

GENERAL

Ordinance Fact Sheet

140578

Ordinance Number

Brief Title	Approval Deadline
Settlement Authority of the City Attorney and Risk Management Committee	

Details

Reason for Legislation

This ordinance will adjust the amounts of settlements which can be made by the City Attorney and the Risk Management Committee from up to \$10,000 and \$30,000 respectively, to \$25,000 and \$50,000 respectively.

Discussion
(including relationship to other Council actions)

Currently, the City Attorney may settle claims and litigation up to \$10,000. The Risk Management Committee may authorize settlement of claims by the City Attorney up to \$30,000. This ordinance will increase those limits from \$10,000 to \$25,000 and from \$30,000 to \$50,000. All settlements above \$50,000 will continue to be sent to the City Council for its consideration.

This increase was identified by a work group from the Budget Office, working with the City's insurance/risk management advisor, Lockton Companies, LLC, to identify areas of improvement in our workers' compensation program. These increases were submitted to the City Attorney as a "best practice" for our program.

This increase will apply to all claims, not just workers' compensation claims.

By increasing the City Attorney's authority to \$25,000, that limit can be delegated to Thomas McGee LC, the City's third-party administrator of our workers' compensation program. This will result in about 60 additional cases yearly being handled by Thomas McGee LC, many of which would have been handled by the Risk Management Committee. This will allow quicker resolution of cases, reducing the cost of processing cases. All of these cases are still reviewed by the City Attorney's Office when settlements are presented to the Missouri administrative law judge for approval.

Reason
To increase settlement authority of the City Attorney and the Risk Management Committee

Positions/Recommendation

Sponsor	William Geary, City Attorney
Programs, Departments or Groups Affected	Law, Risk Management Committee, General Services,
Applicants/ Proponents	Applicant City Department Other
Opponents	Groups or Individuals Basis of Opposition
Staff Recommendation	<input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against
Board or Commission Recommendation	By: Legal Review Committee <input checked="" type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)
Council Committee Actions	<input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass

(Continued on reverse side)

Details

It is estimated that by increasing the Risk Management Committee authority to \$50,000 the Council's annual review of cases will be reduced from about 33 to 21.

As part of the implementation of improvements to the workers' compensation system the City Attorney, along with the General Services Department and Thomas McGee, LC, have committed to regular reporting of information concerning claims, including the nature of injuries, responsible department, efforts being taken to remedy the behavior causing claims, financial impact of settlements. This commitment was made to the Legal Review Committee as part of the Committee's review of this proposed ordinance.

Is it good for the children?
This ordinance does not directly impact the City's efforts to improve the lives of children.

How does this contribute to a sustainable Kansas City?
This ordinance does not directly impact the City's sustainability efforts.

Policy / Program Impact

Policy or Program Change	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
	The City's policy for settlements now limit settlements by the City Attorney to \$10,000 and the Risk Management Committee to \$30,000. This ordinance will change those limits to \$25,000 and \$50,000 respectively.
Operational Impact Assessment	

Finances

Cost & Revenue Projections	Cost of Legislation <u>None</u>
	Increase/Decrease in Revenue Expected Annually
Fund Sources	

(Use this space for further discussion, if necessary)

Applicable Dates

Fact Sheet prepared by: William Geary, City Attorney

Reviewed by:

Reference Numbers