

**MOORPARK CITY COUNCIL  
AGENDA REPORT**

**TO:** Honorable City Council

**FROM:** Ron Ahlers, Finance Director 

**DATE:** April 22, 2014 (City Council Meeting of May 7, 2014)

**SUBJECT:** Consider Resolution Authorizing the Payment to California Joint Powers Insurance Authority (CJPIA) for the Liability Insurance Pool and Workers Compensation Pool and Amending Fiscal Year 2013/2014 Budget

**BACKGROUND**

The City of Moorpark is a member of the California Joint Powers Insurance Authority (CJPIA). CJPIA's membership is comprised of cities and special districts within the State of California. CJPIA provides general liability insurance and workers compensation insurance to the City of Moorpark. These two insurance plans use a pooling concept whereby each member's annual premium is calculated based on their individual experience claims affecting the insurance pool. If a member utilizes the pool's money excessively they could "owe" an additional premium to CJPIA. Conversely, if a member does not have many claims then CJPIA "owes" the member (i.e. refund). The calculation of the amount of money owed is termed "aggregate retrospective balance". Currently, all the members owe CJPIA \$47.7 million: \$11.5 million for the workers compensation pool and \$36.2 million for the general liability pool.

Based upon the current calculations for the retrospective adjustment, the City of Moorpark owes CJPIA \$133,272 for general liability and \$102,143 for workers compensation.

**DISCUSSION**

The City of Moorpark owes CJPIA a retrospective deposit of \$235,415 (\$133,272 general liability and \$102,143 workers compensation). This is above and beyond the annual premium for these two insurance pools. Retrospective deposits are cost allocation adjustments to prior coverage periods. Some claims take many years to resolve and over time their estimated values change based on new information as it

develops. Retrospective adjustments are calculated annually, and take into consideration all the changes in claim values that occurred during the most recent fiscal year, 2012-13.

The annual premium for next fiscal year, 2014-15, is \$322,806 for general liability and \$143,067 for workers compensation.

**FISCAL IMPACT**

Staff recommends that the City Council appropriate \$235,415 from the General Fund Reserves for the payment to CJPIA.

**STAFF RECOMMENDATION** (Roll Call Vote)

Adopt Resolution No. 2014-\_\_\_\_\_.

**ATTACHMENT**

Attachment: Resolution No. 2014-\_\_\_\_\_

RESOLUTION NO. 2014 - \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA AUTHORIZING USE OF THE GENERAL FUND (1000) TO PAY THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (CJPIA) GENERAL LIABILITY AND WORKERS COMPENSATION AGGREGATE RETROSPECTIVE BALANCE

WHEREAS, on June 19, 2013 the City Council adopted the Operating and Capital Improvement Budget for Fiscal Year 2013/14; and

WHEREAS, a staff report has been presented to the City Council summarizing CJPIA's retrospective deposit adjustment of \$133,272 for general liability and \$102,143 for workers compensation insurance; and

WHEREAS, a budget appropriation increase of \$235,415 in the General Fund (1000) is requested for the payment of the aggregate retrospective deposit balance; and

WHEREAS, Exhibit "A" hereof describes said budget amendment and its resultant impact to the budget line items.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That a Budget Amendment in the aggregate increase of \$235,415, as more particularly described in Exhibit "A", is hereby approved.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 7<sup>th</sup> day of May, 2014.

\_\_\_\_\_  
Janice S. Parvin, Mayor

ATTEST:

\_\_\_\_\_  
Maureen Benson, City Clerk

Attachment: Exhibit 'A': Budget Appropriation

