

ORDINANCE O2025-\_\_

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, RESCINDING R2008-80 AND R2019-076, AND AMENDING NAPA MUNICIPAL CODE CHAPTER 2.104, MODIFYING THE CURRENT DELEGATION OF AUTHORITY TO SETTLE GOVERNMENT TORT CLAIMS AND WORKERS' COMPENSATION CLAIMS, AND DELEGATING THE SUBMITTAL OF EMPLOYER GENERATED INDUSTRIAL DISABILITY APPLICATIONS

WHEREAS, the California Tort Claims Act (California Government Code Section 900 et. seq.) (the "Act") establishes general provisions regarding the processing of tort claims filed against cities, and authorizes cities to adopt local procedures not in conflict with state law; and

WHEREAS, California Government Code Section 935.4 permits the City Council to authorize an employee of the City to perform claims administration functions under the Act; and

WHEREAS, California Government Code Section 935.4 also permits a City Council to authorize an employee, pursuant to a charter provision, to allow, compromise, or settle a pending tort claim against the City where the amount to be paid is in excess of Fifty Thousand Dollars (\$50,000); and

WHEREAS, Napa City Charter, Section 85(l), authorizes the City Manager to possess such other powers and to perform such additional duties as are or may be prescribed by the Charter or ordinance, and therefore, the City, by its Charter, can authorize the City Manager, by ordinance, to allow, compromise, or settle a pending tort claim against the City in an amount in excess of Fifty Thousand Dollars (\$50,000); and

WHEREAS, the California and the State Division of Worker's Compensation establish the requirements for acceptance of worker's compensation claims and the provision of required benefits so that employers cannot deny claims or fail to provide benefits for claims that meet established criteria; and

WHEREAS, the Public Employees' Retirement Law Requires the City Council to take certain actions regarding determinations of, and applications to the CalPERS Board for retirement of a City employee for disability (including those set forth in California Government Code); provided, however, that the same law authorizes the City Council to delegate its duties and authority to the City Manager; and

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WHEREAS, The Workers' Compensation Act establishes formulas and procedures for determining benefits and payments in workers' compensation claims, with California Labor Code § 3202 mandating liberal interpretation to maximize employee recovery. To promote efficient settlement and avoid sanctions, the term "statutorily required payments" needs clarification for compromise and settlement authorization. Workers' compensation claims can be resolved through three legally binding methods: "Stipulations with Request for Award," "Findings and Award," and "Compromise and Release." The first two methods require statutorily mandated payments until the award is fully paid, with the claims remaining open for future medical treatment and potential reopening. However, the "Compromise and Release" method allows employers some discretion in payment amounts, enabling them to buy out future medical and indemnity exposure, settle disputed claims when advantageous, and close the file upon payment, precluding future medical treatment and "new and further" disability claims; and

WHEREAS, California Government Code Section 949 further permits the City Council to delegate its authority to compromise or settle all other pending actions against the City, including lawsuits and Workers' Compensation claims; and

WHEREAS, the California Public Employees' Retirement System (CalPERS) and the California Government Code provides obligations, rights and benefits with respect to members of PERS.

WHEREAS, the City of Napa's Municipal Code related to claims against the City has not been updated since 1954; and

WHEREAS, pursuant to Resolution No. R2008-80, the City Council previously: (i) delegated all administrative functions to the City Manager, (ii) delegated authority to settle all claims and pending actions against the City in the amount of Fifty Thousand Dollars (\$50,000) or less to the City Manager (or the City Manager's designee) endorsed by City Auditor and approved as to form by the City Attorney (or the City Attorney's designee), and (iii) authorized the City Manager to further delegate the above-referenced authority as determined to be appropriate; and

WHEREAS, pursuant to Administrative Regulation 6.01.101, the City has separately delegated authority to the City Manager, Assistant City Manager, the Risk Manager and Human Resources Director to compromise or settle (i) Workers' Compensation claims, and (ii) Government Tort Claims; and

WHEREAS, the City Staff recommends that the City Council (i) rescind R2008-80 and R2019-076; and (ii) consider the proposed changes to the Municipal Code to address Government and Worker's Compensation Claims; and

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WHEREAS, the City Council has considered all information related to this matter, as presented at the public meeting of the City Council identified herein, including any supporting reports by City Staff, and any information provided during public meetings.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Napa as follows:

**SECTION 1: Amendment.** Napa Municipal Code Title 2 Chapter 2.104 Claims Against City is hereby amended to read as follows:

## **Chapter 2.104 Settlement or Compromise of Government and Workers' Compensation Claims by or Against the City or its employees**

### **Sections:**

- 2.104.010 Definitions
- 2.104.020 General
- 2.104.030 Procedures
- 2.104.040 Action by the City
- 2.104.050 Filing of Claims as a prerequisite to a Lawsuit
- 2.104.060 Claims for money or damages – Other
- 2.104.070 Authority to make Settlements or Actions Against the City
- 2.104.080 Reporting Requirements for Settlement Approvals
- 2.104.090 Industrial Disability Retirements

### **2.104.010 Definitions**

**“Stipulated Findings and Award”** means a type of workers' compensation settlement where both the injured worker and the insurance company agree on specific facts regarding the case, such as the disability rating, work-relatedness of the injury, and any apportionment.

**“Compromise and Release (C&R)”** means a settlement agreement that fully resolves a workers' compensation claim.

**“Industrial Disability Retirement (IDR)”** means a retirement available to safety members who are substantially incapacitated from performing the usual duties of his or her position due to a job-related illness or injury.

### **2.104.020 General**

The general claims procedures applicable to local public agencies, including this City, are governed by the provisions of Title 1, Division 3.6, Part 3, Claims Against Public Entities (commencing with Section 900), of the California Government Code.

### **2.104.030 Procedures**

Any claims against the city for money, damages, or a refund that is exempted under

Section 905 of the Government Code must comply with the claims presentation requirements of the Tort Claims Act. Claims not governed by other statutes or ordinances specifically addressing them, shall be governed by this chapter. Claims against the City of Napa are subject to the provisions of Government Code Section 911.2. Any claim not filed within that period shall be time-barred.

- A. Claims against the City of Napa shall be filed with the City Clerk, and the claim must conform to the requirements of Chapters 1 and 2 of Part 3 of Division 3.6 of Title 1 of the Government Code and shall be in writing on a form prescribed by the City.

### **2.104.040 Action by the City**

The City shall process and take action upon a claim submitted pursuant to this chapter, pursuant to the requirements of the Government Code, within forty-five days of its filing with the City Clerk. If the City fails to do so, the demand or claim shall be deemed to have been rejected on the last day of the period within which the City was required to act. Action by the City shall be subject to the provisions of Section 912.4 of the Government Code.

### **2.104.050 Filing of claims as a prerequisite to lawsuit**

No lawsuit may be brought against the city on any cause of action for which a claim must be filed under this chapter until the claim has been filed with the City Clerk as required by this chapter and has been acted upon by the City or has been deemed to have been rejected. Any action brought against the City on such a claim shall be subject to the provisions of the Government Code. Only the person who filed the claim may bring such a lawsuit, and if another person should do so, judgement shall not be rendered for the plaintiff.

### **2.104.060 Claims for money or damages – Other**

Any such claim challenging the payment of a tax, fee, assessment or claiming a refund of a tax or other charge for any reason, shall be filed solely by the person paying the tax or his or her guardian, conservator or the executor of his or her estate. No claim may be filed on behalf of other taxpayers or a class of taxpayers. Such claims shall be presented and processed as otherwise provided in the Napa Municipal Code.

### **2.104.070 Authority to make Settlements of Claims or Actions Against the City**

The City Manager and Risk Manager are authorized to perform these functions relating to consideration of Government & Worker's Compensation claims.

- A. The City Manager or the City Manager's designee is authorized to allow, compromise, or settle Government Tort Claims and Workers' Compensation including Compromise and Release settlement claims against the City if the amount to be paid pursuant to the allowance, compromise or settlement does not exceed \$200,000 dollars
  - 1. The City Manager with consultation from the Risk Manager and/or Human Resources Director, has full discretionary authority to allow,

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compromise, or settle all stipulated findings and awards provided the additional expenditure, in addition to any expenditure authorized under Section “A” above.

