

(R-86-534)

RESOLUTION NUMBER R- 264164

ADOPTED ON SEP 30 1985

WHEREAS, in July 1970, the City Council passed Resolution No. 200428 establishing the Claims and Insurance Division of the Department of Employee Services to administrate the handling of claims filed against The City of San Diego; and

WHEREAS, according to procedures outlined in the California Government Code section 935, et seq. in 1970, a local public entity could authorize certain employees to allow, compromise or settle a claim not to exceed \$5,000; and

WHEREAS, settlement of claims or lawsuits above \$5,000 require Council approval as outlined in City Council Policy 000-9 and are heard in executive session subsequent to being placed on the Council docket for action by full Council; and

WHEREAS, because substantial inflation that has occurred in areas such as labor and materials, average claim costs have risen dramatically and, as a result, the State Legislature in 1981, amended Government Code section 935 et seq. and effectively increased the \$5,000 limit to \$20,000; and

WHEREAS, in view of the 1981 legislation that amended section 935 of the California Government Code allowing for the increased claims and litigation settlement authority, it is recommended that the settlement authority of the Claims Division of Risk Management Department and the City Attorney's Office be increased to \$20,000 for water main breaks and sewer backups; and

WHEREAS, these cases are generally straight forward, and the City's liability is determined in accordance with Council Policy; and

WHEREAS, the background, discussion and recommendations are set forth in City Manager Report No. 85-428, dated September 4, 1985, to the Rules Committee; and

WHEREAS, the Rules Committee considered said matter at its September 9, 1985 meeting and approved, by a 3-0 vote, the concept of amending Council Policy 000-9 to authorize settlement of claims or lawsuits at the new level as recommended in City Manager Report No. 85-428; and

WHEREAS, the matter is now forwarded to the full Council for appropriate action; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that pursuant to the recommendation contained in City Manager Report No. 85-428, dated September 4, 1985, as approved by the Rules Committee, Council Policy 000-9 be and the same is hereby amended to authorize and enable the City Manager and City Attorney to allow, compromise or settle claims or lawsuits involving water main breaks and sewer backups not to exceed \$20,000, as shown in the proposed revised Council Policy 000-9 attached to City Manager Report No. 85-428.

BE IT FURTHER RESOLVED, that the City Clerk be and he is hereby instructed to add the aforesaid amended policy to the Council Policy Manual.

APPROVED: JOHN W. WITT, City Attorney

By Jack Katz
Jack Katz, Chief Deputy

JK:smm
9/17/85
Or.Dept:Rules
R-86-534
Form=r.none

Council Policy 000-9 on file in the Office of the City Clerk as Document No.

RR- 264164 .

PAGE 1 OF 1

264164

02068

SEP 30 1985

Passed and adopted by the Council of The City of San Diego on _____,
by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
District 7 - vacant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mayor Roger Hedgecock	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

ROGER HEDGECOCK
Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR
City Clerk of The City of San Diego, California.

(Seal)

By *Charles G. Abdelnour*, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number **R-264164** Adopted **SEP 30 1985**

CC-1276 (REV. 8-85)

02069

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CITY CLERK'S OFFICE
1985 SEP 19 AM 11: 05
SAN DIEGO, CALIF.

02070

COUNCIL POLICY

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
CLAIMS AGAINST THE CITY	000-9		1 OF 2

BACKGROUND

City Council amended this Council Policy on July 30, 1970 to establish a procedure for the efficient administration of claims against the City. This was done in accordance with the California Government code, section 935 et seq. As was the case in 1970, the City continues to self-insure the greater portion of its potential liability and the purpose of this amended Council Policy is to provide for increased efficiency in the administration of certain claims involving water main breaks and sewer backups.

PURPOSE

The purpose of this amended policy is to provide for an increased efficiency in the handling of certain claims and lawsuits that arise out of water main breaks and sewer backups. All other claims will be administered in accordance with the procedure established by council Policy 000-9 on July 30, 1970 and pursuant to California Government Code 935 et seq.

POLICY

- Rev. - I. All claims shall be filed with the Director of Risk Management.
- Rev. - II. The Claims and Insurance Division of the Department of Risk Management shall be a commission herein called "Division" to administrate claims against the City pursuant to Government Code 935 et seq. and as hereinafter provided.
- III. All claims shall be investigated and adjusted by Division.
- Rev. - IV. Division shall have the authority to allow, deny or compromise all claims wherein the amount paid in settlement does not exceed five thousand (\$5,000). Claims for damages due to water main breaks and sewer backups will be allowed or compromised with the following conditions:
1. Five thousand dollars (\$5,000) field settlement authority for each Claims Representative II.
 2. Five thousand (\$5,000) to ten thousand dollars (\$10,000) settlement authority with approval from the Claims and Insurance Manager.
 3. Ten thousand (\$10,000) to twenty thousand dollars (\$20,000) settlement authority with the approval of the Risk Management Director and the City Manager.

DOCUMENT NO.

R-264164

FILED

SEP 30 1985

COUNCIL POLICY

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
CLAIMS AGAINST THE CITY	000-9		2 OF 2

POLICY (continued)

- Rev. -
- V. All claims in an amount in excess of Five Thousand Dollars (\$5,000) except those claims involving water main breaks and sewer backups over twenty thousand (\$20,000), not settled for less than that amount by the Division, shall be allowed or denied by Council resolution unless otherwise denied by operation of law. A claim denied by operation of law is recognized as denied by Government Code Section 912.4 when, after forty-five (45) days of filing the claim, no City action is taken either by way of acceptance or denial.
 - VI. Notification of denial of claims, whether by Division, by Council resolution or by operation of law will be made in writing to the claimant.
 - VII. In all cases that are settled, Division shall obtain a warrant-check from the Auditor and Comptroller and forward it to the claimant in return for his properly signed and executed release. In the interests of efficient claims management, and where the liability exposure so indicates, Division may elect to pay portions of claimant's losses as they are incurred, securing partial release receipts to be applied to the full release at the termination of the claim.
 - VIII. In all cases, Division shall seek the advice and consent of the City Attorney on questions of law.
 - IX. In all cases in which a summons and complaint is served on the City, the case shall be forwarded to the City Attorney for legal action.
 - X. In all cases of claims or suits or potential liability exposure in excess of the applicable self-insurance limits, Division shall in writing place the excess coverage insurance carrier on notice of of the claim and coordinate investigation and litigation with that carrier.
 - XI. Division will provide the Council with a monthly tort claims statistical report. This report shall reflect the City's claims volume and expense experience in the self-insurance program.

R - 264164