



1 II

2 Redwood Empire Workers Compensation  
3 Fund Established

4 There is hereby constituted an entity separate and apart  
5 from the agencies party to this agreement to be designated: Red-  
6 Wood Empire Workers Compensation Fund hereafter known as "Fund".

7 III

8 Duties, Power and Responsibilities of Fund

9 The Fund shall be responsible for the receipt, processing,  
10 review and payment of all claims filed under the Worker's Compen-  
11 sation law of the State of California by employees of the agencies  
12 party hereto. The Fund may also contract with other public agencies  
13 to provide similar services to those agencies. The Fund shall re-  
14 ceive and collect, invest and disburse monies paid as premiums by  
15 member agencies. The Fund is empowered to take all actions neces-  
16 sary to carry out the purposes of this agreement. The Fund may  
17 hire or contract with persons or firms as required to carry out  
18 its legal accounting and administrative duties and responsibili-  
19 ties. The Fund may authorize payments to claimants who are deter-  
20 mined to have valid workers compensation claims.

21 The Fund may establish revolving funds as necessary from  
22 which the Administration may pay claims.

23 The Fund shall be empowered to determine contribution rates  
24 annually by March 1st and the method by which contributions will  
25 be paid to the Fund. The Board shall select and direct the admin-  
26 istrator of the Fund. The Board shall review the feasibility of  
27 continuance of the program annually, but not later than April 1st.

28 The Board shall insure that a complete and accurate system  
29 of accounting of the Fund shall be maintained at all times con-  
30 sistent with established accounting procedures. The Fund will  
31

1 file annually with participating agencies a complete statement of  
2 income and expenditures made during the prior fiscal year. The  
3 Fund shall inform participating agencies of the projected premiums  
4 for the following fiscal year and shall do so no later than April  
5 1st so that agencies can exercise their option as provided by  
6 Section 12 below to terminate their participation in the Fund and  
7 in this Joint Powers Agreement.

8 IV

9 Board of Directors Established

10 Responsibility for the control, direction and administra-  
11 tion of the Fund shall be vested in the Board of Directors herein-  
12 after called "Board" which shall consist initially of seven (7)  
13 members. The Board at no time shall exceed 7 members. The member-  
14 ship of the Board shall at all times be equal to the number of  
15 agencies becoming and remaining a party hereto. Within 14 days  
16 after the execution of this agreement, the City Council of each  
17 agency party hereto shall appoint one representative who shall be  
18 its member on the Board. The member shall serve and be subject to  
19 removal and replacement at the pleasure of the appointing public  
20 agency. In any event all terms of members shall expire on June  
21 30th each year.

22 The City Clerk of each agency party hereto shall file with  
23 the Fund a certified copy of the Resolution of the contracting  
24 agency appointing its member.

25 V

26 Board Meetings

27 The Board shall fix the time and place for its meetings  
28 and shall hold at least one annual meeting. Special meetings may  
29 be called from time to time by the Chairperson, or upon written  
30 request therefor by at least one-third of the members. A special  
31 meeting may be called by the Chairperson or upon written demand

1 by one-third of the members of the Board by delivering personally  
2 or by mail written notice to each Board member. Such notice must  
3 be delivered personally or mailed at least forty-eight (48) hours  
4 before the time of such meeting. The call and notice shall speci-  
5 fy the time and place of the meeting and the business to be trans-  
6 acted. Business other than as specified in said notice may be  
7 considered at such special meeting only upon consent of a quorum  
8 of those members present.

9 All meetings of the Board shall be open to the public. The  
10 Board shall cause its Secretary to keep full and complete minutes  
11 of all meetings which shall be public documents and available for  
12 inspection at the office of the Secretary at all times.

13 Each member shall receive such compensation for his services  
14 as shall be determined and paid by the contracting agency appoint-  
15 ing him. The Fund shall not compensate any Board member.

16 No business may be transacted without the quorum of the  
17 members of the Board being present. A quorum shall consist of 4  
18 or more members. If a quorum but less than 6 members are present  
19 four (4) votes shall be required to either affirm or reject any  
20 action. In the absence of sufficient votes to act on any matter  
21 it shall be deemed tabled. The Board shall adopt appropriate  
22 rules, not inconsistent herewith, for the orderly transaction of  
23 its business.

## 24 VI

### 25 Board Officers and Employees

26 The Board shall elect one of its members as Chairperson  
27 and one as Vice Chairperson. The Chairperson shall preside at  
28 meetings and in his absence the Vice Chairperson shall preside.  
29 The term of office of the Chairperson shall be as is determined  
30 by the Board from time to time.

31 The Board shall appoint a Secretary who shall be respon-

1 sible for the preparation of minutes and custody of the records  
2 of the Fund.

3 The Board shall appoint a Treasurer, who shall be, until  
4 otherwise determined by the Board, the person who shall from time  
5 to time, be acting as the Treasurer of the City of Healdsburg,  
6 The Treasurer shall also perform the functions of auditor and con-  
7 troller and shall have the duties specified in Section 6505.5 of  
8 the Government Code. The Treasurer shall furnish a corporate  
9 surety bond in a minimum amount of \$100,000 conditioned upon the  
10 faithful performance of the duties herein prescribed. The amount  
11 of bond shall be determined from time to time by the Board. Any  
12 premiums for such bond shall be a proper charge against the Fund.

#### 13 VII

##### 14 Investment of Funds

15 It is the intent of this section that insofar as is consis-  
16 tent with the best investment return the Treasurer shall invest  
17 surplus cash geographically by County in proportion to agency  
18 participation in the Fund. The Treasurer shall invest surplus  
19 cash in any evidence of indebtedness in which cities may normally  
20 invest surplus funds.

