

RESOLUTION NO. 1986-6

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF LA JARA, COLORADO, AUTHORIZING THE MAYOR AND THE TOWN CLERK TO ENTER INTO AND EXECUTE AN INTERGOVERNMENTAL AGREEMENT WITH THE COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY

WHEREAS, the Board of Trustees of the Town of La Jara has reviewed a contract to cooperate with other municipalities to participate in a self-insurance pool, a copy of which contract (Bylaws) is attached hereto as Exhibit "A" and incorporated into this Resolution; and

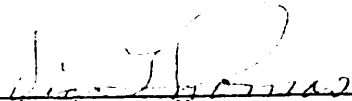
WHEREAS, the Board of Trustees of the Town of La Jara finds that the Town is lawfully authorized to self-insure and to participate in a self-insurance pool as set forth in Exhibit "A", and that such participation would be in the best interest of the Town of La Jara;

NOW, THEREFORE, BE IT RESOLVED THAT:

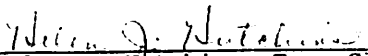
1. The Mayor and Town Clerk are authorized to sign the contract, incorporate it herein and attached hereto as Exhibit "A" on behalf of the Town of La Jara, Colorado.
2. To participate in and insurance coverage under CIRSA shall take effect on the 1st day of October, 1986.

PAST, APPROVED, AND ADOPTED this 1st day of October, 1986.

BOARD OF TRUSTEES OF THE
TOWN OF LA JARA

By: 
Vic Thomas, Mayor

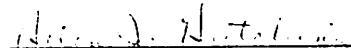
ATTEST:


Helen J. Hutchins, Town Clerk

STATE OF COLORADO)
COUNTY OF CONEJOS) ss.
TOWN OF LA JARA)

I, Helen J. Hutchins, Town Clerk of the Town of La Jara, do hereby certify the foregoing Resolution No. 1986-6 constitutes and full and correct copy of a Resolution adopted by the Board of Trustees of the Town of La Jara at a special meeting thereof, held on Wednesday, the 1st day of October, 1986, at the Town Hall, La Jara, Colorado; that said Resolution has been duly authenticated by the signatures of the presiding officer of the Board of Trustees and myself as Town Clerk of the Town of La Jara, sealed with the corporate seal of the Town, and the Resolution recorded in the Book of Resolutions kept for that purpose in my office.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Town this 3rd day of October, 1986.


Helen J. Hutchins

(SEAL)

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BYLAWS AND INTERGOVERNMENTAL AGREEMENT
COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY

ARTICLE I. Definitions. As used in this agreement, the following terms shall have the meaning hereinafter set out:

- (1) **AGGREGATE STOP LOSS INSURANCE.** Insurance purchased by CIRSA from an insurance company approved by the Insurance Commissioner to underwrite such coverage in Colorado providing certain coverage up to a contracted amount for otherwise uninsured losses to be borne by the joint risk management pool, which in any one year aggregate to a pre-set maximum amount of coverage.
- (2) **BOARD.** Board of Directors of CIRSA.
- (3) **CATASTROPHE EXCESS INSURANCE.** Insurance purchased by CIRSA from an insurance company approved by the Insurance Commissioner of the State of Colorado to underwrite such coverage in Colorado providing certain coverage for losses over a prudent amount up to a pre-set maximum amount of coverage.
- (4) **CIRSA.** The Colorado Intergovernmental Risk Sharing Agency established pursuant to the Constitution and the statutes of this state by this intergovernmental agreement.
- (5) **EXECUTIVE DIRECTOR.** Executive Director of CIRSA.
- (6) **FISCAL YEAR.** January 1 to December 31.
- (7) **JOINT RISK MANAGEMENT POOL.** A fund of public monies established by CIRSA to self-insure certain risks jointly within a defined scope and to purchase catastrophe, excess and/or aggregate stop loss insurance when deemed prudent.
- (8) **JOINT SELF-INSURANCE.** A self-insurance program in which municipalities agree to contribute annual and where required supplementary payments to support a risk management program and a joint risk management pool.
- (9) **MEMBERS.** The municipalities which enter into this intergovernmental agreement.
- (10) **RISK MANAGEMENT.** A program of identification of exposures to accidental loss, reduction or limitation of losses to municipal properties and from injuries to persons or property caused by the operations of municipalities, and prudent funding of these risks. Where claims arise, CIRSA will process such claims, investigate their validity, settle or defend against such claims within the financial limits of the joint risk management pool, tabulate such claims, costs and losses and carry out other assigned duties.
- (11) **SELF-INSURANCE.** The decision by a municipality not to purchase insurance coverage for risks below certain limits; to seek all immunities provided by law for any local government and the officers and employees thereof; to rely upon its financial capabilities to pay any losses which occur for which it is liable; and to purchase some insurance to protect against catastrophic or aggregate losses.

