

CITY OF OAKLAND
AGENDA REPORT

2011 FEB 24 AM 11:29

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Finance and Management Agency
DATE: March 8, 2011

RE: Report and Resolution Delegating Authority to the City Administrator to Act on Behalf of the City of Oakland in Matters Relating to the California State Association of Counties -- Excess Insurance Authority

SUMMARY

This Report and the accompanying Resolution authorizes the City Administrator to act on behalf of the City of Oakland in matters relating to the California State Association of Counties -- Excess Insurance Authority (CSAC-EIA). The City of Oakland is a member of the CSAC-EIA for the purchasing of various major lines of insurance. CSAC-EIA has determined that it is necessary for each of its members to designate an individual or a position that is authorized to officially act on the member's behalf in matters relating to the member and the CSAC-EIA.

FISCAL IMPACTS

There are no fiscal impacts associated with this report.

BACKGROUND

The City of Oakland's Insurance Program is administered by the Finance and Management Agency -- Risk Management Division (RMD). Presently, RMD manages approximately 23 separate insurance policies, procured for the purpose of protecting City of Oakland assets and resources. The policies are purchased through a combination of insurance brokerage firms and risk-sharing pools. In the typical insurance market, the City can use CSAC-EIA's market leverage and purchasing power to obtain very reasonable pricing on its major lines of insurance. Historically, the Risk Manager has had the authority to make purchasing decisions related to the procurement of insurance policies, due to the time sensitive nature of policy procurement and the complexities of policy application submittal packets. The proposed resolution is not extending new authority or changing the method by which the City has historically operated its Insurance Program.

On October 2, 2002, the City passed Resolution 77439 C.M.S. authorizing the City Administrator (Manager) to execute a Joint Powers Agreement with the California Public Entity Insurance Authority (CPEIA) for City Membership with CPEIA and delegating signing authority to the City Administrator (Manager) for future memorandums of understanding with CPEIA. CPEIA was a sister agency with the CSAC-EIA. In 2006, CPEIA was restructured and merged with CSAC-EIA to become one of the nation's largest member-directed risk sharing pools

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created specifically for counties and public entities to provide risk coverage programs and risk management services. The City of Oakland has actively participated in the CSAC-EIA since 2002, and obtains its major coverage programs for Excess Liability, Excess Workers' Compensation, and Property Insurances through the Authority. In addition, CSAC-EIA provides group purchase insurance programs for the City's other exposures such as aviation, bond/crime, pollution, special events, vendor/contractor liability, and watercraft.

KEY ISSUES AND IMPACTS

The Finance and Management Agency - Risk Management Division administers the City's insurance portfolio. The proposed resolution formalizes the authority historically delegated by the City Administrator to the Risk Manager to administer the City's Insurance Program. The proposed resolution will not change current program operations, but formalizes the authority of the Risk Manager to direct CSAC-EIA regarding insurance strategies and to secure insurance policies for the protection of the City's assets and resources.

SUSTAINABLE OPPORTUNITIES

There are no sustainable economic, environmental, or social equity opportunities associated with this report.


DISABILITY AND SENIOR CITIZEN ACCESS

There are no disability and senior citizen access issues relevant to this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that Council adopt the Resolution authorizing the City Administrator to delegate authority to the Risk Manager to officially act on behalf of the City of Oakland in matters related to the City and the CSAC-EIA.

-Respectfully submitted,

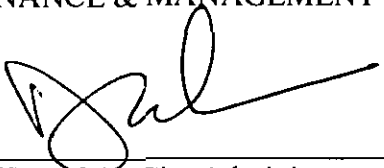


Joseph T. Yew, Jr.
Finance Director/City Treasurer

Prepared by
Deborah Grant, Risk Manager
Risk Management Division

Attachments: Resolution

**APPROVED AND FORWARDED TO THE
FINANCE & MANAGEMENT COMMITTEE:**



Office of the City Administrator

Karen Sule Boyle
City Attorney

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2011 FEB 24 AM 11:30

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

**RESOLUTION DELEGATING AUTHORITY TO THE
CITY ADMINISTRATOR TO ACT ON BEHALF OF THE
CITY OF OAKLAND IN MATTERS RELATING TO THE
CSAC EXCESS INSURANCE AUTHORITY**

WHEREAS, Resolution No. 77439 C.M.S. authorized the City Administrator (Manager) to execute a Joint Powers Agreement with the California Public Entity Insurance Authority (CPEIA) for City membership with CPEIA, and delegates signing authority to the City Administrator (Manager) for a Memorandum of Understanding with CPEIA; and

WHEREAS, CPEIA merged with a sister-agency, the California State Association of Counties -- Excess Insurance Authority (CSAC-EIA) in 2006; and

WHEREAS, the City of Oakland is a member of the CSAC-EIA for the purchasing of various major lines of insurance; and

WHEREAS, the City Administrator had delegated administrative authority to the Risk Manager to act on behalf of the City of Oakland as it relates to CSAC-EIA matters; and

WHEREAS, the CSAC-EIA has determined that each member of the CSAC-EIA must designate a person or position authorized to officially act on the member's behalf in matters relating to the member and CSAC-EIA; and

WHEREAS, except as to those actions that must be approved by the City Council of the City of Oakland, such delegation of authority is necessary to carry out the purposes and functions of the CSAC-EIA with its members; and

WHEREAS, in order to ensure that a person or position is delegated the authority to act on behalf of the City of Oakland in matters relating to the City and the CSAC-EIA, action by the City Council is necessary; now, therefore, be it

RESOLVED, That except as to actions that must be approved by the City Council of the City of Oakland, the City Administrator is hereby appointed to act, or delegate authority to act, in all matters relating to the City of Oakland and CSAC-EIA as set forth herein; and, be it

FURTHER RESOLVED, That the City Council further authorizes the City Administrator to delegate authority to the Risk Manager to officially act on the City of Oakland's behalf in matters related to the City and the CSAC-EIA.

FURTHER RESOLVED, That this resolution shall take effect immediately.

IN COUNCIL, OAKLAND, CALIFORNIA, _____.

PASSED BY THE FOLLOWING VOTE:

AYES – BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN,
NADEL, SCHAAF, AND PRESIDENT REID,

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California