

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

618



FROM: Human Resources Department

SUBMITTAL DATE:
August 10, 2005

SUBJECT: Amendment to the CSAC-Excess Insurance Authority Joint Powers Agreement to allow member counties to extend coverage to non-profit entities as identified by the member county.

RECOMMENDED MOTION: That the Board of Supervisors authorize 1) the Chair to execute the amendment to the Joint Powers Agreement of the CSAC-Excess Insurance Authority; 2) the Interim Risk Manager to sign the applications and other documents, as needed, to effect coverages, and; 3) the Asst. County Executive Officer/Human Resources Director to enter into a Memorandum of Understanding with the below listed nonprofits and future County non-profits for Risk Management and loss prevention services.

BACKGROUND: The Board of Supervisors previously approved this amendment on July 27, 2004; however, CSAC-EIA failed to receive the 2/3rds majority member approval required under the terms of their Joint Powers Authority. The Board of Directors of CSAC-EIA is confident that a 2/3rds majority approval is now achievable and requests that all members submit the amendment to their respective Boards for their endorsement.

Ronald W. Komers
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$N/A	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$0	Budget Adjustment:	0
	Annual Net County Cost:	\$0	For Fiscal Year:	2005-06

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE**

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** | **Agenda Number:**

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BACKGROUND (continued)

Under advice from legal counsel, CSAC is required to initiate this second vote with all members and not presume that any previous votes are still in effect. In addition, the Board of CSAC-EIA approved that members' non-profit organizations would continue to be included within the general liability program (GL II) until November 1, 2005, thereby allowing time for the members to vote on the amendment.

The County of Riverside has been a member of the CSAC Excess Insurance Authority since 1984. At that time, the Board executed a Joint Powers Agreement (JPA) creating the CSAC Excess Insurance Authority, which is formed under Section 6500 et. Seq. of the California Government Code. From time to time, the JPA has been amended to reflect various changes in the JPA document and the governance of the Excess Insurance Authority. Article 3(b) of the JPA outlines who can be a party to the JPA and defines public entity pursuant to section 811.2 of the Government Code, which limits the definition of public entity to include "...the State, the Regents of the University of California, a county, city, district, public authority, public agency, and any other political subdivision or public corporation in the State.

Legal counsel to the CSAC Excess Insurance Authority has opined that this definition does not include non-profit corporations.

In recent years, many counties throughout the State have been creating non-profit public benefit corporations for a variety of reasons. We have identified the following non-profit organizations created for the benefit of the County:

	<u>Status</u>
• County of Riverside Asset Leasing Corporation AKA "CORAL"	Active
• Riverside District Court Financing Corporation	Active
• Riverside County Park Facilities Corporation	In the process of dissolving
• Desert Facilities Corporation	Active
• RCRMC Foundation	Active
• Friends of the Coachella Valley Animal Campus	Active
• County of Riverside Court Financing Corporation	Active

However, these non-profits do not fit the CSAC-EIA JPA membership requirements, therefore if the JPA Amendment does not pass, each non-profit will need to secure individual policies which are subject to minimum premiums.

The amendment to Article 3(b) of the JPA provides for the expansion of the definition of public entity to include any nonprofit entity, including a nonprofit public benefit corporation formed pursuant to Corporations Code sections 5111, 5120 and 5065, which the member county requests be added and that such request is approved by the Executive Committee of the CSAC-Excess Insurance Authority. The amendment goes on to explain that any such nonprofit entity shall be subject to and included within the member county's self-insurance retention (SIR) or deductible and shall not be considered a separate party to the JPA.

BACKGROUND (continued)

CSAC-EIA has developed a policy statement defining the general conditions within which a member county may add a nonprofit entity. Those general conditions include that the nonprofit must exist for the benefit of the member county or for the member county in conjunction with other public agencies. The member county is also required to accept responsibility for the self-insured retention or deductible of the nonprofit and be responsible for all risk management and loss prevention activities of the nonprofit. Finally, CSAC-EIA requires that a written agreement or memorandum of understanding be established between the member county and the nonprofit. The member county must complete an application for coverage and include a Board Resolution or Minute Order authorizing the acceptance of these general conditions.

Once the CSAC-EIA amendment has been ratified by 2/3's of the member counties, the Risk Manager will proceed with completing the application process to meet the general conditions for nonprofit coverage for the above named nonprofits, which are recommend be included in the County's insurance programs.