ARTICLE II. Creation of CIRSA. The Colorado Intergovernmental Risk Sharing Agency, a separate and independent governmental and legal entity, is hereby formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, C.R.S. (1982 Repl.Vol.), as amended, 29-1-201 et seq., C.R.S. (1977 Repl.Vol.), as amended, 29-13-102, C.R.S. (1977 Repl.Vol.), as amended, and Colorado Constitution, Article XIV, Section 18(2).

Article III. Purposes. (1) The purposes of CIRSA are to provide a joint risk management pool and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, or their employees or officers.

(2) It is the intent of the members of CIRSA to create an entity in perpetuity which will administer a joint risk management pool and use funds contributed by the members to defend and indemnify, in accordance with these Bylaws, any member of CIRSA against stated liability or loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. These Bylaws shall constitute the substance of the intergovernmental contract among the members.

ARTICLE IV. Non-Waiver of Governmental or Other Immunity. All funds contained within the joint risk management pool are funds plus earned interest derived from its members which are municipalities within the State of Colorado. It is the intent of the members that, by entering into this agreement, they do not waive and are not waiving any immunity provided to the members or their employees by any law.

ARTICLE V. CIRSA Powers and Duties. (1) The powers of CIRSA to perform and accomplish the purposes set forth above shall, within the budgetary limits and procedures set forth in these Bylaws, be the following:

- (a) To employ agents, employees and independent contractors.
- (b) To purchase, sell, encumber and lease real property and to purchase, sell, or lease equipment, machinery, and personal property.
- (c) To invest funds as allowed by Colorado statutes.
- (d) To carry out educational and other programs relating to risk management.
- (e) To create, collect funds for, and administer a joint risk management pool.
- (f) To purchase excess insurance and/or stop loss insurance to supplement the joint risk management pool.
- (g) To establish reasonable and necessary loss reduction and prevention procedures to be followed by the members.
- (h) To provide risk management and claim adjustment or to contract for such services, including the defense and settlement of claims.

(i) To carry out such other activities as are necessarily implied or required to carry out the purposes of CIRSA specified in Article III or the specific powers enumerated in this Article.

(j) To sue and be sued.

(k) To enter into contracts.

(l) To reimburse directors for reasonable and approved expenses, including expenses incurred in attending Board meetings.

(m) To purchase fidelity bonds for all officers, directors, and employees of CIRSA.

ARTICLE VI. Participation. The membership of CIRSA shall be limited to municipalities which are members of the Colorado Municipal League and which properly enter into and adopt this intergovernmental agreement and Bylaws. New members shall be admitted only by a vote of the Board, subject to the payment of such sums and under such conditions as the Board shall in each case or from time-to-time establish. The membership shall be notified in writing of each proposed new member. Ten percent (10%) of the membership may request a membership meeting to consider admission of a new member. The request shall be in writing and must be received at the CIRSA offices no later than fifteen days after mailing of the notice. If such request is timely received, a membership meeting shall be called by the Chairman and the new member shall be admitted only by a two-thirds (2/3) vote of the members present at the meeting. Any member admitted on or after January 1, 1984, unless expelled pursuant to Article XV, shall remain a member of CIRSA for a period of at least one year.

ARTICLE VII. Members' Powers and Meetings. (1) The members at a meeting thereof shall have the power to:

(a) Elect a Board of Directors by vote of the members present at the annual meeting.

(b) Amend the Bylaws by a 2/3 vote of the members present at a meeting, but no amendment shall take effect sooner than sixteen (16) days after adoption of the amendment.

