



REPORT TO CITY COUNCIL

Approved by:

Wendy Silva
Wendy Silva, Director of Human Resources

Arnoldo Rodriguez
Arnoldo Rodriguez, City Manager

Council Meeting of: February 16, 2022

Agenda Number: B-4

SUBJECT:

Claims Settlement Authority Delegated to the City Manager

RECOMMENDATION:

Waive full reading and adopt an Ordinance of the City of Madera Amending Section 1-6.18 of Title I Chapter 6 of the Madera Municipal Code relating to City Manager Authority on Claims Against the City

SUMMARY:

The Municipal Code currently delegates claim settlement authority to the City Manager for amounts up to ten thousand dollars (\$10,000). The proposed ordinance would increase the authority of the City Manager to all claims up to thirty-five thousand dollars (\$35,000).

The City Council took action to introduce the proposed ordinance at its February 2, 2022, meeting. Following that introduction, a summary of the ordinance was published in the *Madera Tribune* on Saturday, February 5, 2022. The requested action is to adopt the ordinance amending the Municipal Code as described in this report.

DISCUSSION:

During the normal course of business, the City of Madera experiences claims for damages or injuries filed:

- Under the Tort Claims Act
- Through litigation not covered by the Tort Claims Act
- Under the Workers' Compensation System

In addition, the City files claims against insurance companies or individuals for damage or injuries incurred to City property or employees caused by an outside party.

Currently, the Municipal Code delegates authority for these claims to the City Manager to:

- Determine timeliness and sufficiency of claims filed under the Tort Claims Act
- Reject claims for all claim types
- Settle any claim that is valued at \$10,000 or less, in consultation with the City Attorney

In order to increase operational efficiencies, it is recommended that the settlement authority amount delegated to the City Manager be increased from ten thousand dollars (\$10,000) to thirty-five thousand dollars (\$35,000).

There are no statutory limitations on authority that can be granted for settlement of litigation not covered by the Tort Claims Act or worker's compensation claims, however it should be noted that Government Code §935.4 provides that delegation of authority to an employee of a General Law City shall not exceed fifty thousand dollars (\$50,000). The recommended authority limit is within the Government Code requirements.

The ordinance to effectuate the proposed change is provided as Attachment 1 to this report. Changes from current language are noted below, with deletions identified through strike-out text and additions provided in brackets.

§ 1.6.18 City Manager Authority on Claims.

Pursuant to Government Code Section 935.4, the City Council delegates authority to the City Manager to review all claims for sufficiency and to reject any and all claims. The City Council delegates to the City Manager authority to allow, compromise, or settle claims, including workers' compensation claims, for an amount up to ~~ten~~ [thirty-five] thousand dollars (~~\$10,000.00~~ [35,000]) subject to consultation with the City Attorney. The City Council shall have sole authority to allow, compromise, or settle claims for an amount in excess of ~~ten~~ [thirty-five] thousand dollars (~~\$10,000.00~~ [35,000]).

The City Council took action to introduce the proposed ordinance at its February 2, 2022, meeting. Following that introduction, the proposed ordinance was published on the City's website and a summary of the ordinance was published in the *Madera Tribune* on Saturday, February 5, 2022, with the website address for the published document provided. The requested action is to adopt the ordinance amending the Municipal Code as described in this report.

FINANCIAL IMPACT:

There is no anticipated financial impact from this modification.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

The information contained herein is not addressed by the Vision Madera 2025 plan, nor is the information in conflict with that plan.

ALTERNATIVES:

Council could direct staff to modify the settlement authority amount up or down, not to exceed the statutory limit of fifty thousand dollars (\$50,000).

ATTACHMENTS:

1. Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MADERA AMENDING SECTION 1-6.18 OF TITLE I CHAPTER 6 OF THE MADERA MUNICIPAL CODE RELATING TO CITY MANAGER AUTHORITY ON CLAIMS AGAINST CITY

THE CITY COUNCIL OF THE CITY OF MADERA DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 1-6.18 of the Madera Municipal Code is amended to read as follows:

§ 1-6.18 City Manager Authority on Claims.

Pursuant to Government Code Section 935.4, the City Council delegates authority to the City Manager to review all claims for sufficiency and to reject any and all claims. The City Council delegates to the City Manager authority to allow, compromise, or settle claims, including workers' compensation claims, for an amount up to thirty-five thousand dollars (\$35,000) subject to consultation with the City Attorney. The City Council shall have sole authority to allow, compromise, or settle claims for an amount in excess of thirty-five thousand dollars (\$35,000).

Any reference to "City Council" in this Chapter shall apply to claims authority of City Manager under this section.

SECTION 2. CEQA. The City Council finds this ordinance is not a project under the California Environmental Quality Act because it can be seen with certainty that it will not have a significant effect or physical change to the environment. See Title 14, California Code of Regulations, Section 15061 (b) (3).

SECTION 3. PUBLICATION. This ordinance shall be published in accordance with the provisions of Government Code Section 36933.

SECTION 4. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after its passage.