



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
October 11, 2005

Honorable Mayor and
Members of the City Council

**Subject: Settlement Authority in Tort Cases and Workers' Compensation Cases
and Repealing Resolution 94-011**

Location/Council District: Citywide

Recommendation:

Repeal Resolution 94-011. Adopt a resolution authorizing the City Manager or designee to: serve on the Tort Claims Committee; serve on the Workers' Compensation Claims Committee; approve settlement of tort claims in amounts less than \$25,000; and approve workers' compensation claims exceeding \$15,000 but less than \$25,000.

Contact: Barbara Brenner, Loss Control Manager, 808-7785

Presenters: N/A

Department: Human Resources

Division: Risk Management

Organization No: 1545

Summary:

The authority to settle tort claims less than \$25,000 will be reallocated from the Third Party Claims Administrator to the City Manager or designee. The Tort Claims Committee will be comprised of the City Manager or designee, a management employee designated by the City Manager and the City Attorney or designee. The Third Party Claims Administrator will serve as a non-voting member of the Tort Claims Committee. The City Council will continue to approve settlement of all claims in excess of \$50,000.

Settlement Authority in Tort Cases and Workers' Compensation Cases and Repealing Resolution 94-011

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There is no change in the amount of the Workers' Compensation Manager's settlement authority. The City Manager or designee will replace the Risk Manager on the Workers' Compensation Claims Committee.

Committee/Commission Action: None

Background Information:

Currently, the Third Party Claims Administrator and Workers' Compensation Manager have authority to settle claims up to \$15,000. The Risk Manager has authority to approve settlement of tort and workers' compensation claims up to \$25,000, and the Tort and Workers' Compensation Claims Committees have authority to approve settlement of claims that exceed \$25,000 but are less than \$50,000. The Third Party Claims Administrator is a voting member of the Tort Claims Committee.

The City currently does not have a Risk Manager position in the salary schedule. Therefore, the Risk Manager's settlement authority and participation on the claims committees has been reallocated to the City Manager or designee. It is also appropriate to reallocate the Third Party Claims Administrator's settlement authority and voting membership on the tort claims committee to the City Manger or designee.

Financial Considerations:

The proposed reallocation of claims settlement authority will have no financial impact.

Environmental Considerations: None

Policy Considerations:

Adoption of the attached resolution will allow implementation of a tort claims administration process improvement. The City Council will continue to approve settlement of all claims exceeding \$50,000. Cases which present unique or critical issues will continue to be presented to the City Council on an advisory basis regardless of the reserve levels.

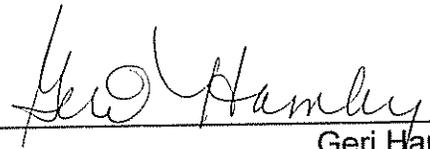
Emerging Small Business Development (ESBD): N/A

Respectfully Submitted by:



Barbara Brenner
Loss Control Manager

Approved by:



Geri Hamby
Human Resources Director

**Settlement Authority in Tort Cases and Workers'
Compensation Cases and Repealing Resolution 94-011**

October 10, 2005

Recommendation Approved:


ROBERT P. THOMAS
City Manager

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RESOLUTION NO.

Adopted by the Sacramento City Council

Authorizing Settlement Authority In Tort and Workers' Compensation Cases and Repealing Resolution 94-011

BACKGROUND

- A. Currently, the Third Party Claims Administrator and Workers' Compensation Administrator have authority to settle claims up to \$15,000. The Risk Manager has authority to approve settlement of tort and workers' compensation claims exceeding \$15,000 but less than \$25,000. The Tort and Workers' Compensation Claims Committees have authority to approve settlement of claims greater than \$25,000 and less than \$50,000. The Third Party Claims Administrator is a voting member of the Tort Claims Committee.
- B. This Resolution authorizes an improvement in the claims administration process. The Risk Manager's and Third Party Claims Administrator's claims settlement authority will be transferred to the City Manager or designee. The Third Party Claims Administrator will serve as a non-voting member of the Tort Claims Committee.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

1. The Workers' Compensation Manager is authorized to approve on behalf of the City of Sacramento the settlement of workers' compensation claims when such settlement is in the amount of \$15,000 or less.
2. The City Manager or designee is authorized to approve on behalf of the City of Sacramento the settlement of workers' compensation claims when such settlement exceeds \$15,000 but is not greater than \$25,000.
3. A committee to be known as the Workers' Compensation Claims Committee is hereby established, to be comprised of the Workers' Compensation Manager, the City Manager or designee and the City Attorney or designee and is authorized to approve on behalf of the City of Sacramento the settlement of workers' compensation claims when such settlement exceeds \$25,000 but is not greater than \$50,000.

4. The City Council shall approve the settlement of workers' compensation claims when such settlement exceeds \$50,000.
5. The City Manager or designee is authorized to approve on behalf of the City of Sacramento the settlement of tort claims when such settlement is in the amount of \$25,000 or less.
6. A committee to be known as the Tort Claims Committee is hereby established, to be comprised of the City Manager or designee, a management employee designated by the City Manager and the City Attorney or designee and is authorized to approve on behalf of the City of Sacramento the settlement of tort claims when such settlement is exceeds \$25,000 but is not greater than \$50,000.
7. The City Council shall approve the settlement of tort claims when such settlement exceeds \$50,000.