



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Human Resources Department



DATE: September 15, 2011
BOARD MEETING DATE: October 4, 2011
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: Donna Vaillancourt, Director of Human Resources
Scott Johnson, Risk Manager

SUBJECT: Settlement Authority for Workers' Compensation and General Liability Claims

RECOMMENDATION:

Adopt a Resolution authorizing the President of the Board to approve an increase in settlement authority for Risk Management to settle Workers' Compensation cases for \$50,000 and General Liability cases for \$25,000.

BACKGROUND/DISCUSSION:

The Risk Management Division is responsible for obtaining the appropriate settlement authority in Workers' Compensation cases as well as the General Liability cases. The current level of authority is \$25,000 for Workers' Compensation cases and \$10,000 for General Liability. The amount of this authority has not been increased in more than 20 years.

Risk Management prepares a written analysis of the Workers' Compensation case (Settlement Authority Request) and submits it to County Counsel for their review and preparation for the Board of Supervisors review. There were 15 settlements in the last 12 months that exceeded Risk Management's authority. More than half of these (eight) were settled under \$50,000. If granted, the associated cost savings include Risk Management's time to prepare the settlement authority request and County Counsel's time for their review and recommendations to the Board of Supervisors for approval.

The current level of authority to resolve a General Liability case is \$10,000. Although this limit has been in place for many years, it is has been inadequate to resolve most of the cases that have been filed within the last 24 months.

Risk Management requests the Board of Supervisors approval to increase settlement authority to \$50,000 in Workers' Compensation cases and \$25,000 in General Liability cases in order to improve effectiveness including reducing the costs of staff's time spent

in editing settlement documents and preparing settlement authority requests. This settlement authority amount is consistent with other counties of similar size. It is also consistent with state law which allows local government entities to delegate up to \$50,000 to an employee to settle claims pursuant to Government Code § 935.4. There is no cap under state law on the amount a local government entity may delegate to an employee in order to settle a civil action pursuant to Government Code §949.

County Counsel has reviewed and approved the Resolution and Agreement as to form.

Approval for this authority contributes to Shared Vision 2025 outcome of a Collaborative Community by allowing Risk Management to continue to accurately settle Workers' Compensation and General Liability claims and provide appropriate analysis and review on cases that require County Counsel and Board of Supervisor authority. This will increase administrative efficiency and help to effectively manage the County's costs.

Performance Measures:

Measure	FY 2010-11 Actual	FY 2011-12 Projected
Workers' Compensation Settlements	15	20
General Liability Settlements	16	21

FISCAL IMPACT:

There is no impact to the Net County cost.

CC: David Boesch, County Manager
Reyna Farrales, Deputy County Manager-Administrative Services
John Beiers, County Counsel

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION AUTHORIZING THE PRESIDENT OF THE BOARD TO APPROVE AN INCREASE IN SETTLEMENT AUTHORITY FOR RISK MANAGEMENT TO SETTLE WORKERS' COMPENSATION CASES FOR \$50,000 AND GENERAL LIABILITY CASES FOR \$25,000.

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, the Board of Supervisors wishes to provide Risk Management with the authority to settle Workers' Compensation cases for \$50,000 and General Liability cases for \$25,000 on behalf of the County;

WHEREAS, the Director of Human Resources recommends that Risk Management continue to execute accurate and efficient settlements on Workers' Compensation cases and General Liability cases within the scope of authority;

WHEREAS, there has been presented to this Board of Supervisors for its consideration and the Board has approved it as to both form and content and desires to authorize the Director of Human Resources or the Director's designee.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors authorizes the Director of Human Resources or the Director's designee to settle claims based on the above stated authority level.

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