(c) Expel members by a 2/3 vote of the members present at a meeting, and admit members as provided in Article VI.

(d) Remove a director of the Board of Directors by a 2/3 vote of the members present at a meeting.

(2) Meetings of the members shall be held as follows:

(a) Members shall meet at least semi-annually at a time and place to be set by the Board, with notice mailed to each member at least 15 days in advance.

(b) Special meetings may be called by the directors or by a petition of 1/3 of the members. Notice of special meetings shall be mailed to each member at least 15 days in advance.

- (c) The Chairman of the Board of Directors will preside at the meetings.
- (d) Fifteen members shall constitute a quorum to do business.
- (e) No absentee or proxy voting shall be allowed.
- (f) Each member shall be entitled to one vote on each issue.

ARTICLE VIII. Obligation of Members. (1) The obligations of members of CIRSA shall be as follows:

(a) To pay promptly all annual and supplementary contributions or other payments to CIRSA at such times and in such amounts as shall be established by the Board of Directors pursuant to these Bylaws. Any delinquent payments shall be paid with interest which shall be equivalent to the prime interest rate on the date of delinquency of the bank which invests the majority of the CIRSA funds. Payments will be considered delinquent forty-five (45) days following the due date.

(b) To designate a voting representative and alternate for the members' meetings. A members' voting representative must be an employee or officer of the member municipality, but may be changed from time-to-time.

(c) To allow CIRSA and its agents, officers and employees reasonable access to all facilities of the member and all member records, including but not limited to financial records, as required for the administration of CIRSA.

(d) To allow attorneys designated by CIRSA to represent the member in the investigation, settlement and litigation of any claim made against the member within the scope of loss protection furnished by CIRSA.

(e) To cooperate fully with CIRSA's attorneys, claims adjusters and any other agent, employee, or officer of CIRSA in activities relating to the purposes and powers of CIRSA.

(f) To follow the loss reduction and prevention procedures established by CIRSA.

(g) To report to CIRSA as promptly as possible all incidents or occurrences which could reasonably be expected to result in CIRSA being required to consider a claim against the municipality, its agents, officers, or employees, or for casualty losses to municipal property within the scope of coverages undertaken by CIRSA.

(h) To adopt a risk management statement approved by the Board.

(i) To maintain an active safety committee or safety coordinator.

(j) To report to CIRSA as soon as reasonably possible, the addition of new programs and facilities or the significant reduction or expansion of existing programs and facilities or other acts which will cause material changes in the members' accidental loss.

(k) To provide CIRSA periodically, as requested, with information on the value of buildings and contents and other real and personal properties.

(l) To participate in coverage of losses and to pay contributions as established and in the manner set forth by the Board.

(m) To the extent permitted by law, each member shall prevent its officers, employees and attorneys from representing voluntarily any person or entity or providing voluntarily any expert testimony or other assistance to any person or entity in any tort claim made or tort action brought against any other member or against any officer, employee or attorney of another member for action taken as an officer, employee or attorney of such other member. The obligation imposed by this paragraph shall not apply where such claim is made or action is brought by a member itself or by an officer or employee thereof acting in an official capacity.

[NOTE: The motion adopting this amendment to the Bylaws stated that the amendment shall apply only to tort claims initially made or tort actions initially brought after the adoption of the amendment (April 2, 1986).]

ARTICLE IX. Contributions. It is the intention of CIRSA to levy contributions to the members as established by the Board. The Board may increase contributions charged to any member to reflect increased risk resulting from a refusal to participate in or willful violation of safety or loss prevention programs or for other reasons established by the Board. Conversely, the Board may reduce contributions for any member that faithfully participates in loss prevention and safety programs or for other reasons established by the Board.

ARTICLE X. Board of Directors. (1) The Board of Directors will be composed of five (5) directors. Directors will be elected from among the members' representatives. There will be:

- (a) One director from a member under 20,000 population.
- (b) One director from a member of 20,000 to 40,000 population.
- (c) Two directors, each from a different member above 40,000 population.
- (d) One director at large.

(2) Every two years population will be determined by the census figures reported by the U.S. Bureau of Census.

(3) The election of directors will be made by the members at the annual meeting to be scheduled in December of each year.