- B. The Risk Manager is authorized to allow, compromise, or settle Government Tort Claims and Worker’s Compensation claims, including any stipulated findings and awards, as well as Compromise and Release settlements against the City if the amount paid pursuant to the allowance, compromise, or settlement does not exceed \$20,000.
- C. The Human Resources Director is authorized to allow, compromise, or settle any Worker’s Compensation claims, including any stipulated findings and awards, as well as Compromise and Release settlements, provided the amount does not exceed \$50,000.
- D. The City Attorney is authorized to allow, compromise, or settle Government Tort claims against the City, with the City Manager’s concurrence, if the amount to be paid pursuant to the allowance, compromise, or settlement does not exceed \$50,000 dollars.
- E. The City Manager, Assistant City Manager, Risk Manager and Human Resources Director are collectively authorized to allow, compromise, or settle in whole or in part any action against the City for money or damages in an amount not to exceed \$200,000, with the City Attorney’s approval of any release as to form.
- F. For all Government Tort claims, and Worker’s Compensation claims not able to be settled pursuant to “A” through “E” of this section, the City Council may discuss in closed session, together with a recommendation that such claim be approved, compromised, further investigated, or denied.

<b>City Manager</b>	Government Tort Claims - \$200,000 Worker’s Compensation Settlements <ul style="list-style-type: none"> <li>• Compromise and Release - \$200,000</li> <li>• Stipulated Findings and Awards – Unlimited (new money cannot exceed \$200,000)</li> </ul>
<b>Risk Manager</b>	Government Tort Claims - \$20,000 Worker’s Compensation Settlements <ul style="list-style-type: none"> <li>• Compromise and Release - \$20,000</li> <li>• Stipulated Findings and Awards - \$20,000</li> </ul>
<b>Human Resource Manager</b>	Worker’s Compensation Settlements <ul style="list-style-type: none"> <li>• Compromise and Release - \$50,000</li> <li>• Stipulated Findings and Awards - \$50,000</li> </ul>
<b>City Attorney (with City Manager’s Concurrence)</b>	Government Tort Claims - \$50,000

## 2.104.080 Reporting Requirements for Settlement Approvals

The Human Resources Director and/or Risk Manager shall provide periodic reports to the City Council regarding all settlements approved under this section. Such reports shall include the cause of action, the settlement amount, and any other relevant details, as permitted by applicable law.

**2.104.090 Industrial Disability Retirements**

The City Council has delegated authority to the City Manager to exercise the authority and duty conferred or imposed on the City Council under the Disability Retirement requirements of the Public Employees’ Retirement Law (see California Government Code Sections 21150 through 21203, particularly Section 21173).

The City Manager’s authority under this resolution shall include the authority to:

- a) Make applications on behalf of the City to the CalPERS Board, for disability retirement of any City employee who is a member of CalPERS (see California Government Code Section 21152 (c));
- b) Make determinations, based on medical examination, competent medical opinion, and other available information, regarding the eligibility of a particular employee to retire for disability, or to be reinstated from a disability retirement (including the determinations set forth in California Government Code Sections 21154, 21156, 21166, 21192); and
- c) Appoint a physician or surgeon to examine employees that are the subject of a determination for disability retirement, or reinstatement from a disability retirement

The City Council has authorized the City Manager to make a written delegation of authority to a qualified City employee to exercise the City Manager’s authority under this Section (2.104.090 – Industrial Disability Retirements).

**SECTION 2: Severability.** If any section, sub-section, subdivision, paragraph, clause or phrase in this Ordinance, or any part thereof, is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining sections or portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, sub-section, subdivision, paragraph, sentence, clause or phrase of this Ordinance, irrespective of the fact that any one or more sections, sub-sections, subdivisions, paragraphs, sentences, clauses or phrases may be declared invalid or unconstitutional.

**SECTION 3: Effective Date.** This Ordinance shall become effective thirty (30) days following adoption.

City of Napa, a municipal corporation

MAYOR: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
CITY CLERK OF THE CITY OF NAPA

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STATE OF CALIFORNIA }  
COUNTY OF NAPA } SS:  
CITY OF NAPA }

I, Tiffany Carranza, City Clerk of the City of Napa, do hereby certify that the foregoing Ordinance had its first reading and was introduced during the public meeting of the City Council on the 18th day of March, 2025, and had its second reading and was adopted and passed during the public meeting of the City Council on the 1st day of April, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: \_\_\_\_\_  
Tiffany Carranza  
City Clerk

Approved as to Form:

\_\_\_\_\_  
Christopher Diaz  
Interim City Attorney