

REQUEST FOR COUNCIL ACTION



CITY COUNCIL MEETING DATE:

JUNE 19, 2018

TITLE:

**ADOPT A RESOLUTION AUTHORIZING
SETTLEMENT OF LIABILITY CLAIMS AND
LITIGATED MATTERS FOR UP TO \$50,000
AND WORKER'S COMPENSATION
CLAIMS FOR UP TO \$150,000 AND
REPEAL RESOLUTION NO. 2015-041
{STRATEGIC PLAN NO. 4, 1}**

A handwritten signature in black ink, appearing to read "C. Martinez", is written over a horizontal line.

CITY MANAGER

CLERK OF COUNCIL USE ONLY:

APPROVED

- ☐ As Recommended
- ☐ As Amended
- ☐ Ordinance on 1st Reading
- ☐ Ordinance on 2nd Reading
- ☐ Implementing Resolution
- ☐ Set Public Hearing For _____

CONTINUED TO _____

FILE NUMBER _____

RECOMMENDED ACTION

Adopt a Resolution Authorizing settlement of liability claims and litigated matters for up to \$50,000 and workers compensation claims for up to \$150,000 and repealing Resolution No. 2015-041.

DISCUSSION

Currently, the City of Santa Ana allows the Executive Director of Human Resources approval for liability, workers compensation claims, and litigated matters in an amount not to exceed \$5,000. From \$5,001 to \$10,000 claims and litigated matters are authorized to be settled by the Executive Director of Human Resources and the City Attorney. Between \$10,001 and \$25,000, claims and litigated matters can be settled by the Executive Director of Human Resources, City Attorney and City Manager.

The Human Resources Department conducted a study of Orange County cities and determined that the City of Santa Ana's settlement authority was on the low end of what other cities authorized for settlement without the need to go to the City Council for approval. In particular, Huntington Beach, Fountain Valley and Anaheim authorize settlement of liability claims up to \$35,000. While, Newport Beach, Irvine, and Orange allow settlement of liability claims up to \$50,000. For workers compensation claims, Garden Grove and Irvine authorize settlement up to \$100,000; Newport Beach authorizes settlement up to \$125,000; Huntington Beach up to \$150,000; Anaheim up to \$175,000 and Orange up to \$200,000.

Adopt a Resolution Authorizing
Settlement of Claims and Litigated Matters
June 19, 2018
Page 2

In order to create efficiency and to streamline the claims process, the City Manager is recommending an increase in settlement authority for liability claims and litigated matters from \$25,000 to \$50,000. In addition, the City Manager is also asking for an increase in settlement authority for workers compensation claims from \$25,000 to \$150,000. The settlement authority approval would be as follows:

Liability Claims and Litigated Matters

<u>Settlement Amount</u>	<u>Approval Required</u>
\$0 - \$25,000	Executive Director of Human Resources
\$25,001 - \$50,000	City Manager, Executive Director of Human Resources and City Attorney

Workers Compensation Claims

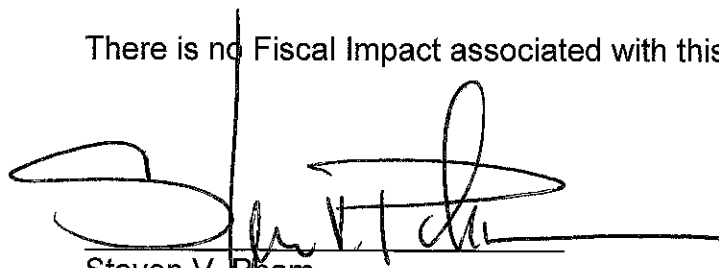
<u>Settlement Amount</u>	<u>Approval Required</u>
\$0 - \$150,000	City Manager, Executive Director of Human Resources and City Attorney

STRATEGIC PLAN ALIGNMENT

Approval of this items allows the City to meet Goal #4 – City Financial Stability, Objective #1 (Maintain a stable, efficient and transparent financial environment).

FISCAL IMPACT

There is no Fiscal Impact associated with this item.



Steven V. Pham
Executive Director
Human Resources Department

RESOLUTION NO. 2018-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA ANA AUTHORIZING CITY STAFF TO SETTLE LIABILITY CLAIMS AND/OR PENDING LITIGATION AGAINST THE CITY UP TO FIFTY THOUSAND DOLLARS AND WORKERS' COMPENSATION CLAIMS FOR UP TO ONE HUNDRED AND FIFTY THOUSAND DOLLARS AND REPEALING RESOLUTION 2015-041

Whereas, California Government Code Section 900 *et seq.* establishes general provisions regarding the processing of claims filed against cities, and authorizes cities to adopt local procedures not in conflict with state law;

Whereas, California Government Code Section 935.4 allows this Council by resolution to authorize an employee of the City to allow, compromise or settle a claim against the City which would otherwise be filed and borne by the City Council;

Whereas, California Government Code section 949 allows this Council to delegate its authority to its attorney or employee to compromise any pending action.

Whereas, the City of Santa Ana is permissibly self-insured for Workers' Compensation pursuant to the provisions of Sections 3700 *et seq.* of the California Labor Code;

Whereas, consideration by the City Council of every claim or action presented can occupy an inordinate amount of time, preventing the City Council from considering other important matters of City business; and

Whereas, a survey was conducted by Human Resources staff and it was discovered that many Orange County cities delegate authority to settle litigation and claims in excess of the twenty-five thousand dollars currently authorized by the City Council.

Whereas, increasing the authority to settle claims and litigated matters would increase efficiency and streamline internal processes.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF SANTA ANA DOES HEREBY FIND, DETERMINE, ORDER AND RESOLVE AS FOLLOWS:

Section 1. The Executive Director of Human Resources, or his/her designee, is authorized to allow, compromise or settle liability claims and/or pending litigation (i.e. lawsuits) against the City up to twenty-five thousand dollars (\$25,000);

Section 2. The Executive Director of Human Resources, City Attorney, and City Manager or their respective designees are authorized to allow, compromise or settle liability claims and/or pending litigation (i.e. lawsuits) against the City for twenty-five thousand and one dollars (\$25,001) up to fifty thousand dollars (\$50,000);

Section 3. The Executive Director of Human Resources or his/her designee is authorized to compromise or settle workers' compensation claims, including stipulated judgments, liens resulting from claims, bills and invoices relating to management of the claim, up to one hundred and fifty thousand dollars (\$150,000.00) with the approval of the City Attorney and City Manager or their respective designees.

Section 4. All settlements of claims, litigation and worker's compensation claims pursuant to this Resolution will be reported to the City Council on a quarterly basis in a similar manner to the contracts for less than twenty-five (\$25,000) approved by the City Manager.

Section 5. Resolution No. 2015-041 is hereby repealed.

Section 6. This Resolution shall take effect immediately upon its adoption by the City Council, and the Clerk of the Council shall attest to and certify the vote adopting this Resolution.

ADOPTED this ____ day of June, 2018.

Miguel A. Pulido
Mayor

APPROVED AS TO FORM:
Sonia R. Carvalho
City Attorney

By: Laura A. Rossini
Laura A. Rossini
Senior Assistant City Attorney

AYES: Councilmembers _____
NOES: Councilmembers _____
ABSTAIN: Councilmembers _____
NOT PRESENT: Councilmembers _____

CERTIFICATE OF ATTESTATION AND ORIGINALITY

I, MARIA D. HUIZAR, Clerk of the Council, do hereby attest to and certify the attached Resolution No. 2018-XXX to be the original resolution adopted by the City Council of the City of Santa Ana on _____.

Date: _____

Clerk of the Council
City of Santa Ana

