











# Memorandum

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**DATE:** October 6 , 2014

**SUBJECT:** Alameda CTC's participation in the Special District Risk Management Authority (SDRMA) Risk Management Program

**RECOMMENDATION:** Approve Resolution 14-015 approving the form of and authorizing the execution of a Sixth Amended Joint Powers Agreement and Authorizing participation in the Special District Risk Management Authority' Risk Management Program, and Resolution 14-016 authorizing application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-Insure Workers' Compensation Liabilities

## Summary

Alameda CTC's participation with the California Special District Association (CSDA) would make it eligible for insurance programs for workers' compensation, general liability, public officials errors and omissions, employment practices liability, auto, property, crime and fidelity coverages through the Special District Risk Management Authority (SDRMA). Alameda CTC's participation in SDRMA's risk management program should result in annual cost-savings of up to 48% or \$90,000.

## Background

In April 2014, Alameda CTC registered with the CSDA, an association that provides a strong voice for all independent special districts in California, to participate in, and benefit from, some of its cost saving programs. One such program that CSDA offers through the SDRMA is its risk management program which includes comprehensive coverage protection such as workers' compensation, general liability, public officials errors and omissions, employment practices liability, auto, property, crime, fidelity, and health insurance coverages.

SDRMA is a not-for-profit public agency formed under California Government Code Section 6500 et seq. for the purpose of providing public agencies with risk financing and risk management programs. For over 25 years, SDRMA has provided participants with comprehensive coverage protection coverages with rates that are consistently 15% below average market rates. Their primary objective is to serve as a single resource to meet

all risk management needs of its participants, and they currently serve over 900 diversified members with over \$3.8 billion in member insured property. Current SDRMA program participants in the Bay Area include the Alameda County Water District, Contra Costa Resource Conservation District, First 5 Santa Clara County, Santa Clara County Local Agency Formation Commission, Santa Clara County Open Space Authority, Sonoma Resource Conservation District, and Transbay Joint Powers Authority.

Alliant Insurance Services, Inc. has been providing insurance brokerage services for the Alameda CTC since January 2013, following a competitive bid process which began in May 2012. Alameda CTC's total insurance premiums, including the broker's commission of \$18,032, totaled \$172,491 for the current fiscal year. By participating in SDRMA's risk management program, the agency should save up to 48% or \$90,000 in insurance premiums per year since costs are anticipated to be at much reduced rates for local governments.

#### **Fiscal Impact:**

The fiscal impact for approving this item should reduce the need in the FY14-15 budget by approximately \$90,000.

#### **Attachments**

- A. Alameda CTC Resolution No. 14-015 approving the Form of and authorizing the Execution of a Sixth Amended Joint Powers Agreement; and Authorizing Participation in the Special District Risk Management Authority Property/Liability and Workers' Compensation Programs
- B. Joint Powers Agreement – Execution of the Sixth Amended and Restated Joint Powers Agreement between the Alameda CTC and Special District Risk Management Authority
- C. Alameda CTC Resolution No. 14-016 Authorizing Application to the Director of Industrial Relations, State of California for a Certificate of Consent to Self-Insure Workers' Compensation Liabilities

#### **Staff Contact**

[Patricia Reavey](#), Director of Finance and Administration

[Seung Cho](#), Contracting, Administration, and Fiscal Resource Manager



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**ALAMEDA COUNTY TRANSPORTATION COMMISSION  
RESOLUTION NO. 14-015**

**APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION  
OF A SIXTH AMENDED JOINT POWERS AGREEMENT AND  
AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK  
MANAGEMENT AUTHORITY PROPERTY/LIABILITY AND  
WORKERS' COMPENSATION PROGRAMS**

**WHEREAS**, Alameda County Transportation Commission, a joint powers agency duly organized and existing under and by virtue of the laws of the State of California (the "Agency"), and a member of the California Special Districts Association, has determined that it is in the best interest and to the advantage of the Agency to participate for at least three full years in the Property/Liability Program and Workers' Compensation Program offered by the Special District Risk Management Authority (the "Authority"); and

**WHEREAS**, California Government Code Section 6500 *et seq.*, provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

**WHEREAS**, Special District Risk Management Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing its members with risk financing and risk management programs; and

**WHEREAS**, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus lines broker, or any combination of these; and

**WHEREAS**, participation in Special District Risk Management Authority programs requires the Agency to execute and enter into a Sixth Amended Joint Powers Agreement (the "Amended JPA Agreement"); which states the purpose and powers of the Authority; and

**WHEREAS**, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Agency is now duly authorized and empowered,

pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE AGENCY AS FOLLOWS:**

Section 1. Findings. The Agency's governing body ("Commission") hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the Agency.

Section 2. Sixth Amended JPA Agreement. The Amended JPA Agreement, proposed to be executed and entered into by and between the Agency and members of the Special District Risk Management Authority, in the form presented at this meeting and on file with the Agency Secretary, is hereby approved. The Agency Commission and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver to the Authority the Amended JPA Agreement in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Program Participation. The Agency Commission approves participating for three full program years in Special District Risk Management Authority Property/Liability Program and Workers' Compensation Program.

Section 4. Other Actions. The Authorized Officers of the Agency are each hereby authorized and directed to execute and deliver any and all documents which is necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This resolution shall take effect immediately upon its passage.

Duly passed and adopted by the Alameda County Transportation Commission at the regular meeting of the Commission held on Thursday, October 23, 2014 in Oakland, California by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**SIGNED:**

**ATTEST:**

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Scott Haggerty, Chairperson

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Vanessa Lee, Clerk of the Commission



**SIXTH AMENDED  
JOINT POWERS AGREEMENT**

**RELATING TO THE**

**SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY**

**Adopted August 1, 1986**  
**1<sup>st</sup> Amended February 5, 1988**  
**2<sup>nd</sup> Amended March 31, 1990**  
**3<sup>rd</sup> Amended July 1, 1993**  
**4<sup>th</sup> Amended February 9, 1998**  
**5<sup>th</sup> Amended and Restated**  
**- Approved March 24, 2003**  
**- Effective July 1, 2003**  
**6<sup>th</sup> Amended October 2, 2007**







































alameda County Transportation Commission

Scott Haggerty,

----- Chair

Vanessa Lee















