

**BEFORE THE BOARD OF TRUSTEES OF PERALTA COMMUNITY COLLEGE
DISTRICT**

RESOLUTION NO. 22/23-82

**RESOLUTION TERMINATING DISTRICT PARTICIPATION
IN TRUSTMARK ANTHEM AND KAISER AND
AUTHORIZING PARTICIPATION IN
SELF-INSURED SCHOOLS OF CALIFORNIA III (SISC III) AND
RETIREE FIRST/LABOR FIRST**

WHEREAS, this Board of Trustees is authorized by California Government Code Sections 53200 et seq. to provide health and welfare benefits for the benefit of its officers, employees, retired employees, and retired members of this Board of Trustees; and

WHEREAS, this Board of Trustees is authorized by California Government Code Chapter 5, Division 7, Sections 6500 et seq. to enter into agreements with one or more public agencies for the purpose of jointly exercising any power common to this District and said public agency or public agencies; and

WHEREAS, this Board of Trustees has determined that it is in this District's best interest to combine with other public education agencies for the purpose of procuring health and welfare benefits insurance;

NOW. THEREFORE BE IT RESOLVED by this Board of Trustees as follows:

1. That, effective December 31, 2022, the District hereby terminates its contracts for health insurance with Trustmark Anthem and Kaiser for provision of health insurance to District officers, employees, retired employees, and retired members of this Board of Trustees.
2. That the Chancellor of this District is hereby authorized to execute, on behalf of this Board, the SISC III Joint Powers Agreement dated October 1, 1979, for the purpose of establishing insurance programs for its officers, employees, retired employees, and retired members of this Board of Trustees effective January 1, 2023.
3. That the Chancellor of this District is hereby authorized to execute its contract with Retiree First/Labor First for retiree health care and Medicare Benefit Support effective January 1, 2023
4. That this Board of Trustees hereby agrees to abide by the terms and conditions of said Joint Powers Agreement and SISC III Bylaws, copies of which shall be attached to this resolution and filed herewith as a public record of this District, and this Board of Trustees further agrees to abide by all reasonable and necessary decisions duly and properly made on its behalf by the SISC III Board of Directors in the course of the administration of the joint powers agreement.

Adopted during the regular meeting of the Peralta Community College District at Oakland, California
this 27th day of September, 2022.

Signed _____
President, Board of Trustees

Attest _____
Chancellor, Secretary

**JOINT EXERCISE OF POWERS AGREEMENT
FOR THE OPERATION OF
A COMMON RISK MANAGEMENT AND INSURANCE PROGRAM**

SISC III

**SELF-INSURED SCHOOLS OF CALIFORNIA
MEDICAL, DENTAL AND VISION SYSTEM**

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**JOINT EXERCISE OF POWERS AGREEMENT
FOR THE OPERATION OF
A COMMON RISK MANAGEMENT AND INSURANCE PROGRAM**

SISC-III (SELF-INSURED SCHOOLS OF CALIFORNIA)

MEDICAL, DENTAL AND VISION SYSTEM

THIS AGREEMENT dated for convenience as of October 1, 1979, by and among various school districts recorded by name per addenda attached to and made a part of this Agreement.

W I T N E S S E T H:

WHEREAS, Sections 53200, et seq., of the California Government Code permit a school district to provide group medical, dental and vision coverage for district employees; and

WHEREAS, Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the California Government Code permits two or more public agencies to jointly exercise any power common to the contracting parties; and

WHEREAS, any two or more school districts may enter into an agreement pursuant to Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the California Government Code to provide such coverage; and

WHEREAS, each of the parties hereto desires to join together with each of the other parties for the purpose of providing a medical, dental and vision plan for district employees including board members; and

WHEREAS, it appears economically practical for the parties hereto to do so; and

WHEREAS, it is the desire of the signatories hereto to study and possibly incorporate other forms of risk management into a self-funded program such as that described herein;

NOW THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements herein contained, the parties hereto agree as follows:

SECTION 1. PURPOSE AND DEFINITION. This Agreement is made pursuant to the provisions of Chapter 5, Division 7, Title 1 (commencing with Section 6500) of the California Government Code between the public agencies, recorded per addenda to this Agreement. Each of such public agencies possesses the powers referred to in the above recitals. The purpose of this Agreement is to exercise such powers jointly by acquiring a single policy or policies of insurance (or service contracts) for medical, dental or vision benefits and providing for the establishment and maintenance of funds for the purpose of paying the costs of such a program. It is also the purpose of this Agreement to provide for the inclusion at a subsequent date of such additional school districts as may desire to become parties to the Agreement, and, to the extent permitted by law, to provide for the purchase at a subsequent date of such additional forms of insurance (or service contracts) as may appear practical to the parties.

