



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 04/07/2026

ITEM NO: 12

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DATE: March 20, 2026  
TO: Mayor and Town Council  
FROM: Chris Constantin, Town Manager  
SUBJECT: **Adopt Resolutions to Join the California Joint Powers Insurance Authority (CJPIA), Participate in Its Liability Protection Program, Delegate Claims Handling Authority, Authorize Administrative Implementation, and Appoint the Mayor as Voting Delegate and the Town Manager and Town Attorney as Alternates**

**RECOMMENDATION:** Adopt the following actions to implement the Town's transition from the Pooled Liability Assurance Network Joint Powers Authority to the California Joint Powers Insurance Authority (CJPIA), effective July 1, 2026:

- a. Adopt a resolution approving execution of the Joint Powers Agreement creating the CJPIA.
- b. Adopt a resolution authorizing and approving pooling of self-insurance through the Liability Protection Program of the CJPIA effective, July 1, 2026.
- c. Adopt a resolution delegating tort liability claims handling responsibilities to the California Joint Powers Insurance Authority pursuant to Government Code sections 910 et seq.
- d. Adopt a resolution authorizing the Town Manager, or the Town Manager's designee, to execute and administer activities and obligations related to the Town's membership in and participation with the California Joint Powers Insurance Authority.
- e. Appoint the Mayor to serve as the Town's Director to the CJPIA Board of Directors and appoint the Town Manager and Town Attorney as Alternate Directors.
- f. Authorize completion and submission of the 2026 Annual Board of Directors Meeting Voting Delegate and Alternate Form and any related membership and program participation documents.

**PREPARED BY:** Chris Constantin  
Town Manager

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Reviewed by: Town Manager, Assistant Town Manager, and Town Attorney

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FISCAL IMPACT:

Approval of this item authorizes the transition of insurance coverage to CJPIA beginning in FY 2026-27, with an estimated cost of \$1,416,500. By comparison, the FY 2025-26 adopted operating budget includes \$1,675,965 for liability and property insurance under PlanJPA. Transitioning to CJPIA will result in estimated savings of \$259,465, primarily due to lower property insurance premiums and a reduction in self-insured retention.

Although future premiums may vary based on claims history and insurance authority negotiations, these changes are expected to result in ongoing annual savings of approximately \$250,000, which will be incorporated into the development of the FY 2026-27 budget.

STRATEGIC PRIORITY:

This action supports prudent financial management because it implements a previously approved transition intended to improve coverage for key risk exposures, reduce volatility associated with retained liability risk, and reduce risk management costs. The December 2, 2025, report tied this evaluation to the Town's strategic priority of prudent financial management.

BACKGROUND:

Since December 2017, the Town of Los Gatos has obtained key insurance and risk management services through the Pooled Liability Assurance Network Joint Powers Authority, also known as PLAN JPA. PLAN JPA is a public agency risk pool that provides member agencies with protection and services for major areas of municipal risk, including general liability, property, cyber, crime, and pollution coverage. In practical terms, PLAN JPA has helped the Town manage the financial risk of lawsuits, property losses, and other significant claims by pooling those risks with other public agencies and providing related claims administration and risk management support.

PLAN JPA was created when former Association of Bay Area Governments (ABAG) PLAN member agencies separated from ABAG and formed an independent joint powers authority to take over the prior program's assets, liabilities, and obligations. Since that time, the Town has participated in PLAN JPA as part of its overall insurance and risk management program and has been pleased and satisfied with the service.

As part of its review of the Town's insurance and risk management needs, staff conducted an internal evaluation of the Town's existing PLAN JPA coverages, costs, and overall level of protection. That review included comparing the Town's current program to alternatives available through two other agencies, including the California Joint Powers Insurance Authority (CJPIA). Based on that analysis, staff determined that CJPIA offered an opportunity for the Town

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to obtain stronger coverage protection in several key areas while also lowering overall costs, as shown in the table below.

Coverage	Current Vendor- The PlanJPA				CJPIA
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	Estimate
Liability Insurance	\$ 629,535	\$ 727,963	\$ 913,348	\$ 1,103,502	\$ 1,254,500
Property Insurance	\$ 145,790	\$ 231,605	\$ 242,373	\$ 252,262	\$ 100,000
Employment Practices Liability	–	–	\$ 103,581	\$ 111,026	Included
Self-Insured Retention Payments	\$ 212,674	\$ 124,525	\$ (9,898)	\$ 200,000	\$ 50,000
Cyber Coverage	Included	Included	Included	Included	Included
Pollution Coverage	Included	Included	Included	Included	\$7,500
Crime Coverage	Included	Included	Included	Included	\$ 4,500
Public Official Bond	\$ 9,111	\$ 9,175	\$ 9,175	\$ 9,175	Included
<b>Total</b>	\$ 997,110	\$ 1,093,268	\$ 1,258,579	\$ 1,675,965	<b>\$ 1,416,500</b>

On December 2, 2025, the Town Council considered that analysis and found that moving from PLAN JPA to CJPIA was in the Town's best interests. Council determined that the transition was expected to improve protection for important Town risk exposures and produce ongoing cost savings while maintaining prudent risk management safeguards. Council therefore authorized Town staff to terminate the Town's membership in PLAN JPA and to move forward with joining CJPIA.

Following that direction, on December 5, 2025, the Town Attorney provided formal notice to PLAN JPA of the Town's intent to terminate membership for general liability, property, cyber, crime, and pollution coverage. At the same time, the Town proceeded with the steps necessary to transition to CJPIA, based on the conclusion that CJPIA appeared to provide a more robust program and more competitive rates.