#### 21 VIII

##### 22 Term of Agreement

23 The agreement shall be effective upon the execution hereof  
24 by the parties as attested by the signatures and dates of execu-  
25 tion hereof and shall continue in effect until terminated as pro-  
26 vided herein.

#### 27 IX

##### 28 Initial Deposit of Premium

29 The Fund shall be established initially by the deposit of  
30 a sum of money by each agency party hereto determined in accord-  
31 ance with the following chart:

TABLE A

	<u>Annual Amount</u>	<u>Percent</u>
Cloverdale	\$ 32,319	10%
Cotati	11,152	3%
Healdsburg	48,324	15%
Rohnert Park	55,235	17%
Sebastopol	35,035	11%
Sonoma City	32,067	10%
Ukiah	<u>111,022</u>	<u>34%</u>
	\$ 325,154	100%

25% of the premiums so determined shall be initially deposited with the Treasurer within 14 days of the effective date of this Agreement by each participating agency. The determination of actual premium due in the first fiscal year shall be made by the Board and shall be based on audited payroll figures for the fiscal year ending June 30, 1977. Thereafter, quarterly payments equal to 25% of the premium determined by the Board shall be due on July 1, October 1, January 1, and April 1 each year. Following the close of the fiscal year additional premium may be required or premium credit given based on actual audited payroll figures of each agency. The Treasurer will open an initial account for the temporary custody of these funds in the Bank of America, Healdsburg branch on behalf of the Fund. Within 120 days, however, the Treasurer shall comply with the investment policy in Section VII of this Agreement.

X

Liability of Agencies

Participants in the fund shall be protected from catastrophic losses by excess insurance of at least \$5,000,000 and from losses in excess of \$100,000 per occurrence. The Board shall have no power or authority to incur any obligation on the part of or chargeable to participating agencies in excess of the requirements for contribution to the Fund as specified herein. Nor shall any participating agency be obligated in any manner to contribute

1 money to the Fund in excess of the respective contribution as  
2 set forth herein.

### 3 XI

#### 4 Extension of Agreement

5 The provisions of this agreement may be extended to incor-  
6 porate "pooling" of other forms of insurance, including fire in-  
7 surance and liability insurance, under such conditions as are  
8 stated in an appropriate addendum to this agreement, provided  
9 each agency participating herein consents in writing to such in-  
10 creased or additional purpose and power.

### 11 XII

#### 12 Termination

13 a) Any City desiring to enter or leave the Fund shall so  
14 indicate by official City Council action to the Board of Directors  
15 of the Fund by May 1st of the preceding fiscal year. If said  
16 notice is given, that City's participation in the Fund shall  
17 terminate at the end of the fiscal year in which notice is given.  
18 Provided however, that for the purpose of determining a proper  
19 distribution of assets to a terminating member, no distribution  
20 shall be made until all outstanding claims by employees of the  
21 withdrawing City are settled and obligations to claimants met.

22 In the event additional funds are required for this purpose  
23 the Board may declare and collect the premiums necessary from the  
24 terminating agency. After all obligations to claimants are met  
25 and the Board determines that a refund of premium is properly due  
26 to a terminated agency, the Board may determine and make such re-  
27 fund.

28 b) In the event a majority of the agencies participating  
29 desire to terminate this agreement and notice is given as provided  
30 in (a) above, this agreement shall terminate at the end of the  
31 fiscal year during which such notice is given. Provided, however,

1 that the Fund will continue to exist until all outstanding claims  
2 are settled and obligations to claimants met. In the event addi-  
3 tional funds are required for this purpose the Board may declare  
4 and collect the premiums necessary.

5 In the event surplus funds exist after all obligations of  
6 the Fund are met, the assets shall be distributed on an equitable  
7 basis as the Board may determine. In the event the Board is un-  
8 able to reach agreement on distribution of assets, a petition re-  
9 questing resolution of the dispute shall be filed by the Board  
10 with the Sonoma County Superior Court.

### 11 XIII

#### 12 Reports

13 The Board shall prepare or cause to be prepared an annual  
14 report which shall be a certified audit of all receipts and dis-  
15 bursements from the previous year, together with an inventory of  
16 all material owned by the Fund within 90 days of the close of the  
17 fiscal year. A copy of this report shall be delivered to each of  
18 the contracting public agencies having a member on the Board.

### 19 XIV

#### 20 Payment of Demands

21 Demands against the Fund shall be approved by a majority  
22 vote of the Board. The Treasurer and Controller shall make dis-  
23 bursements only upon receipt of written direction signed by the  
24 Chairperson of the Board indicating that the Board has approved  
25 such payment.

### 26 XV

#### 27 Filing with Secretary of State

28 The Secretary of the Board shall file a copy of this agree-  
29 ment with the office of the California Secretary of State within  
30 30 days of its execution as required by Government Code Section  
31 6503.5.



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XVI

Amendment

This Agreement may be amended from time to time with the consent of each of the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this agreement by their officers.

Dated: May 26, 1976

City of Cloverdale

By *[Signature]*

City of Cotati

By *W. E. Cavalli*

City of Healdsburg

By *Jon Eddings*

City of Rohnert Park

By *M. M. S. Flores*

City of Sebastopol

By *M. A. Shaw*

City of Sonoma

By *[Signature]*  
*m. k. d.*

City of Ukiah

By *[Signature]*