Unless the context otherwise requires, the terms used herein shall have the following meanings:

Agency - shall mean the SISC III (Self-Insured Schools of California) Medical, Dental and Vision System created by this Agreement.

Board - shall mean the governing board of the Agency.

Service Company - shall mean the party engaged to assist the Board in management of the funds and insurance program, and may be, but need not be, the same party as the Claims Adjuster.

Claims Adjuster - shall mean the claims adjuster engaged by the Board for the purpose of determining losses and payments with respect to each plan of benefits provided by the Agency.

District - shall mean singularly one of the school districts or agencies which is a party to this Agreement, and plurally two or more of the school districts or agencies which are party to this Agreement.

Operating Fund - shall mean the fund established by the Agency for the purpose of paying insurance premiums and administrative and other costs.

Insurance Policy - shall mean a policy or policies of insurance purchased by the Agency covering risks of the districts. The term may also include service contracts.

Law - shall mean Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6500).

SECTION 2. CREATION OF AGENCY. Pursuant to Section 6500 of the Government Code, there is hereby created a public entity, separate and apart from the parties hereto, to be known as SISC-III (Self-Insured Schools of California) Medical, Dental and Vision Agency. The debts, liabilities and obligations of Agency do not constitute debts, liabilities or obligations of any party to this Agreement.

SECTION 3. TERM. This Agreement shall become effective as of October 1, 1979, and shall continue until terminated as hereinafter provided.

SECTION 4. GOVERNING BOARD. The Agency shall be under the direction and control and shall be governed by a governing board which shall hereafter be referred to as the "Board." No one serving on the Board shall receive any salary or compensation from the Agency. The Board shall consist of a minimum of thirteen (13) members elected as prescribed in the Bylaws.

SECTION 5. BYLAWS. The Board shall establish such Bylaws, rules and regulations, not inconsistent with applicable law or with the Agreement, as may be necessary for its operation, the conduct of business, and the operation of the Agency. Bylaws may be amended by the Board as necessary.

SECTION 6. MEETINGS OF THE BOARD.

1. **Regular Meetings.** The Board shall provide for its regular, adjourned regular and special meetings; provided, however, that it shall call at least one regular meeting in each month. The dates upon which and the hour and place at which any regular meeting shall be held shall be fixed by resolution, and a copy of such resolution shall be filed with each district. The place of the regular meetings shall be such public building or other place as may be designated by the Board.
2. **Ralph M. Brown Act.** The Board shall adopt rules for conducting its meetings and other business. All meetings of the Board, including without limitation regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code).

3. **Minutes.** The Secretary/Treasurer of the Board shall cause minutes of regular, adjourned regular and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board.
4. **Quorum.** A majority of the members of the Board shall constitute a quorum for the transaction of business.

SECTION 7. POWERS AND DUTIES OF BOARD. The Board shall have the authority and the duty to exercise the powers of the Agency as set forth above. In addition, the Board is specifically empowered to:

- (a) Designate an administrative agent or provide for the management and administration of the Agency including the power to employ and/or terminate a management firm for such purpose, or to employ staff for such purpose.
- (b) Determine annual contribution rates and the method by which such contributions will be paid to the Fund created pursuant to this Agreement.
- (c) Provide for additional assessment during the year, if necessary, to allow for increased cost due to changes in the law or excessive claims costs.
- (d) Determine whether and by what method new or returning members shall be allowed in to the program consistent with the terms of this Agreement.
- (e) Appoint and dissolve working committees from its active membership or by contracting for such services, consistent with the terms of this Agreement.
- (f) Insure that a complete and accurate system of accounting of the Fund is maintained at all times.
- (g) Determine the manner in which health benefits claims shall be processed.
- (h) Maintain or cause to be maintained accurate case records for all claims paid. Loss reports shall be forwarded to member districts on at least an annual basis.
- (i) Enter into contracts consistent with the terms of this Agreement.
- (j) Receive, accept, expend and disburse funds for purposes consistent with the terms of this Agreement.
- (k) Make appropriate periodic reports to the membership on the status of the Agency and its program.
- (l) Develop, or cause to be developed, and adopt an annual budget for the Agency.
- (m) Perform any and all other functions necessary to accomplish the purposes of this Agreement.
- (n) The Agency shall have the power to invest or cause to be invested in compliance with Sections 6509.5 and 6505.5 of the California Government Code, such reserves as are not necessary for the immediate operation of the Claims Fund in such securities as allowed by Section 53601 of the California Government Code.