(4) Terms of the directors will be two-year-staggered terms.

ARTICLE XI. Powers and Duties of the Board of Directors. The Board shall have the following powers and duties:

(1) To elect during the first Board meeting following each annual meeting, a chairman, vice-chairman, secretary/treasurer and other officers as appropriate. Each officer shall serve until his or her successor is elected, but there shall be no limit on the number of terms served by any person.

(2) To admit new members as provided in Article VI and to adopt criteria for new members.

- (3) To establish contributions by the members.
- (4) To establish the types of losses to be covered, limits of liability on any excess insurance policies, and the types of deductions which CIRSA provides.
- (5) To select all service providers necessary for the administration of CIRSA.
- (6) To set the dates, places and provide an agenda for Board and members' meetings.
- (7) To fill vacancies in the Board by majority vote of the remaining directors for the unexpired term.
- (8) To exercise all powers of CIRSA except powers reserved to the members.
- (9) To prepare, adopt and report CIRSA's budget to the members.
- (10) To hire and discharge personnel or to delegate such authority to the Executive Director.
- (11) To make reports to the members at their meetings.
- (12) To provide for claims and loss control procedures, to establish conditions which must be met prior to the payment or defense of a claim, and to deny a claim or the defense of a claim if the conditions are not met.
- (13) To provide for the investment and disbursement of funds.
- (14) To establish rules governing its own conduct and procedure and the powers and duties of its officers, not inconsistent with these Bylaws.
- (15) To provide to members annually:
 - (a) An audit of the financial affairs of CIRSA to be made by a certified public accountant at the end of each fiscal year in accordance with generally accepted auditing principles and state law; and
 - (b) An annual report of operations.
- (16) To form committees and provide other services as needed by CIRSA. The Board shall determine the method of appointment and terms of committee members.
- (17) To do all acts necessary and proper for the operation of CIRSA and implementation of these Bylaws subject to the limits of the Bylaws and not in conflict with these Bylaws.
- (18) Dissolve CIRSA and disburse its assets by a 2/3 vote of the entire membership provided that a notice of intent to dissolve CIRSA shall be given to the Insurance Commissioner at least ninety (90) days prior to the effective date. No such plan to dissolve CIRSA shall be effective until approved by the Insurance Commissioner.
- (19) To delegate to the Executive Director, by motion approved by the Board, any of the Board's powers and duties, except that the Board may not so delegate its powers to elect officers, admit new members, establish contributions by the members, fill

vacancies in the Board, adopt CIRSA's budget, establish conditions which must be met prior to the payment or defense of a claim, or dissolve CIRSA as provided in paragraph (18).

ARTICLE XII. Meetings of the Board of Directors. (1) The Board may set a time and place for regular meetings which may be held without further notice, and shall establish procedures for notice of special meetings.

(2) Three (3) directors shall constitute a quorum to do business. All acts of the Board shall require a majority vote of the directors present.

ARTICLE XIII. Liability of Board of Directors or Officers. The directors and officers of CIRSA should use ordinary care and reasonable diligence in the exercise of their power, and in the performance of their duties hereunder; they shall not be liable for any mistake of judgment or other action made, taken or omitted by them in good faith; nor for any action taken or omitted by any agent, employee or independent contractor selected with reasonable care. No director shall be liable for any action taken or omitted by any other director. CIRSA shall obtain a bond or other security to guarantee the faithful performance of each director's, officer's and the Executive Director's duties hereunder. The joint risk management pool shall be used to defend and indemnify any director, officer, or employee for actions taken by each such person in good faith within the scope of his or her authority for CIRSA. CIRSA may purchase insurance providing similar coverage for such directors, officers and employees.

ARTICLE XIV. Withdrawal from Membership. Any member may withdraw from CIRSA after the member's initial one (1) year term effective January 1 by giving notice in writing, no later than the immediately preceding October 1, to the Board of its desire to withdraw. Any member may withdraw from CIRSA within fifteen (15) days after the adoption of an amendment to these Bylaws by giving notice in writing to the Board of its intent to withdraw. The withdrawn member shall not be entitled to any reimbursement of contributions that are to be paid or that shall become payable in the future, and shall continue to be obligated to make any payment for which such obligation arose prior to such withdrawal.

