

Proposed Revised Settlement Authority Policy for General Liability Claims

JPB Finance Committee
Agenda Item 7
May 22, 2023



Background

- In 2001, JPB authorized the Executive Director's authority to settle general liability claims up to \$50,000
- In 2019, SamTrans Board authorized GM, acting as Caltrain ED, to settle claims up to \$100,000
- Adoption of Governance MOU creates ambiguity regarding Caltrain ED's settlement authority
- Neither policy addresses ED's authority to settle claims brought by Caltrain

Current Limits in the JPB Claims Settlement Authority Policy

- Under the current JPB policy:
 - The JPB Claims Administrator may settle general liability claims up to \$5,000
 - The JPB Risk Manager may settle and authorize payment of general liability claims between \$5,000-\$25,000 with the review of the General Counsel
 - The Executive Director may settle and authorize payment of claims between \$25,000-\$50,000 with the recommendation of the General Counsel and Risk Manager

Proposed Changes

- Staff recommends that the Board authorize the following proposed limits for the **Executive Director**:
 - Settlement of general liability claims between \$25,001 and \$100,000 and authorize payment of same, **except for claims that name the Executive Director, Chief Financial Officer, or General Counsel**
 - Approval of a compromise of a claim Caltrain has against another party with estimated damages of \$100,000 or less
 - Staff will report settlements to the Board on a monthly basis

Proposed Changes (cont.)

The Board of Directors must:

- 1) Approve settlements of claims against the JPB in excess of \$100,000 and authorize payment of same;
- 2) Approve the compromise of a claim the JPB has against another party in excess of \$100,000; and
- 3) Approve claims naming the Executive Director, Chief Financial Officer, or General Counsel

Proposed Motion

- Recommend that the Board authorize the Executive Director to:
 - Settle general liability claims between \$25,001 and \$100,000, **except for claims that name the Executive Director, Chief Financial Officer, or General Counsel**
 - Approve compromise of a claim Caltrain has against another party with estimated damages of \$100,000 or less
- Require that Staff continue to report settlement of claims on a monthly basis

FOR MORE INFORMATION

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