- (o) Issue bonds, notes, or other forms of indebtedness.

The level of cash to be retained in the Operating and Claims Fund shall be determined by the Governing Board.

SECTION 8. OFFICERS. The Board shall have as its Chairman the Kern County Superintendent of Schools or his designee unless another Chairman is elected by a majority vote of the total membership of the Board. The Board shall elect a Vice President, Secretary/Treasurer to serve as officers of the Governing Board for terms of two (2) years, or until their successors are elected. The Board shall fill vacancies for unexpired terms by election. In the event that the President, Vice President or Secretary/Treasurer so elected ceases to be a member, the resulting vacancy shall be filled at the next regular meeting of the Board held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his absence the Vice President, shall preside at and conduct all meetings of the Board pursuant to Government Code Section 6505.5. The officer performing the functions of auditor shall be the Kern County Superintendent of Schools in his capacity as administrative agent.

The Board shall have the power to appoint such other officers and employees as it may deem necessary, and may contract with such consultants or other professional persons or firms as may be necessary to carry out the purpose of this Agreement.

SECTION 9. ADMINISTRATIVE AGENT. The Board may designate an administrative agent ("Agent") for the Agency. The Agent shall be the Kern County Superintendent of Schools Office, and that a designation shall continue until terminated. Termination of the administrative agent agreement requires at least six months notice by the Board or the Administrative Agent. The Agent shall serve under the direction of the Board of Directors. To the extent authorized by law and in the manner provided by the Bylaws of the Board, the Agent shall act on behalf of the Board and its officers and shall conduct the day-to-day business of the Agency including the employment of personnel and the auditor functions described in Government Code 6505.5. The Board may request the opportunity to consult with the Agent in the selection of the Director of Insurance Services.

SECTION 10. ACCOUNTS AND RECORDS. The Board shall direct the Agent to establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution of Agency. Books and records of Agency shall be open to inspection at all reasonable times by representatives of the member districts. The Agent, within 120 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to each of the member districts.

The Board shall contract with a Certified Public Accountant to make an annual audit of the accounts and records of Agency. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of an account and records is made by a Certified Public Accountant, a report thereof shall be filed as public record with each of the parties hereto, and also with the County auditor of the County of Kern. Such report shall be filed within six months of the end of the fiscal year under examination.

Any cost of the audit, including contracts with, or employment of, Certified Public Accountants, in making an audit pursuant to this section, shall be borne by Agency and shall be a charge against any unencumbered funds of Agency available for that purpose.

SECTION 11. FISCAL YEAR. For the purpose of this Agreement, the term "fiscal year" shall mean the period from the first day of October of each year to and including the 30th day of September the following year.

SECTION 12. FUNDS. Agency shall establish funds for the purpose of paying the cost of any self-insured portion of plan coverage. The self-insured funds shall be deposited with the Agent and invested and reinvested by the Agent. Warrants thereon shall be drawn by the Agent, but only upon resolution of the Board.

Agency shall also establish an operating fund to be deposited in the county treasury. The operating fund shall be for the purpose of paying insurance premiums, broker's fees, adjusting fees, consultant or legal fees, and such other items as are appropriate. Warrants thereon shall be drawn upon the direction of the Board. The Board may establish such funds as may be appropriate.

SECTION 13. LIABILITY OF BOARD MEMBERS, MEMBER ENTITIES AND ADMINISTRATIVE AGENT.

(a) The tort liability of the Agency, all members of the Board and the Executive Committee, and all officers and employees of the Agency, shall be controlled by the provisions of Division 3.6 of Title I of the California Government Code. Within the Agency itself, however, each member shall be liable only for its pro rata share based on all premiums paid, of all debts and liabilities of the agency and its prorata share of all debts and liabilities for health benefits claims against members arising out of facts occurring while a member of the Agency. To achieve this purpose, each member hereby

agrees to indemnify and hold harmless the other members for any loss, cost or expense that may be imposed upon such member in excess of such pro rata liability. The rules for interpreting indemnity agreements as set forth in Section 2778 of the California Civil Code are hereby incorporated herein.

- (b) Any and all debts, liabilities and obligations incurred by or imposed upon the Agency shall be the debts, liabilities, and obligations solely of the Agency and no debt, liability or obligation shall thereby be imposed on any party hereto or the collective parties hereto.
- (c) The Agency shall insure itself and the parties hereto from loss, liability, and claims arising out of or in any way connected with this Agreement.
- (d) All members agree that the sole liability of the Administrative Agent shall be for acts that office performs as provided in Section 9 of this Agreement.

