



CITY OF MARTINEZ

**CITY COUNCIL AGENDA
February 18, 2015**

TO: Mayor and City Council

FROM: Michael Chandler, Senior Management Analyst

SUBJECT: Resolution to Increase City Manager Settlement Authority for Liability Claims and Rescind Resolution No. 071-00

DATE: February 11, 2015

RECOMMENDATION:

Adopt a resolution providing the City Manager with authority to settle and compromise liability claims against the City in an amount not to exceed \$25,000 and rescinding Resolution No. 071-00.

BACKGROUND:

The City of Martinez is a charter member of the Municipal Pooling Authority (MPA) of Northern California, a Joint Powers Authority that provides risk management services for the City, including those related to administration of liability claims. The City Council established by Resolution No. 071-00 (attached) on June 6, 2000, the City Manager's settlement authority for claims against the City as an amount not to exceed \$5,000. This settlement authority for many years matched the City's deductible and as a result, no Council action was required to settle claims that did not exceed \$5,000. Claims that exceeded \$5,000 during this time (including both defense costs and the settlement amount) were subject to MPA's approval. The City increased the deductible to \$25,000 in FY 13-14 and now a significant settlement layer exists between the City Manager's current authority level of \$5,000 and the Council's authority level of \$25,000 which would require the Council to authorize settlement of many claims. The majority of the claims within this level are minor in nature and often involve property damage or loss.

The City relies on the professional expertise of the liability claims adjusters and risk management professionals with MPA to administer and settle claims against the City. Each recommended claims settlement includes a qualified analysis that is routed to the respective City department to ensure full concurrence before approval authority is granted. The City Council has indicated its preference to increase the City Manager's settlement authority to \$25,000 to match the City's current deductible.

FISCAL IMPACT:

None.

ACTION:

Motion to adopt a resolution delegating to the City Manager the authority to settle and compromise liability claims against the City in an amount not to exceed \$25,000 (inclusive of defense costs) and rescinding Resolution No. 071-00.

Attachments:

Resolution

Resolution No. 071-00

APPROVED BY:

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke extending to the right.

Interim City Manager

RESOLUTION NO. -15

**DELEGATING TO THE CITY MANAGER AUTHORITY TO SETTLE AND
COMPROMISE LIABILITY CLAIMS AGAINST THE CITY IN AN AMOUNT NOT TO
EXCEED \$25,000 AND RESCINDING RESOLUTION NO. 071-00**

WHEREAS, the City is often the subject of claims and lawsuits which are referred to the City Attorney and Claims Administrator with the Municipal Pooling Authority (MPA) of Northern California, a Joint Powers Authority that provides risk management services for the City; and

WHEREAS, many of these claims are minor in nature and it is in the best interests of the City to be able to settle and compromise these claims expeditiously; and

WHEREAS, because of the limited meeting schedule of the City Council and because of Brown Act considerations, it is sometimes difficult to settle such claims in a prompt and expeditious manner; and

WHEREAS, Resolution 071-00, adopted by the City Council on June 6, 2000, provided the City Manager with authority to settle and compromise claims against the City up to the sum of \$5,000, matching the City's deductible at that time; and

WHEREAS, the City's deductible for liability claims increased in FY 2013-14 to \$25,000 and as a result, the City may have financial responsibility for liability claims (including any defense costs) up to that amount; and

WHEREAS, in order to promote greater efficiency in the settlement and compromise of claims, the City Council has indicated its interest in raising the City Manager's settlement authority to match the current deductible.

NOW, THEREFORE, BE IT RESOLVED that:

1. Resolution 071-00 is hereby rescinded; and
2. The City Council of the City of Martinez hereby delegates to the City Manager or his/her designee full authority to settle and compromise claims against the City in an amount not to exceed \$25,000 (inclusive of defense costs).

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 18th day of February, 2015, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

2.6.1
43,02.00

RESOLUTION NO. 071-00

**PROVIDING THE CITY MANAGER WITH AUTHORITY TO SETTLE
AND COMPROMISE CLAIMS AGAINST THE CITY IN AN
AMOUNT NOT TO EXCEED \$5,000**

WHEREAS, the City is often the subject of claims and lawsuits which are referred to the City Attorney or Claim Administrator for investigation and recommendation; and

WHEREAS, many of these claims are in small dollar amounts and it would be in the best interests of the City of these claims could be settle and compromised quickly and expeditiously.

WHEREAS, because of the limited meeting schedule of the City Council and because of Brown Act considerations, it is sometimes difficult to settle such claims in a prompt and expeditious manner; and

WHEREAS, in order to promote greater efficiency in the settlement and compromise of claims, the City Attorney and the Claims Administrator have recommended that settlement authority over claims which do not exceed a designated dollar amount be delegated to the City Manager.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby provides the City Manager with authority to settle and compromise claims against the City provided the compromise or settlement does not exceed the sum of \$5,000; and

BE IT FURTHER RESOLVED that the settlement and compromise of claims which exceed the sum of \$5,000 shall require review and approval by the City Council.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at an Adjourned Regular Meeting of said Council held on the 6th day of June, 2000 by the following vote:

AYES: Councilmembers Lewis, Schroder, Woodburn, Vice Mayor Ross, and Mayor Menesini

NOES: None

ABSENT: None


**RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ**