



Board Agenda Item 38

DATE: September 21, 2021

TO: Board of Supervisors

SUBMITTED BY: Hollis Magill, Director of Human Resources

SUBJECT: Approve Ordinance Adding Delegated Authority to Title 5, Claims Against the County

RECOMMENDED ACTION:

Conduct the second hearing and adopt an Ordinance adding Section 5.02 - Delegated Settlement Authority to the Fresno County Ordinance Code delegating authority to staff to resolve, reject, and settle litigation against the County of Fresno for claims up to \$50,000; and waive reading of the Ordinance in its entirety.

There is no additional Net County Cost associated with the recommended action. Approving the Ordinance confirms the Board's authority to allow staff to manage and investigate claims of all types and consolidates previous Board actions so that authorities are effectively and efficiently memorialized into one document. This action increases settlement authority from \$10,000 to \$50,000 for the Director of Human Resources and minimizes occurrences of claims going before the Board of Supervisors. This item is countywide.

ALTERNATIVE ACTION:

The Board could choose not to approve the recommendation of the County Counsel and the Director of Human Resources but doing so would unnecessarily slow down response time on Settlement requests and continue to create additional work for staff and your Board.

FISCAL IMPACT:

This Ordinance has no fiscal impact.

DISCUSSION:

The first reading of this proposed Ordinance amendment was approved by your Board on September 7, 2021.

Resolution No. 93-313 delegated authority to the County Risk Manager to pay liability claims in the amount of \$5,000, or less, and to the Director of Human Resources in the amount of \$10,000, or less. Based upon 2017 amendments to the California Government Code, the Board approved Resolution No. 17-306 increasing settlement authority to the County Administrator up to \$50,000 and reiterating the previous authority to the Human Resources Director and Risk Manager. Settlements above \$50,000 required Board approval. Additionally, the County Counsel was granted authority to waive legal costs in a litigation matter up to \$1,500 in exchange for a dismissal of the case, with approval of the Risk Manager. All claims rejection authority above \$5,000 resides with the Board of Supervisors unless otherwise delegated.

The Ordinance amendment reiterates the County Administrative Officer's settlement authority of any claim

filed against the County, increases the Director of Human Resources settlement authority up to \$50,000 for those claims covered by the self-insured Risk Management program, delegates claims rejection authority, and increases the County Counsel's authority to waive costs up to \$5,000 in exchange for dismissals of lawsuits. Most General Liability settlements made since FY 2014-15 are settled for under \$50,000.

Workers' Compensation benefit payments fall into two categories, Compromise and Releases and Stipulated Awards. Compromise and Releases are settlements in which the injured worker agrees that they cannot reopen the claim later, no future medical care can be claimed, and no additional Permanent or Temporary Disability benefits can be claimed. A settlement may involve an annuity or a structured settlement.

Stipulated Awards are payments for Permanent Disability payments based upon the worker reaching Maximum Medical Improvement leading to Permanent Partial or Permanent Total Disability. Stipulated Awards represent statutory disability ratings approved by the Workers Compensation Appeals Board. A Stipulated Award does not give the injured worker a lump sum as a "final settlement." Instead, an agreement is reached for periodic permanent disability benefits. The employee can also reopen their case, follow with another stipulated award, and request a compromise and release later that will settle the case completely.

This Ordinance formalizes authority to the Director of Human Resources to resolve Compromise and Release settlements and Stipulated Awards up to \$50,000. Most of the Compromise and Releases and Stipulated Awards approved since FY 2014-15 are under \$50,000.

This Ordinance formalizes and streamlines the Board's authority to the Human Resources Director so that Stipulated Awards can be administratively approved.

REFERENCE MATERIAL:

BAI #9, September 7, 2021

BAI #31, June 6, 2017

BAI #22, June 15, 1993

ATTACHMENTS INCLUDED AND/OR ON FILE:

Settlement Authority Ordinance Amendment

CAO ANALYST:

Yussel Zalapa