SECTION 14. TERMINATION AND WITHDRAWAL. This Agreement may be terminated entirely upon the consent of all the parties hereto. Any party having completed three years may withdraw as a party to the Agreement on October 1 of any year, provided, however, that such withdrawing party gives written notice of intention to withdraw to the Board of Trustees of Agency not any later than August 15, next preceding the withdrawal date.

Upon complete termination of this Agreement by all parties, all assets or liabilities of Agency shall be divided among the parties to this Agreement in a ratio equal to the credibility of the parties to the Agency based on the experience of each party. The Board will have the authority to determine the formula to implement the disposition of assets or liabilities.

Upon withdrawal of any party pursuant to this Agreement, that party shall be entitled to its pro rata share of the total existing fund or funds as it exists at the end of the fiscal year. However, the Agency shall deduct therefrom a sufficient amount to offset any loss to the Agency occasioned by the withdrawal of the party, including any amount by which administrative costs and claims incurred on behalf of the withdrawing party's covered employees exceed the total of premiums and assessment paid by the withdrawing party during its membership in the Agency. If the amount deducted exceeds the pro rata share of existing funds, the withdrawing party shall pay to the Agency the difference not later than 90 days after the effective date of withdrawal.

In the event that a party agrees with one or more (but not all) of its employee units covered by insurance

provided through this Agency to discontinue that coverage, the Board may assess against the party a sum which shall not exceed the amount by which all claims and administrative costs incurred on behalf of the employees in the separate unit exceed (as of the effective date of discontinuance) all premiums paid to the Agency on their behalf. The Board shall have sole discretion to determine whether to assess such an amount, the amount to be assessed and the date by which the assessment shall be paid.

SECTION 15. NOTICES. Notices hereunder shall be sufficient if delivered to the last known business address of each of the member districts as recorded per addenda to this Agreement, or if any subsequent notice of change of address provided by such member. Notices to the Agency shall be delivered to the address of the chairman of the Board, which address shall be provided to all parties as changes are made.

SECTION 16. SEVERABILITY. Should any portion, term, condition or provision of this Agreement be determined by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, or provisions shall not be affected thereby.

SECTION 17. MISCELLANEOUS. The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement is made in the State of California under the Constitution and laws of such state and is to be so construed.

SECTION 18. ADDITIONAL PARTIES. Any other school district within the State of California may become a party to this Agreement upon approval of Agency and execution of an addendum between such district and Agency, the terms of which addendum shall incorporate all the terms of this Agreement. Such additional parties shall forthwith pay to Agency its current contribution as determined by the Board. Thereafter, such additional party shall be considered a party to this Agreement and all subsequent amendments to this Agreement to the same extent as all of the original parties.

SECTION 19. AMENDMENTS. This Agreement may be amended by written agreement signed by all parties to this Agreement; provided that if two-thirds (2/3) of the parties to this Agreement agree in writing to an amendment, the other parties must also agree to said amendment or they may be involuntarily terminated as parties to this Agreement as provided by the Bylaws.

SECTION 20. INSURANCE POLICIES. Agency shall purchase policies of insurance (or service contracts) with districts' employees or dependents as named insured and covering the losses of such insured that are included in the Agency to provide such coverage.

The insurance policy or policies covering medical, dental and vision costs shall provide such coverage as is afforded by the policy. Each policy or contract may provide for deductible and co-insurance amounts.

SECTION 21. MEMBER DISTRICT'S RIGHT TO ESTABLISH SEPARATE BENEFIT PACKAGE.

Nothing in this Agreement shall be construed to in any manner preclude a member district from establishing a separate benefit package placed with the Agency.

SECTION 22. EFFECT ON BARGAINING AGREEMENTS. Nothing in this Agreement shall be construed to alter or modify provisions in member district collective bargaining agreements.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth hereinbelow.

Dated:

_____ SCHOOL DISTRICT

BY: _____

Accepted on behalf of SISC III

ENDORSEMENT

This endorsement, effective 12.01 a.m., _____, 20____, forms a part of the Joint Exercise of Powers Agreement between Self Insured Schools of California and _____ School District.

It is hereby understood and agreed that **SECTION 3. TERM** is amended to read:

This agreement has an effective date of 12.01 a.m. on July 1, 1978 or other date applicable to any revision as to the districts and agencies that were member entities on that date, and an effective date of 12:01 a.m. on _____, 20____ for the member named below.

Dated:

_____ School District

By: _____

Accepted on Behalf of SISC III
