in the best interest of Placer County

to continue its participation in CalTIP and obtain liability coverage, vehicle physical damage coverage, and risk management services from CalTIP;

WHEREAS, the joint powers agreement of CalTIP has retained its original form as drafted in 1987, and there have changes in laws and the operations of CalTIP since that time;

WHEREAS, the Placer County Board of Supervisors recognizes these changes and the need to amend the CalTIP joint powers agreement to enable CalTIP to benefit from the changes in laws, adapt to changes in the environment that CalTIP operates, and to benefit from the developments in managerial and operational techniques of the joint powers authority for the purpose of jointly funding tort liabilities and other losses facing the parties to the agreement in the future; and

WHEREAS, CalTIP representatives have confirmed that Placer County has already met its three-year non-withdrawal obligation as set forth in Article 21(c) of the agreement, and accepting this new agreement does not commit Placer County to another three-year obligation.

NOW, THEREFORE, BE IT RESOLVED that the Placer County Board of Supervisors accepts the changes to the joint powers agreement as presented, including the Article 21(c) clarification and;

BE IT FURTHER RESOLVED that the Placer County Board of Supervisors authorizes the Chairman of the Placer County Board of Supervisors to sign the amended joint powers agreement that shall enable Placer County to continue to enjoy the joint self-insurance and risk management programs provided by CalTIP.