

Agenda Item Details

Meeting Oct 22, 2025 - City Commission Meeting

Category 8. CONSENT

Subject 8.12 Sunset Review and Update of City Commission Policy 200 - Claim Settlement

Policy -- James O. Cooke, IV, City Treasurer-Clerk

Access Public

Type Action (Consent)

Fiscal Impact No

Recommended

Action

Option 1- Approve Revised City Commission Policy 200

Public Content

For more information, please contact: Arthur Pitts, Risk Management Director at (850)891-8380

Statement of Issue

City Commission Policy 200, Claim Settlement Policy, adopted October 1986 and renewed most recently in December 2020, specifies the amounts and the way third party liability claims brought against the City are covered and administered under the self-insured general liability and automobile liability program established by City Commission Policy 214. The current review recommends revisions to the settlement authority levels to reflect amounts similar to delegated authorities permitted by other policies.

Supplemental Material/Issue Analysis

History/Facts & Issues

City Commission Policy 214 established the City's Self-Insurance Program. City Commission Policy 200 was adopted in October 1986 to establish procedures for administering third-party negligence claims brought against the City covered by the self-insured program. Commission Policy 200 delegates levels of settlement authority to staff and a Liability Oversight Committee (LOC). In addition to following policies established by the City Commission, the City relies on the liability limits as set forth in Florida Statute 768.28 for third party liability claims. The limits of \$200,000 per person, \$300,000 per occurrence were set by the legislature in 2011.

The City established a Liability Oversight Committee in November 1982 in response to Falls Chase litigation expenditures. The LOC was composed of the City Manager, City Attorney and City Treasurer- Clerk, the director of the department subject to the suit and the OMB Director. The LOC was to evaluate all cases where expenses and settlement combined exceeded \$25,000 and make a recommendation to the City Commission. Adjusted for inflation, this amount is approximately \$82,000 in 2025. City Commission policy 200 gives authority to the Risk Manager to settle certain claims while larger amounts require consultation with the LOC or City Commission. In 2016, the Risk Manager's authority was increased from \$25,000 to \$50,000 and the Liability Oversight Committee increased from \$50,000 to \$100,000.

This review is recommending an adjustment in settlement authority for the Risk Manager and the LOC. Factors considered in making this recommendation were:

- 1. To reflect trends of increasing injury verdicts and the costs to defend such claims.
- 2. An anticipated increase in sovereign immunity limits by legislature. In the 2025 legislative session, a bill to increase these limits to \$500,000 per person, \$1,000,000 per occurrence passed the Florida House but died in the Senate. Clearly, there is sentiment to adjust the limits, and this update anticipates some increase in the limits and probable settlement inflation that would accompany such an increase.
- 3. Recognition of delegated authority given to the LOC members by other city policies including Purchasing Policy, CP242. In the Purchasing policy, the Appointed Officials or Assistant City Managers have delegated authority for non-capital projects up to \$250,000. The recommended action would increase the Risk Manager's settlement authority from \$50,000 to \$75,000 per claimant. The Liability Oversight Committee's authority would increase from a maximum of \$100,000 to \$150,000 per claimant.

Lastly, the update recommends eliminating the Workers' Compensation Oversight Committee (WCOC) approval category. Workers' Compensation Claims are not subject to the limits of 768.28 and the settlement process requires an administrative proceeding and approval by a Judge of Compensation Claims. Under the authority levels of the 2020 Commission Policy, no WCOC have been initiated since 2021. Settlement authority would be retained in the Risk Management Division.

Department(s) Review

City Attorney's Office

Options

Option 1. Approve Revised City Commission Policy 200.

Pros: Reduces the frequency of Liability Oversight committee needs, permits efficient resolution of claims if City Commission is on break and reduces number of claims which would require action by City Commission.

Cons: None

Option 2. Do not approve Revised City Commission Policy 200.

Pros: Continues current settlement levels and processes.

Cons: None

Attachments/References

Attachment 1 - Proposed City Commission Policy 200

Attachment 1 - Proposed City Commission Policy 200.pdf (245 KB)