

September 14, 2021

TO: MAYOR AND CITY COUNCIL MEMBERS

FROM: CITY ATTORNEY'S OFFICE

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A JOINT POWERS AGREEMENT (JPA) WITH PUBLIC RISK INNOVATION, SOLUTIONS, AND MANAGEMENT (PRISM) TO EXERCISE JOINTLY POWERS COMMON TO THE MEMBERS OF THE JPA

SUMMARY

The City Council will consider adopting a resolution authorizing the City Manager to enter into a Joint Powers Agreement (JPA) with Public Risk Innovation, Solutions, and Management (PRISM) to exercise jointly powers common to the members of the JPA.

BACKGROUND

Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et. seq.) permits two or more public agencies by agreement to exercise jointly powers common to the contracting parties. 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 line broker, or any combination of these. California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of these methods specified in Government Code Section 990.4 and such pooling of self-insured claims or losses is not considered insurance nor subject to regulation under the Insurance Code.

The Joint Powers Agreement (JPA) is an agreement executed in the State of California by and among those counties and public entities organized and existing under the Constitution of the State of California, which are parties signatory to this JPA. This agreement is entered into by the member counties and member public entities in order to jointly develop and fund insurance programs as determined. Such programs may include, but are not limited to, the creation of joint insurance funds, including primary and excess insurance funds, the pooling of self-insured claims and losses, purchased insurance, including reinsurance, and the provision of necessary administrative services. Such administrative services may include, but shall not be limited to, risk management consulting, loss prevention and control, centralized loss reporting, actuarial consulting, claims adjusting, and legal defense services.

STATEMENT OF THE ISSUE

The City of Compton desires to join together with the members of the Public Risk Innovation, Solutions, and Management (PRISM) for the purpose of jointly funding and/or establishing excess and other insurance programs as determined. PRISM is a public entity separate and apart from its members, with powers common to general law counties in California, as well as additional powers set forth in the joint powers law. In order to authorize the City Manager to enter into a Joint Powers Agreement (JPA) with PRISM to exercise jointly powers related to this agreement, City Council's authorization is necessary.

FISCAL IMPACT

None.

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution.

**DAMON M. BROWN
CITY ATTORNEY**

APPROVED FOR FORWARDING:

**RONERICK SIMPSON
CITY MANAGER**