



Agenda Report

Fullerton City Council

MEETING DATE: MARCH 3, 2020

TO: CITY COUNCIL / SUCCESSOR AGENCY

SUBMITTED BY: KENNETH A. DOMER, CITY MANAGER

PREPARED BY: PAMELA J MACKIE, HUMAN RESOURCES/RISK
MANAGEMENT ANALYST

SUBJECT: ESTABLISHING STAFF AUTHORITY FOR HANDLING
AND SETTLING LIABILITY AND WORKERS'
COMPENSATION CLAIMS

SUMMARY

Recommendations to update Resolution Nos. 08-47 and 08-49 which establish authorization to perform liability and workers' compensation claims handling functions including denials, compromise or settlement of claims and attendance and participation in legal proceedings on behalf of the City and further, to establish staff settlement authority for such claims.

RECOMMENDATION

Adopt the following resolutions:

RESOLUTION NO. 2020-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, UPDATING AUTHORIZATION FOR HANDLING LIABILITY CLAIMS AND RESCINDING RESOLUTION NO. 08-47

RESOLUTION NO. 2020-XX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, UPDATING AUTHORIZATION FOR REPRESENTATION AT WORKERS' COMPENSATION PROCEEDINGS AND RESCINDING RESOLUTION NO. 08-49

PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statement:

- Fiscal and Organizational Stability.

FISCAL IMPACT

Claim costs are funded by City Council approved budgets. Budget recommendations are based on actuarially projected losses. The proposed resolution will not impact the ultimate cost of the claims programs.

DISCUSSION

Existing Council Resolution No. 08-47 authorizes the Director of Human Resources, Risk Manager and/or Risk Management Analyst to deny, compromise and/or settle liability claims and further grants the City Manager settlement authority in the amount of \$20,000 per claim which can be delegated to the Director of Human Resources, Risk Manager and/or Risk Management Analyst. Resolution No. 08-49 authorizes the Director of Human Resources and his/her designee, authority to attend and participate at all workers' compensation legal proceedings and further grants claims settlement authority to the City Manager and the Director of Human Resources.

The recent departure of the Human Resources Director has necessitated the addition of the Deputy City Manager as an authorized position in the proposed resolutions. The updates also include recommended adjustments to the City Manager's settlement authority based on a review of best practices. City staff surveyed comparable cities regarding authorized positions and settlement authority to use as a guideline for the proposed resolutions. The following tables provide the responses received.

Cities surveyed were Brea, Costa Mesa, Garden Grove, Huntington Beach and Santa Ana.

Liability Program	Director of HR or Risk Manager and/or City Attorney	City Manager	Committee	City Council
Brea	Up to \$5,000	Up to \$100,000		Over \$100,000
Costa Mesa	Up to \$5,000	Up to \$24,999	Up to \$49,999	Over \$50,000
Garden Grove		\$0.00 - \$50,000		Over \$50,000
Huntington Beach	\$0.00 - \$50,000			Over \$50,000
Santa Ana	\$0.00 - \$25,000	\$25,001-\$50,000		Over \$50,000

Staff's recommendation is to increase the City Manager's settlement authority to \$50,000 per claim for liability claims of which, \$20,000 may be delegated to the Director of Human Resources, Director of Administrative Services, Deputy City Manager, Risk Manager and/or Risk Management Analyst.

For the workers' compensation program, the recommendation is to update the resolution to reflect the current staffing for the City's Risk Management function.

Attachments:

Attachment 1 – Resolution No. 08-47

Attachment 2 – Draft Resolution 2020-XX Liability Authority

Attachment 3 – Resolution No. 08-49

Attachment 4 – Draft Resolution 2020-XX Workers' Compensation Authority