



“In the State of California a Joint Powers Authority (JPA) is an institution permitted and authorized under law (Section 6500 of the State Government Code), whereby two or more public agencies can operate collectively to jointly exercise a common power. Some JPAs have one or more contracting parties outside the State. Members of JPAs share the cost of services, risk, and administration—usually achieving economies of scale, market power, and increased operational efficiency.”

John E. Chaquica, CPA, MBA, ARM
President, George Hills Company



Optimum Risk Advisers... Exceeding Expectations



*Our clients have challenges to meet,
therefore ORA has a job to do.*

*Our clients have choices,
therefore ORA must be the better choice.*

*Our clients have urgency,
therefore ORA must deliver.*

*Our clients are unique,
therefore ORA must be flexible.*

*Our clients have high expectations,
therefore ORA must excel.*



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Joint Powers Authorities (JPAs)



OPTIMUM
RISK ADVISERS
Define. Develop. Deliver.
A Division of George Hills Company



DEFINING YOUR JPA

Purpose of JPA Formation—Varied

While the joint purpose of forming any JPA is to increase the fiscal and operational efficiency and performance of the entities involved, this distinguishing purpose comes in many forms, dependent on stated shared goals, objectives, and desired outcomes—a few of which are listed below.

- Self Insurance and Risk Management
- Joint Services Delivery—personnel, fire, police, mental health, hospital, transportation, water, sanitation, education, legal, and others for common purpose
- Financing Facilities
- Facility Construction or Operation

Benefits of JPA Formation—Extensive

Ease of Formation & Regulations

It only takes two public agencies to form and create a JPA Agreement. Basic initial and annual reporting is required.

Shared Operational & Administrative Costs

A JPA's operational and administrative costs are shared—not duplicated—by members. Risk is also shared, and the fixed costs of risk are spread.

Flexible/Dynamic/Scalable

Participants select the JPA Board. The Board sets membership criteria, and establishes governing documents and JPA policy.

Managed by Member-Selected Board

The JPA Board of Directors is selected by the JPA's membership. The Board determines the JPA's purpose and structure. It also has the ability to change the JPA's structure to improve the JPA.

DEVELOPING YOUR JPA

Risk of JPA Formation—Minimal

Board of Director Exposure

Individual is protected. The JPA purchases Director & Officer Coverage.

Fiscal Wrongful Acts

JPA purchases fiduciary bonds or requires Contract Administrator to carry adequate insurance.

Political & Reputational

All JPAs are public agencies—and therefore exposed to public scrutiny and investigation.

JPA—Stages Of Growth

FORMATION

Agreement, Purpose, Governance, Bylaws, Policies, Operations

STRATEGY

Values, Vision, Mission, Goals & Objectives

OPERATION

Management, Meetings/Agenda/Logistics, Record Keeping, Flow of Transactions, Website/Marketing

FINANCE

Accounting, Budget, Audit

PROGRAMS

Define, Develop, Deliver

SERVICE PROVIDERS

Establish Supporting Network

STRATEGIC PARTNERS

Establish Supporting Network

DELIVERING YOUR JPA

JPA Governance—Participatory

Board of Directors

The JPA Board of Directors is selected by the participants in the JPA Agreement to execute the joint purpose of the group. Participants in the JPA Agreement determine and establish the following:

- Representation/Officer on the Board
- Sub-Committees, including Executive Committee of the Board
- Governing Documents and Policies
- Membership Criteria
- Management of the JPA
- Board Voting—by member or weighted

JPA Governing Documents—Shared

JPA Agreement

The document is provided to the member governing body for participation.

Bylaws

The documents articulate the significant policies of the JPA. Additional bylaws may be developed for each program.