The December 2, 2025, Council action was the policy decision to make the change. The item before the Council tonight is the next implementation step. CJPIA requires several formal resolutions and related Council actions in order to finalize the Town's membership, authorize participation in its liability protection program, delegate claims handling authority, authorize administrative actions for the risk management program, and establish the Town's voting and governance representatives. If approved, these actions will be the official action joining and transferring to the CJPIA, the Town's insurance and risk management coverages to CJPIA beginning July 1, 2026.

DISCUSSION:

The Town's current insurance and risk management program has been provided through PLAN JPA since 2017. As discussed in the Background section, staff recently reviewed the Town's costs, coverages, and overall risk protection and compared those services to options available through the California Joint Powers Insurance Authority. That review found that CJPIA would provide stronger protection in several important areas, particularly liability coverage, while also reducing overall cost to the Town. Based on that analysis, the Town Council acted on December 2, 2025, to begin the transition from PLAN JPA to CJPIA.

The item before the Council now is the next step in that process. In order for the Town's transition to take effect on July 1, 2026, CJPIA requires several formal actions by the Town Council. These actions are largely administrative and procedural, but they are necessary to complete the Town's membership and authorize participation in CJPIA's programs. First, the Council is being asked to approve the Town's membership in the CJPIA by adopting the resolution in Attachment 1. This action formally approves the Town's participation in CJPIA and authorizes execution of the Joint Powers Agreement that governs the Authority and its member agencies (Attachment 6). Attachment 7 also provides CJPIA's standards of governance, showing their compliance with best practices for pooled insurance providers.

Second, the Council is being asked to authorize the Town's participation in CJPIA's Liability Protection Program through the resolution in Attachment 2. This is one of the most important components of the transition because it places the Town into the liability program that will provide protection for claims and lawsuits beginning July 1, 2026. As described in the prior staff report (Attachment 9), this program is expected to provide higher liability protection while reducing the Town's overall cost exposure.

Third, the Council is being asked to adopt the resolution in Attachment 3, delegating claims handling authority to CJPIA. This allows CJPIA to process tort claims on behalf of the Town under the Government Claims Act. In practical terms, this means the same entity providing the Town's liability coverage will also handle the related claims administration, creating a more efficient and coordinated process.

Fourth, the Council is being asked to adopt the resolution in Attachment 4 authorizing the Town Manager, or designee, to take the administrative steps necessary to carry out the Town's membership and participation in CJPIA and the Town's risk management activities. This includes signing forms, notices, elections, certifications, and other related documents needed to implement and maintain the Town's participation.

Finally, the Council is being asked to appoint the Town's CJPIA voting delegate and alternates. Because CJPIA is a joint powers authority governed by its member agencies, each member agency must designate representatives to act on its behalf in voting and governance matters. This action ensures the Town is properly represented within the Authority once membership

becomes effective. Commonly, participating members appoint the Mayor as the delegate and the Town Manager as an alternate. It is also recommended to add the Town Attorney as a second alternate.

Taken together, these actions will complete the formal steps necessary to move the Town's insurance and risk management program from PLAN JPA to CJPIA. If approved, the transition will take effect on July 1, 2026, and the Town will begin receiving its liability coverage and related risk management services through CJPIA. While there is no resolution for other coverages, the Town will also be participating in similar other coverages it currently possesses, such as property, cyber, crime, and pollution coverage.

This transition is intended to provide the Town with stronger protection for significant risks, more stable long-term insurance arrangements, and lower overall cost, while preserving the public agency pooled risk model the Town has used for many years.

CONCLUSION:

The Town currently receives its insurance and risk management services through PLAN JPA. After reviewing the Town's costs, coverage levels, and overall risk protection, staff determined that moving to the CJPIA would provide stronger protection in key areas and lower overall cost. In December 2025, the Town Council approved that transition and directed staff to take the steps needed to make the change.

The item before the Council tonight completes those steps. By adopting the attached resolutions and making the required appointments, the Council will finalize the Town's membership in CJPIA and authorize the actions needed to begin the transition on July 1, 2026.

Approval of these actions will allow the Town to move its insurance and risk management program to CJPIA and continue those services through a public agency risk pool structure designed to provide coverage, claims administration, and related risk management support.

COORDINATION:

This item was coordinated with the Town Manager's Office and the Town Attorney. Finance staff previously reviewed the financial information during the review of the December 2, 2025, Town Council agenda item.

ENVIRONMENTAL ASSESSMENT:

This action is exempt from the California Environmental Quality Act under CEQA Guidelines section 15061(b)(3), because it can be seen with certainty that approval of the resolutions and related administrative actions to implement the Town's participation in CJPIA will not result in a direct or reasonably foreseeable indirect physical change in the environment. The December 2,

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2025, item addressed the same administrative transition in risk management and insurance arrangements.

Attachments:

1. Draft Resolution Approving Execution of the Joint Powers Agreement Creating the CJPIA
2. Draft Resolution Authorizing Pooling of Self Insurance Through the Liability Protection Program of the CJPIA
3. Draft Resolution Delegating Tort Liability Claims Handling Responsibilities to the CJPIA
4. Draft Resolution Authorizing the Town Manager, or Designee, to Execute and Administer Activities and Obligations Related to CJPIA Membership and Participation
5. California JPIA Bylaws
6. California JPIA Joint Powers Agreement
7. Association of Government Risk Pools (AGRiP) Governance Materials
8. 2026 Annual Board of Directors Meeting Voting Delegate and Alternate Form
9. December 2, 2025, Town Council Staff Report Only Terminating with Plan JPA and joining CJPIA