

RESOLUTION NO. 2013-013

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY DELEGATING TO  
THE CITY MANAGER AUTHORITY TO ADMINISTER AND MANAGE CLAIMS AND  
ACTIONS AGAINST THE CITY OR ITS OFFICERS OR EMPLOYEES AND CLAIMS AND  
ACTIONS OF THE CITY

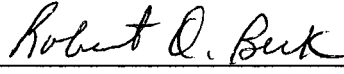
BE IT RESOLVED by the City Council of the City of Reedley as follows:

1. The City Manager is hereby authorized to allow, deny, allow in part, settle, or compromise any claims or action for money or damages against the City of Reedley or its officers or employees, provided its disposition is not otherwise directed by the City Council or by statute, ordinance, resolution, insurance policy, or self-insurance pooling agreement, subject to the following conditions:
  - (a) The amount to be paid pursuant to such allowance, settlement, or compromise does not exceed \$10,000.
  - (b) If the amount to be paid exceeds \$10,000, the approval of the City Council of the City of Reedley is first obtained.
  - (c) If the claim is in litigation, the concurrence of the City Attorney or other legal Counsel retained by City representing the City or its officers or employees is obtained.
2. The City Manager is hereby authorized to collect, settle, compromise, release, or dismiss any claim of the City of Reedley, provided its disposition is not otherwise directed by the City Council or by statute, ordinance, resolution, insurance policy, or self-insurance pooling agreement, subject to the following conditions:
  - (a) The amount of the claim does not exceed \$10,000 or, if it does, the amount to be paid is not less than ninety (90) percent of the amount of the claim.
  - (b) If the amount of the claim exceeds \$10,000, and the amount to be paid is less than ninety (90) percent of the amount of the claim, the approval of the City Council of the City of Reedley is first obtained.
  - (c) If the claim is in litigation, the concurrence of the City Attorney or other legal counsel retained by City representing City is obtained.
3. The City Manager is hereby authorized and directed to perform all functions of the City Council of the City of Reedley which are provided for in Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) Division 3.6, Title 1, California Government Code, or in Title 1, Chapter 6, Section 7 of City of Reedley Municipal Code, subject to the conditions and limitations set forth above.

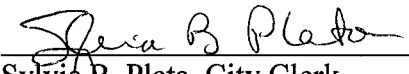
4. The City Manager shall provide a record of claims settled at a regularly scheduled Council meeting following finalization of the settlement(s).

The foregoing resolution was duly adopted at a regular meeting of the City Council of the City of Reedley held on the 12<sup>th</sup> day of March, 2013, by the following vote:

AYES:           Rodriguez, Fast, Betancourt, Soleno, Beck.  
NOES:           None.  
ABSTAIN:       None.  
ABSENT:        None.

  
\_\_\_\_\_  
Robert O. Beck, Mayor

ATTEST:

  
\_\_\_\_\_  
Sylvia B. Plata, City Clerk





# REEDLEY CITY COUNCIL


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- Consent
- Regular Item
- Workshop
- Closed Session
- Public Hearing

ITEM NO: 12

**DATE:** 3/12/2013

**TITLE:** ADOPT RESOLUTION 2013-013 OF THE CITY COUNCIL OF THE CITY OF REEDLEY DELEGATING TO THE CITY MANAGER AUTHORITY TO ADMINISTER AND MANAGE CLAIMS AND ACTIONS AGAINST THE CITY OR ITS OFFICERS OR EMPLOYEES AND CLAIMS AND ACTIONS OF THE CITY SUBJECT TO SPECIFIC LIMITATIONS

**SUBMITTED:** Paul A. Melikian, Director of Finance & Administrative Services 

**APPROVED:** Nicole R. Zieba, City Manager 

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## RECOMMENDATION

That the City Council adopt the attached resolution delegating to the City Manager authority to administer and manage minor claims and actions against the City, its officers, or employees.

## EXECUTIVE SUMMARY

The attached resolution requests Council approval to increase the delegated approval authority for claims against the City from \$5,000 to \$10,000. This revision is requested because the current threshold has not been revised in approximately 25 years; and due to inflation, even relatively minor claims can exceed this amount, requiring City Council approval to be settled. In certain cases where time is of the essence in negotiating a settlement, a delay waiting for a Council meeting can result in the claimant deciding to pursue further action against the City. The delegated authority only applies to negotiated settlements \$10,000 or below. If the amount to be paid in the settlement exceeds \$10,000, the approval of the City Council would continue to be obtained. The City Manager would continue to keep Council apprised of settlement activity below the approval threshold.

## BACKGROUND

The City can receive claims for a number of reasons, including, but not limited to, vehicle accidents, property damage, or trip and falls. Once a formal claim is received, the City sends the claim to Acclamation Insurance Management Services (AIMS), a claims management company under contract by the Central San Joaquin Valley Risk Management Authority (CSJVRMA). AIMS reviews the information and validates that it is a valid claim and all pertinent information has been provided.

In most cases, the claim is recommended for denial, which starts the six month time frame in which AIMS performs an investigation and attempts to resolve the claim. It is only under very specific circumstances that the City will accept a claim without an investigation, usually where the City is clearly 100% at fault and the dollar amount of damages is relatively low; i.e. minor fender bender with no bodily injuries. AIMS attempts to investigate and settle all claims before a lawsuit is filed, which has the potential to amplify costs to the City for legal defense and discovery.

A majority of the time, if the investigation shows that there could be some comparative negligence on behalf of the City, or if perhaps the costs to continue to defend the City would be excessive, AIMS and

any retained legal counsel may recommend to attempt negotiate a settlement. Under CSJVRMA bylaws, the City itself may authorize a settlement up to \$50,000, with each City's respective City Manager having some level of delegated authority under that amount, some as high as \$25,000 or \$30,000. Anything above \$50,000 is ultimately authorized by the risk pool with City serving in an advisory capacity.

The City currently has a current threshold of \$5,000 for settlement authority delegated to the City Manager for claims against the City. This amount has not been revised since at least the 1980's. Inflation over the last 25 years means that even minor claims against the City routinely exceed this amount. As an example, the small claims limit for the State of California has been revised several times, and is now at \$10,000.

The attached resolution would authorize the City Manager to allow, deny, allow in part, settle, or compromise any claims or action for money or damages against the City of Reedley or its officers or employees, provided its disposition is not otherwise directed by the City Council or by statute, ordinance, resolution, insurance policy, or self-insurance pooling agreement, subject to the following conditions:

- The amount to be paid pursuant to such allowance, settlement, or compromise does not exceed \$10,000.
- If the amount to be paid exceeds \$10,000, the approval of the City Council of the City of Reedley is first obtained.
- If the claim is in litigation, the concurrence of the City Attorney or other legal Counsel retained by City representing the City or its officers or employees is obtained.

**FISCAL IMPACT**

Increasing the delegating approval authority from \$5,000 to \$10,000 is not anticipated to have any adverse fiscal impact to the City. In certain cases where time is of the essence in negotiating a settlement, a delay waiting for the next Council meeting can result in the claimant deciding to pursue further action against the City. The Council will be noticed of all claims settled at the soonest regularly schedule council meeting after settlement of the claim is finalized.

**ATTACHMENTS**

Resolution 2013-013

Motion: \_\_\_\_\_  
Second: \_\_\_\_\_