



AGENCY: City Council
MEETING DATE: April 26, 2021
DEPARTMENT: City Manager
PRESENTED BY: Tabatha Miller
EMAIL ADDRESS: tmiller@fortbragg.com

AGENDA ITEM SUMMARY

TITLE:

Receive Report and Consider Adoption of City Council Resolution Authorizing Participation in the California Intergovernmental Risk Authority (CIRA) Effective 7/1/2021 with Regard to the Workers' Compensation Program

ISSUE:

Rather than purchase commercial insurance through a commercial insurance carrier, the City of Fort Bragg participates in an intergovernmental arrangement through which a group of cities and towns (referred to as the members) contribute to a shared fund that pays for liability and workers' compensation claims and provides risk management services. That fund is often commonly referred to as a pool. Pools are empowered to exist through the sections of the California Government Code known as joint powers authority (JPA), which allow two or more like entities to pool funds to pay for claims.

The City of Fort Bragg participates in a pool named the Redwood Empire Municipal Insurance Fund (REMIF). REMIF is merging with another pool named the Public Agency Risk Sharing Authority (PARSAC) to become the California Intergovernmental Risk Authority (CIRA). CIRA, like REMIF, will function as an extension of the City of Fort Bragg and will be governed by a board of directors comprised of members in the pool.

ANALYSIS:

To continue participation in the workers' compensation program, but moving the program from REMIF to CIRA, requires application and approval from the California Department of Industrial Relations (DIR), the Division of Workers' Compensation. Further, the DIR requires approval and authorization by the pool members to participate in the CIRA workers' compensation program, effective 7/1/2021. With the merger, new claims with a date of loss on or after 7/1/2021 will fall under the obligation of CIRA. Claims with a date of loss prior to 7/1/2021 will remain with REMIF.

The attached resolution authorizes staff to execute any other document(s) (such as the application) that may be necessary or appropriate to enter into and implement the agreement on behalf of the City. Lastly, the resolution expresses the consent of the City of Fort Bragg to be governed and abide by the master program documents, the memoranda of coverage, and other documents and policies that are adopted by CIRA.

Council is asked to adopt the attached resolution and to further direct staff to work with CIRA on the steps necessary to ensure participation in the workers' compensation program.

RECOMMENDED ACTION:

Adopt Resolution authorizing participation in the California Intergovernmental Risk Authority (CIRA) effective 7/1/2021 with regard to the Workers' Compensation Program.

ALTERNATIVE ACTION(S):

Do not adopt a Resolution and provide staff alternative direction.

FISCAL IMPACT:

In November 2020, the City Council committed to participate in CIRA for at least two years. Adoption of this Resolution does not change the costs of Workers' Compensation through those programs, it simply authorizes that program to move from REMIF to CIRA. The estimated cost of Fort Bragg Workers' Compensation for Fiscal Year 2021-22 is \$176,141. This is a 0.4% increase from the FY 2020-21 Cost of \$175,510.

GREENHOUSE GAS EMISSIONS IMPACT:

There is no impact to Greenhouse Gas Emissions from adopting this resolution.

CONSISTENCY:

Adopting this Resolution is consistent with the City Council actions taken on November 23, 2020.

IMPLEMENTATION/TIMEFRAMES:

The transition to CIRA from REMIF is effective 7-1-2021.

ATTACHMENTS:

1. Resolution
2. Application For Certificate of Consent To Self-Insure as a Public Agency Employer Self-Insurer

NOTIFICATION:

1. Amy Northam, REMIF General Manager