



STAFF REPORT TO THE CITY COUNCIL

DATE: Regular Meeting of April 14, 2026

TO: Mayor and Members of the City Council

VIA: Patrick Tang, Interim City Manager

SUBMITTED BY: Kristi Carter, Human Resources Manager

SUBJECT: Adopt a Resolution Approving the Municipal Pooling Authority Amended and Restated Joint Exercise of Powers Agreement

RECOMMENDED ACTION:

Adopt a resolution approving the Municipal Pooling Authority Amended and Restated Joint Exercise of Powers Agreement for providing Property, Workers' Compensation, Public Liability, and other insurance coverages.

BACKGROUND:

The City of Hercules is a member of the Municipal Pooling Authority ("MPA"), a Joint Exercise of Powers Authority ("JPA"). MPA provides members with administration and self-insured coverage for liability, workers' compensation, vehicle physical damage, and short-term disability, as well as access to participate in 14 additional programs that offer coverage for property, crime, cyber, and employee benefits. MPA was formally approved by the state as of July 1, 1977. Many of its founding members are still members today. Currently, MPA has 21 member municipalities, which are primarily located in Contra Costa County, with a few outlying members in Stanislaus County and San Mateo County.

MPA was formed to mitigate the rising costs of private insurance for liability and workers' compensation. Through the pooling of fiscal resources, member agencies share in the cost of administering and litigating claims, as permitted under the Joint Exercise of Powers Act (Government Code Sections 6500–6536).

By pooling funds, MPA members share in the risk and cost of claims, thereby stabilizing the impact on individual members' costs. The share in the cost of claims is spread among the members. Beyond cost-sharing, participation in MPA allows the City to leverage economies of scale in insurance procurement and administration, providing access to broader coverage and services in a cost-effective manner that would be difficult for the City to achieve independently. For example, this includes property, cybercrime, and

deadly weapons coverage for the members. MPA also provides valuable resources for training and education, including a comprehensive wellness program, ergonomics support, dental and vision plans, life insurance, and online training modules. Risk mitigation support includes mandatory safety training and inspection support to ensure regulatory compliance, as well as mandatory employee certifications.

Participation in a JPA is invaluable in reducing claims exposure and cost. Members also receive dividends for years the reserved funds have exceeded the actual cost for that year. These dividends were instrumental in aiding members through the revenue decline that resulted from COVID-19. MPA has also been able to provide members with grants to address safety needs within their cities.

MPA has a Board of Directors, with each member of the pool holding a position on the Board. The Board collectively determines how claims are administered and what is covered by the pool. As previously approved by City Council action on September 10, 2024, the City designated the position of Human Resources Manager as the primary Board Member and the position of City Clerk as the alternate Board Member to the MPA Board of Directors.

Through the MPA Coverage and Governance Committee, the Board regularly reviews the bylaws and memorandums of coverage for each program annually to determine how coverage will be provided. To be a member of MPA, each member's governing body must agree to the Joint Exercise of Powers Agreement ("JPA Agreement"). The JPA Agreement is the foundational document that outlines MPA's powers and organizational structure. The last version was adopted by the Board of Directors in 2004 and executed in 2005 by its members and has recently undergone an extensive review and revision process.

DISCUSSION:

At the February 27, 2025, meeting, the MPA Coverage and Governance Committee approved updates to the JPA Agreement to ensure it aligns with other MPA governing documents and applicable laws. The MPA Executive Committee approved the recommended amendments with certain revisions on March 26, 2025. The revised recommended amendments were then approved by the MPA Board of Directors on April 10, 2025.

The amendments approved by the MPA Board of Directors were then sent to each member agency for feedback, and additional revisions were made based on that feedback. The final recommended amendments were approved by the MPA Board of Directors on January 13, 2026, and include both substantive updates and non-substantive formatting refinements to improve clarity and consistency:

- **Section 3 (Creation of MPA):** Language revised to clarify that MPA was previously formed and is continued pursuant to current Government Code provisions (title also changed to "Amended and Restated").

- **Section 8 (Powers of MPA):** Additional language added to address CAJPA accreditation recommendation regarding language specifying limitation of powers.
- **Section 17 (Member Responsibilities):** Minor re-wording to better define a Member's duty to provide requested information and support investigations.
- **Section 23 (Effect of Withdrawal or Expulsion):** Clarified language confirming that withdrawal or expulsion does not relieve a Member from obligations under MPA's governing documents.
- **General Formatting and Language Consistency:** Several non-substantive edits were made throughout the document to correct formatting issues that arose during the conversion of the original PDF into an editable format. These changes improve internal consistency and readability without altering meaning.

The Amended and Restated JPA Agreement (Exhibit A to Attachment 1) must be approved by each member agency by resolution of its governing body and executed by its designated representative. The item is presented for City Council consideration and adoption.

FISCAL IMPACT:

There is no fiscal impact associated with approving the MPA Amended and Restated JPA Agreement.

ATTACHMENTS:

1. Resolution
Exhibit A: MPA Amended and Restated JPA Agreement
2. MPA Amended and Restated JPA Agreement (Redlined)
3. Presentation