



MARIPOSA COUNTY

Human Resources/Risk Management • (209) 742-1379



RESOLUTION - ACTION REQUESTED 2015-271

MEETING: June 9, 2015

TO: The Board of Supervisors

FROM: Steve Johnson, Human Resources Director - Risk Manager

RE: Increase Settlement/Rejection Authority Limits for Workers' Compensation and Tort Liability Claims

RECOMMENDATION AND JUSTIFICATION:

Rescind Resolution Numbers 03-369 and 07-311 and Authorize the County Administrative Officer to Settle and Reject Workers' Compensation and Tort Liability Claims Up to \$20,000.

The current settlement and rejection authority for the County Administrative Officer is \$10,000 for all settlements and rejections made or proposed, and was last updated in 2003 and 2007, respectively. While State Law permits the Board of Supervisors to authorize the County Administrative Officer to settle claims to a maximum of \$50,000, staff recommends increasing this authority to \$20,000, with all settlements to be reviewed, and approved or rejected, regardless of amount, by a County Claims Committee ("Claims Committee") comprised of the County Administrative Officer, County Counsel and the Human Resources Director/Risk Manager. The Claims Committee will make recommendations based on: 1) Facts, 2) Liability and 3) Damages and 4) Input and concurrence from the County's Third Party Administrators for Workers' Compensation and General Liability, and will have settlement and rejection authority on claims up to \$20,000. Defense Counsel and/or a Department Representative will attend Claims Committee meetings, when desired to do so, by members of the Claims Committee.

These proposed changes are the result of input from the County's Third Party Workers' Compensation Administrator, County Administrative Officer, County Counsel and Human Resources/Risk Management Director, who agree that efficient claims management is essential for service to the public in an economic manner. Recent information provided by the County's Third Party Workers' Compensation Administrator indicated that internal settlement authority for Agencies they work with currently averages between \$30,000-\$50,000. In addition, with inflation, \$10,000 does not have the same value today as it had in 2003. Increasing internal settlement and rejection authority would also streamline the claims process.

Claims that exceed \$20,000, or cases which are otherwise deemed to present unique or critical issues, will be presented to the County Board of Supervisors in Closed Session. A written report may be presented to the Board of Supervisors, which outlines the specific issues in the case, exposure to the County, and reasons for the proposed settlement or rejection.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Mariposa County Board of Supervisors last updated the settlement and rejection authority for the County Administrative Officer, who then also acted as the County's Risk Manager, in 2003 and 2007, respectively, to \$10,000. In 1993, the Mariposa County Board of Supervisors approved settlement authority for County Counsel to \$2,500. During the past eight years, since the Board last took action on this issue, settlement and associated costs have steadily risen.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

Not increasing settlement and rejection authority, with a corresponding oversight review process by the County's Claims Committee, could cause undue delays in the County's claims process.

ATTACHMENTS:

Resolution 03-369 (PDF)

Resolution 07-311 (PDF)

CAO RECOMMENDATION

Requested Action Recommended

Mary Hodson

Mary Hodson, CAO

6/3/2015

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]

MOVER: Kevin Cann, District IV Supervisor

SECONDER: John Carrier, District V Supervisor

AYES: Smallcombe, Jones, Long, Cann, Carrier

DEPARTMENT: Personnel/Risk Management

BY: Rich Inman
PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION:

Authorize the County Administrative Officer (CAO) to settle Liability and Workers' Compensation claims against the County up to a maximum of \$10,000. Settlements will be substantiated by the County's insurance adjusters with concurrence of County Counsel; the CAO will then authorize payment of claims. The Board will be notified of all settlements in writing. Risk management is now a function of the CAO's office and settlement authority should reside within this department.

Over ten years ago, the then Board of Supervisors approved County Counsel's settlement authority in the amount of \$2,500. This amount has not since then been adjusted to reflect increasing trends in this area.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

To streamline procedures relative to settlements of certain claims, the Board adopted Resolution No. 93-139 which authorized County Counsel, who at that time was Risk Manager, to settle claims against the County up to a maximum of \$2,500. Counsel would authorize payment of claims when a determination was made that there was liability to the County and would then notify the Board in writing of this determination.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

- Amend this action as the Board desires and adopt. It is important to give settlement authority to the CAO, who is now the Risk Manager.

