



Legislation Text

File #: 20-935, **Version:** 1

Adopt Joint City Council/Municipal Improvement District Resolution Approving Amendments to the Joint Powers Agreement and Bylaws of the Redwood Empire Municipal Insurance Fund (REMIF) and Approving the Joint Powers Agreement and Bylaws for California Intergovernmental Risk Authority (CIRA)

The Redwood Empire Municipal Insurance Fund (REMIF) is a public entity pool representing 15 small to medium sized cities/towns. It was formed in 1976 with a mission to provide workers' compensation coverage in response to increasing and unaffordable commercial rates. Fort Bragg joined REMIF on December 31, 1978. Coverage was expanded in the mid-1980s to include liability coverage and other services. Other lines of coverage have been added since that time.

The Public Agency Risk Sharing Authority of California (PARSAC) is a public entity pool representing 34 small to medium sized cities/towns and one fire district. It was formed in 1986 with a mission to provide liability coverage in response to the insurance crisis that eliminated commercial coverage for cities. Coverage was expanded in 1990 to include workers' compensation coverage and other services. Other lines of coverage have been added since that time.

PARSAC and REMIF provide a pooled liability program, pooled workers' compensation program, and coverage for group purchased property, Board of Directors public officials' errors and omissions, auto physical damage, special events, fidelity bonds, cyber liability, and other ancillary benefits. REMIF also has a pooled medical/health program.

Given the similarities between the two agencies, REMIF and PARSAC explored a strategic partnership, which ultimately led to a proposed merger between the two organizations. Rather than one pool merging into the other, the Board of Directors for the pools directed the creation of a new pool (called the California Intergovernmental Risk Authority or CIRA). There will be great benefits in sharing resources, sharing expenses and drawing on strengths. Benefits also include succession planning, more robust, stable programs, shared training resources, long term program sustainability, and eliminating redundancies. While a merger could have realized savings to the members of both pools, the intent of a merger between PARSAC and REMIF is to have long term stability, sustainability and adding depth and breadth to the agencies, with the singular goal of better serving our members.

After over a year of in-depth analysis of such a merger, the Board of Directors for both pools directed the merger of the organizations, effective 07/01/21, creating a new pool, CIRA. To proceed, the individual members must adopt the CIRA Joint Powers Agreement and Bylaws.

While the intent of the merger is to merge the liability, workers' compensation and property programs, there is also an interest in having the self-insured health plan remain under the care, custody and control of REMIF, at least for the time being. This necessitated changes to the underlying REMIF Joint Powers Agreement and Bylaws. Those changes are provided for in the attached amended

REMIF Joint Powers Agreement and Bylaws.