TO: Land Use and Public Works Committee

FROM: Community Development and Services Agency, Mike Lee

SUBJECT: Community Development & Services: Adopt resolution providing the Public Works Director authority to settle damage to public property matters within specified limits. (5 minute estimate)

DATE: August 11, 2020

NUMBER: 362/2020

RECOMMENDATION:

Adopt resolution providing the Public Works Director authority to settle damage to public property matters within specified limits.

BACKGROUND:

Routinely, the travelling public hits various public works facilities causing damage. Examples include, but are not limited to, street signs, luminaires, signal poles, sound walls, bridge rails, and guardrails. When accidents are reported, or we become aware of the damage, staff works diligently to try and recover our costs. Costs include not only the materials, but also the labor to make the repairs. Some repairs are performed using county forces and some are completed by hiring contractors or specialists (i.e. masons).

Public Works deals with an estimate 10 to 20 claims per year for miscellaneous damages. The typical recourse is to submit claims to the driver’s insurance company requesting reimbursement. Insurance companies seek releases from further liability prior to making payment of their policy coverage limits. Due to the common nature of these claims and typically the low value, the public will benefit from the accelerated resolution of these matters. Delegating authority for the Public Works Director to settle certain routine claims will enable this accelerated resolution.

DISCUSSION:

Staff recommends delegating the following authority to the Public Works Director.
1. Approve settlement releases where the claim is less than $50,000 and paid in full.

2. Approve settlement releases where the loss is less $50,000 and is in excess of insurance policy limits of the person causing the damage as follows: (i) where the difference between the loss and the payment are less than $5,000 and after diligent inquiry the Director of Public Works has confirmed the payment is in fact the policy limit; (ii) the Director of Public Works believes the person damaging the property has insufficient assets to fully reimburse the loss and no other insurance or source of payment exists; and (iii) the Director of Public Works and County Counsel believes litigating the matter would be more costly than the expected benefit, or the unreimbursed amount is small enough as to make any further efforts more costly than any further expected recovery.

Final approval of any claims receiving less than the estimated value of the loss shall be reviewed and approved by the Chief Administrative Officer. All releases shall be approved by County Counsel. Any claim in excess of $50,000 or any settlement leaving $5,000 or more unreimbursed shall be approved by the Board of Supervisors.

FISCAL IMPACT:

General Fund: None.
Road Fund: Will save significant staff time not having to present each proposed settlement to the Board for consideration.

Attachments

Reso