



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** General Services  
**Department No.:** 063  
**For Agenda Of:** 03/15/2011  
**Placement:** Administrative  
**Estimated Tme:**  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors

**FROM:** Department Bob Nisbet, Director, General Services,  
Director(s) 560-1011  
Contact Info: Ray Aromatorio, Risk Manager, General Services, 884-6865

**SUBJECT:** Settlement Authority for Claims Processed by Risk Management

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:**

As to form:

**Recommended Actions:**

That the Board of Supervisors authorize the General Services Director or designee, to:

- a) Reject, settle, compromise or approve public liability, medical malpractice and workers' compensation claims or related liens in the amount of \$25,000 or less each in new money;
- b) Reject, settle, compromise or approve public liability, medical malpractice and workers' compensation claims or related liens with the concurrence of County Counsel for all settlements in excess of \$25,000, but less than \$50,000; and,
- c) Bring to the Board of Supervisors for approval all settlements exceeding \$50,000.

**Summary Text:**

Government Code Section 31000.8 provides that the Board of Supervisors may authorize county employees to reject, settle, compromise and approve worker's compensation, and public liability claims against the county, its officers or employees, at any one time, for \$20,000 or a larger amount that the Board of Supervisors may specify. There is no record of the Board authorizing a larger amount and current practice is that all settlements in excess of \$20,000 in new money are brought to the for board approval.

In a November 2008 survey of 34 responding counties, 25 or 73% had delegated authority to settle claims at \$50,000 or above, with 12 of those counties delegating full authority to settle claims without Board approval at all. Of the ten counties closest in size to Santa Barbara County, three had a staff threshold at \$25,000; three at \$50,000; one at \$100,000 and three did not have a threshold at all (i.e. Board action is not required regardless of the amount of the settlement).

Under the recommended action, the General Services Director or designee would have authority to reject, settle, compromise and approve claims or liens equal to or less than \$25,000 and equal to \$50,000 with County Counsel’s concurrence in additional cash payments above what has already been paid, for example, through required permanent disability advances.

2008		2009		2010	
Total number of claims submitted to BOS	Number of claims between \$20-50K	Total number of claims submitted to BOS	Number of claims between \$20-50K	Total number of claims submitted to BOS	Number of claims between \$20-50K
15	7	16	5	18	7

Medical and litigation costs have substantially increased over the past 20 years, making the \$20,000 threshold outdated. It should be noted that state law mandates that all workers’ compensation settlements must be approved by the Workers’ Compensation Appeals Board (the WCAB), and that settlements above the County’s self insured retention (\$500,000) must be approved by CSAC-Excess Insurance Authority.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

Narrative: There is no additional cost to the County for implementing this change. The County would save staff time in preparing closed session items, Board time in reviewing smaller claims, and also ensure that the settlement costs overall are lowered by increasing the probability that the original amount settled upon will not be retracted by the claimant.

**Special Instructions:**

Send a copy of signed minute order to Ray Aromatorio, Risk Manager, General Services Department and Stephen Underwood, Chief Assistant County Counsel.

**Attachments:**

None.

**Authored by:** Ray Aromatorio, Risk Management