ARTICLE XV. Expulsion of Members. (1) By a two-thirds (2/3) vote of the members present at a meeting, any member may be expelled. Such expulsion, which shall take effect sixty (60) days after such meeting, may be carried out for one or more of the following reasons:

- (a) Failure to make any payments due to CIRSA.
- (b) Failure to undertake or continue loss reduction and prevention procedures adopted by CIRSA.
- (c) Failure to allow CIRSA reasonable access to all facilities and records of the member necessary for proper administration of CIRSA.
- (d) Failure to fully cooperate with CIRSA's attorneys, claims adjusters or other agent, employee, or officer of CIRSA.
- (e) Failure to carry out any obligation of a member which impairs the ability of CIRSA to carry out its purpose or powers.

(2) No member may be expelled except after notice from the Board of the alleged failure along with the reasonable opportunity of not less than thirty (30) days to cure the alleged failure. The member may request a hearing before the members before any final decision, which shall be held within fifteen (15) days after the expiration of the time to cure has passed. The Board shall present the case for expulsion to the members. The member affected may present its case. A decision by the membership to expel a member after notice and hearing and failure to cure the alleged defect shall be final and take effect sixty (60) days after the decision to expel is approved by the members. After expulsion, the former member shall be liable for any unpaid contributions or other charges pro rata to the effective date of expulsion, and shall not be entitled to reimbursement of contributions that are to be paid or that shall become payable in the future.

ARTICLE XVI. Contractual Obligation. This document shall constitute an intergovernmental contract among those units of local government which become members of CIRSA. The terms of this contract may be enforced in court by CIRSA itself or by any of its members. The consideration for the duties herewith imposed upon the members to take certain actions and to refrain from certain other actions shall be based upon the mutual promises and agreements of the members set forth herein. These Bylaws when properly approved by the proper authority of the member shall be the intergovernmental contract. A certified copy of the ordinance, resolution or other document of approval for each member accompanied by an attorney's certification of proper authority and adoption, shall be attached to the original Bylaws on file with CIRSA. Provided, however, that except to the extent of the limited financial contributions to CIRSA agreed to herein or such additional obligations as may come about through amendments to these Bylaws, no member agrees or contracts herein to be held responsible for any claims in tort or contract made against any other member. The contracting parties intend in the creation of CIRSA to establish an organization for joint risk management only within the scope herein set out, and have not herein created as between member and member any relationship of surety, indemnification or responsibility for the debts of or claims against any other member.

ARTICLE XVII. Severability. In the event that any article, provision, clause or other part of these Bylaws should be held invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability with respect to other articles, provisions, clauses, applications or occurrences, and these Bylaws are expressly declared to be severable.

COLORADO INTERGOVERNMENTAL RISK SHARING AGENCY

1986 Participating Municipalities

Aguilar	Kremmling
Antonito	Lafayette
Arvada	La Junta
Aspen	Lakewood
Avon	Lamar
Bayfield	Las Animas
Blanca	Limon
Breckenridge	Littleton
Brighton	Loveland
Broomfield	Lyons
Brush	Manitou Springs
Cherry Hills Village	Monte Vista
Commerce City	Montrose
Craig	Mountain View
Crested Butte	New Castle
Deer Trail	Northglenn
Delta	Olathe
Durango	Olney Springs
Eaton	Ordway
Englewood	Pagosa Springs
Empire	Paonia
Erie	Platteville
Estes Park	Pueblo
Fleming	Rangely
Fort Lupton	Rico
Fowler	Ridgway
Fruita	Rocky Ford
Garden City	Salida
Glendale	Sheridan
Glenwood Springs	Silt
Golden	Silver Plume
Granby	Silverthorne
Grand Junction	Silverton
Grand Lake	Snowmass Village
Greeley	Springfield
Haxtun	Steamboat Springs
Holly	Thornton
Holyoke	Trinidad
Hot Sulphur Springs	Victor
Idaho Springs	Walsh
Ignacio	Westminster
Jamestown	Wheat Ridge
Keenesburg	Windsor
Kit Carson	Woodland Park

July 14, 1986