

STAFF REPORT

SUBJECT: New Joint Powers Agreement for CalTIP

FROM: Michael Tree, Executive Director

DATE: July 1, 2019

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**Action Requested**

The Finance and Administration Committee recommend to the Board of Directors passage of the attached Resolution No. 19-2019 acknowledging the Livermore Amador Valley Transit Authority approval of the amended Joint Powers Agreement forming the California Transit Systems Joint Powers Authority and authorizing the Executive Director to sign the amended Agreement.

**Background**

The Livermore Amador Valley Transit Authority joined California Transit Systems Joint Powers Authority (CalTIP or Authority) in 1999 to obtain liability and vehicle physical damage coverage and risk management services through jointly pooling resources with the other transit agencies that are members of the Authority. CalTIP has provided competitive rates and needed risk management services over the years. As were many other self-insurance pools, CalTIP 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. The Agreement was drafted in 1987 and was last amended in May 2011 to align the document with current operations and practices of the authority at that time. The document has not been updated since then.

The current amendments to the Agreement are the result of discussions with CalTIP's Oversight Committee and Board to address CalTIP's ongoing challenges associated with achieving certain quorum requirements at Board meetings in order to conduct business and to ensure the governing documents align with CalTIP's current practices and procedures. CalTIP's draft Agreement and Bylaws with changes shown in redline were distributed to all CalTIP members on April 3, 2019, to provide members with time to review the changes, provide comments, and ask questions.

At its April 18<sup>th</sup> meeting, the CalTIP Board approved submitting the amended Joint Powers Authority Agreement to the Parties for approval. In addition, the CalTIP Board approved the Bylaws as amended to become effective upon approval of the Agreement. While the CalTIP Board has the authority to approve the amendments to the CalTIP Bylaws, because the Agreement makes reference to that document, it has been included for informational purposes.

**Discussion**

The Agreement needs to be adopted by the governing bodies of at least three-fourths of the members of CalTIP, although CalTIP believes it best to have all members adopt the amended Agreement. The amendments are intended to address ongoing challenges with quorum requirements and provide the CalTIP Board the flexibility and ability to make decisions and carry-forth initiatives in a more expeditious manner to the benefit of the organization. Each member, including the Livermore Amador Valley Transit Authority has representation on the CalTIP Board of Directors and each director has similar interests in the operations of CalTIP because each member is a transit agency similar to the Livermore Amador Valley Transit Authority. Thus, staff respectfully requests the Board of Directors to pass the attached Resolution No. 19-2019.

**Financial Impact**

None

**Recommendation**

The Finance and Administration Committee recommend to the Board of Directors passage of the attached Resolution No. 19-2019 acknowledging the Livermore Amador Valley Transit Authority approval of the amended Joint Powers Agreement forming the California Transit Systems Joint Powers Authority and authorizing the Executive Director to sign the amended Agreement.

Attachments:

1. Resolution 19-2019
2. Comparison Chart of JPA Agreements
3. Amended CalTIP Joint Powers Agreement – 2019
4. Amended CalTIP Bylaws – 2019

*Submitted:* \_\_\_\_\_