Financial Impact? () Yes (X) No	Current FY Cost: \$	Annual Recurring Cost: \$
Budgeted In Current FY? () Yes () No () Partially Funded		
Amount in Budget: \$ _____		List Attachments, number pages consecutively _____
Additional Funding Needed: \$ _____		_____
Source:		No attachments.
Internal Transfer _____		_____
Unanticipated Revenue _____ 4/5's vote		_____
Transfer Between Funds _____ 4/5's vote		_____
Contingency _____ 4/5's vote		_____
() General () Other _____		_____

CLERK'S USE ONLY:

Res. No.: 03-369 Ord. No. _____
Vote - Ayes: 5 Noes: _____
Absent: _____
Approved
() Minute Order Attached () No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____
Deputy

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended
 No Opinion
Comments: _____

CAO: *RI*

DEPARTMENT: Personnel/Risk Management BY: Richard J. Benson PHONE: 966-3222

RECOMMENDED ACTION AND JUSTIFICATION:

Provide the County Administrative Officer (CAO), who is the Risk Manager; the authority to reject Liability claims against the County up to a maximum of \$10,000. Currently, the Board of Supervisors is the sole authority to reject Liability claims including claims that are a low dollar amount, such as those relating to pothole vs. tire damage as well as rock vs. windshield damage. (The CAO/Risk Manager presently has the authority to settle claims up to a maximum of \$10,000.)

In order to streamline the rejection of claims process, it is recommended that the CAO/Risk Manager have the authority to reject claims such as these and any others that are presented in the amount of \$10,000 or less. Staff will continue to request from the appropriate department an investigation report of the incident relative to the claim and based on that report, the CAO/Risk Manager will make a decision to either reject or approve the claim. The claim process will then continue as is currently carried out by notifying the claimant of the rejection or approval of their claim.

Government Code section 935.4 allows the Board to delegate this authority to an employee of the local public entity by either ordinance or resolution.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

No background or history on this particular action, however, the Board of Supervisors has previously provided the CAO the authority to settle Liability and Workers' Compensation claims up to a maximum of \$10,000.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

A negative action would result in a less streamlined process and the Board will continue to be faced with dealing with the low dollar claims.

Financial Impact? () Yes (X) No	Current FY Cost: \$	Annual Recurring Cost: \$
Budgeted In Current FY? () Yes () No () Partially Funded		
Amount in Budget: \$ _____		List Attachments, number pages consecutively
Additional Funding Needed: \$ _____		Resolution.. _____
Source:		_____
Internal Transfer _____		_____
Unanticipated Revenue _____ 4/5's vote		_____
Transfer Between Funds _____ 4/5's vote		_____
Contingency _____ 4/5's vote		_____
() General () Other		_____

CLERK'S USE ONLY:

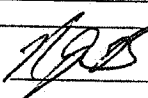
Res. No.: 07-311 Ord. No. _____
Vote - Ayes: 5 Noes: _____
Absent: _____
(X) Approved
(X) Minute Order Attached () No Action Necessary

COUNTY ADMINISTRATIVE OFFICER:

Requested Action Recommended
 No Opinion
Comments: _____

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By: _____
Deputy

CAO: 

RESOLUTION NO. 07-311

**RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATIVE OFFICER
THE AUTHORITY TO APPROVE AND REJECT LIABILITY CLAIMS
AND APPROVE WORKERS' COMPENSATION CLAIMS UP TO \$10,000**

WHEREAS, pursuant to Government Code section 935.4, the Board of Supervisors may authorize an employee to reject Liability claims or to allow, compromise, or settle Liability claims against Mariposa County; and

WHEREAS, on October 14, 2003, the Board of Supervisors approved Resolution No. 03-369 which authorized the County Administrative Officer to settle and approve payment of Liability and Workers' Compensation claims up to Ten Thousand Dollars (\$10,000); and

WHEREAS, streamlining the Liability claim process by allowing the County Administrative Officer to reject Liability claims would provide for a more timely and cost-effective processing of these claims;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Mariposa as follows:

Resolution No. 03-369 is amended to conform with the following: The County Administrative Officer is hereby authorized to reject Liability claims or to compromise, allow, or settle Liability and Workers' Compensation claims against the County up to Ten Thousand Dollars (\$10,000). Relative to settlement of claims, upon written order of the County Administrative Officer or his/her designee(s), the Auditor shall issue a warrant upon the public treasury in the amount for which the claim has been allowed, settled, or compromised up to Ten Thousand Dollars (\$10,000).

PASSED AND ADOPTED by the Mariposa County Board of Supervisors this
26th day of June 2007 by the following vote:

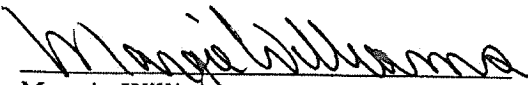
AYES: ABORN, TURPIN, BIBBY, FRITZ, PICKARD
NOES: NONE
ABSENT: NONE
ABSTAINED: NONE



Janet Bibby, Chair
Mariposa County Board of Supervisors

APPROVED AS TO FORM

ATTEST:



Margie Williams
Clerk of the Board



Thomas P. Guarino,
County Counsel