



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: June 23, 2015

TO: Finance Committee

FROM: Risk Management Division, Finance Department

SUBJECT: Increasing The Claim Settlement Authority Delegated To The City Administrator

RECOMMENDATION:

That the Finance Committee consider and recommend to Council an increase in the claim settlement authority delegated to the City Administrator from \$25,000, as established in Resolution No. 96-070, to \$35,000 to reflect Consumer Price Index (CPI) increases since 1996.

DISCUSSION:

Resolution #83-172 adopted by Council on November 8, 1983 establishes specific procedures relating to general and automobile liability claims. The resolution grants authority to the City Administrator, or his/her designee, to accept or reject a claim; and to enter into a settlement of a claim for an amount not to exceed \$5,000 per claim.

Resolution #96-070 adopted by Council on June 25, 1996, modified Resolution #83-172 by increasing City Administrator settlement authority to \$25,000 per claim. Since then, the consumer price index (CPI) has grown by nearly 54.6%, indicating the increased price of goods and services over the last 18 years. The costs of goods and services are directly linked to the value of a liability claim.

Council recently revised the authority for the City Administrator to bind the City, either with or without a written contract, for the acquisition of equipment, materials, supplies, labor, services or other items included within the budget approved by the City Council. The recent action by Council increased the value of the authority for the City Administrator to bind the City in contractual matters from \$25,000 to \$35,000.

Staff recommends that Council consider increasing the settlement authority delegated to the City Administrator to settle a liability claim from \$25,000 to \$35,000. This proposal is consistent with the previous action by Council.

PREPARED BY: Mark W. Howard, Risk Manager

SUBMITTED BY: Robert Samario, Finance Director/Acting Assistant City Administrator

APPROVED BY: City Administrator's Office