



City of Culver City

Staff Report

File #: 23-401, Version: 1

Item #: C-3.

CC - CONSENT ITEM: (1) Adoption of a Resolution Amending City Attorney Authority to Settle Claims Against the City and Litigation in Amounts up to \$50,000; and (2) Adoption of a Resolution Amending Settlement Authority for Workers' Compensation Claims and Litigation to Add a Level of Authority for the Human Resources Director, in Consultation with the Risk Manager, in Amounts up to \$25,000.

Meeting Date: January 23, 2023

Contact Person/Dept.: Heather Baker/City Attorney

Phone Number: (310) 253-5660

Fiscal Impact: Yes No **General Fund:** Yes No

Attachments: Yes No

Commission Action Required: Yes No **Date:**
Commission Name:

Public Notification: (E-Mail) Meetings and Agendas - City Council (01/18/2023)

Department Approval: Heather Baker, City Attorney (01/17/2023)

RECOMMENDATION

Staff recommends the City Council (1) adopt a resolution amending the City Attorney's authority to settle claims against the City and litigation in amounts up to \$50,000; and (2) adopt a resolution amending the settlement authority for workers' compensation claims and litigation to add a level of authority for the Human Resources Director, in consultation with the Risk Manager, in amounts up to \$25,000.

BACKGROUND/DISCUSSION

General Claims and Litigation

The City Attorney's current settlement authority for claims against the City and litigation is set forth in Resolution No. 2000-R036 (Attachment 1), as follows:

- Up to \$10,000 in City Attorney's sole discretion; and

- Up to \$25,000 in consultation with the City Manager.

These amounts have not been changed in over 20 years, however medical costs and vehicle repair costs have increased due to a number of factors, causing the dollar amount needed for the settlement of routine claims to increase.

In settlement negotiations, it is often important that parties be able to reach settlements without delay. Further, in mediation and court-conducted mandatory settlement conferences, there is a need to provide greater latitude for settlement of litigation. With respect to claims, the avoidance of litigation through negotiated settlements can and does result in cost savings to the City in appropriate cases.

The City Attorney is recommending the following increases in settlement authority in order to assist with the expeditious settlement of claims against the City and in certain litigation matters:

- Up to \$25,000 in the City Attorney's sole discretion; and
- Up to \$50,000 in consultation with the City Manager.

The recommended increases are set forth in the proposed Resolution included as Attachment 2.

Workers' Compensation Claims and Litigation

The City Attorney's current settlement authority (in consultation with the Risk Manager) in the amount of \$100,000 for workers' compensation claims and litigation against the City is set forth in Resolution No. 2001-R001 (Attachment 3). Settlement of matters exceeding \$100,000 must be approved by the City Council. Currently, there is no lower tier authority for the Human Resources Director.

Workers' compensation settlements are largely driven by statute and many cases fall well below the City Attorney's current \$100,000 authority. Claims that fall within a \$25,000 exposure are most often benign and non-complex cases where the claim value would ultimately be determined by medical reporting. Providing the Human Resources Director, in consultation with the Risk Manager, with authority to settle these types of claims would assist with swiftly resolving these matters.

The City Attorney's Office recommends the settlement authority for workers' compensation claims and litigation be amended as follows:

- Settlement of claims only in amounts up to \$25,000 by the Human Resources Director, in consultation with the Risk Manager (City Attorney to be informed in writing of all claim settlements in this category);
- Settlement of claims over \$25,000 up to \$100,00 by the City Attorney, in consultation with the Risk Manager;
- Settlement of litigation matters up to \$100,000 by the City Attorney, in consultation with the Risk Manager (current policy - no change);
- Litigation settlement over \$100,000 must be approved by City Council (current policy - no change).

The recommended settlement authority listed above is set forth in the proposed Resolution included as Attachment 4.

FISCAL ANALYSIS

There is no fiscal impact associated with the adoption of the respective resolutions.

ATTACHMENTS

1. 2022-11-14_ATT 1_Resolution No. 2000-R036
2. 2022-11-14_ATT 2_Resolution_Claims and Litigation Settlement Authority
3. 2022-11-14_ATT 3_Resolution No. 2001-R001
4. 2022-11-14_ATT 4_Resolution_Workers' Compensation Settlement Authority

MOTIONS

That the City Council:

1. Adopt a resolution amending the City Attorney's authority to settle claims against the City and litigation in amounts up to \$50,000; and
2. Adopt a resolution amending the settlement authority for workers' compensation claims and litigation to add a level of settlement authority for the Human Resources Director, in consultation with the Risk Manager, in amounts up to \$25,000.