



SunLine Transit Agency  
September 25, 2024  
11:40 a.m. – 11:55 a.m.

## AGENDA

### BOARD OPERATIONS COMMITTEE

Wellness Room  
32-505 Harry Oliver Trail  
Thousand Palms, CA 92276

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#### NOTICE TO THE PUBLIC

SunLine has discontinued its COVID-19 Emergency Declaration and has returned its Board and Board Committee meetings to live and in-person attendance at the location noted above. These meetings are no longer available for viewing, attendance, or comment by two-way audiovisual platform, two-way telephonic service, webcasting, or streaming video broadcast. SunLine may prepare audio or video recordings of Board meetings. In accordance with the Brown Act and California Public Records Act, these recordings are subject to public inspection for a period for thirty (30) days after the meeting.

In compliance with the Brown Act, agenda materials distributed 72 hours or less prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to or at the meeting at SunLine Transit Agency's Administration Building, 32505 Harry Oliver Trail, Thousand Palms, CA 92276 and on the Agency's website, [www.sunline.org](http://www.sunline.org).

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, and the Federal Transit Administration Title VI, please contact the Clerk of the Board at (760) 343-3456 if special assistance is needed to participate in a Board meeting, including accessibility and translation services. Notification of at least 72 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

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#### ITEM

#### RECOMMENDATION

1. CALL TO ORDER
2. FLAG SALUTE
3. ROLL CALL
4. PRESENTATIONS

**ITEM**

**RECOMMENDATION**

5. FINALIZATION OF AGENDA

6. PUBLIC COMMENTS

RECEIVE COMMENTS

**NON AGENDA ITEMS**

Members of the public may address the Committee regarding any item within the subject matter jurisdiction of the Committee; however, no action may be taken on off-agenda items unless authorized. Comments shall be limited to matters not listed on the agenda. Members of the public may comment on any matter listed on the agenda at the time that the Board considers that matter. Comments may be limited to 3 minutes in length.

7. COMMITTEE MEMBER COMMENTS

RECEIVE COMMENTS

8. **PROPOSED MODIFICATIONS TO SETTLEMENT  
AUTHORITY PROCESS**

(Staff: Luis Garcia, Chief Financial Officer)

DISCUSSION  
(PAGE 3-8)

9. ADJOURN

**SunLine Transit Agency**

**DATE:** September 25, 2024 **DISCUSSION**

**TO:** Finance/Audit Committee  
Board Operations Committee

**FROM:** Luis Garcia, Chief Financial Officer

**RE:** Proposed Modifications to Settlement Authority Process

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**Background**

Through internal discussions between staff and General Counsel, staff has identified a need to review and update the Agency's authority and processes for settling tort claims, workers' compensation claims, potential claims, and legal actions filed against the Agency. California law allows the Board of Directors (Board) to delegate authority to employees or committees to allow, compromise, or settle claims. Delegating settlement authority allows the Agency to promptly settle claims and lawsuits, which may result in a more favorable settlement.

Currently, the Agency operates under the following general guidelines:

1. Settlements under \$10,000 are handled through the Agency's insurance pool, Public Entity Risk Management Authority (PERMA), and do not require Board approval.
2. Settlements above \$10,000 are presented to the full Board for approval during closed session.
3. In accordance with Resolution No. 0746, the CEO/General Manager is authorized to make settlement decisions for worker's compensation claims and submit settlement offers to the full Board for approval.
4. The Board Operations Committee is authorized to review and advise on litigation matters, excluding workers' compensation actions.

Staff proposes that the Board adopt a settlement authority policy that clearly delineates the employee or committee that may allow, compromise, or settle general liability and worker's compensation claims and lawsuits, depending on the dollar amount of the claim or lawsuit. Staff's goal is to streamline the settlement process to ensure efficient workflow, maintain transparency and improve accountability. To achieve this, staff is proposing the following changes which are detailed in the draft resolution:

1. The Finance/Audit Committee will review and advise on litigation matters, given its familiarity with settlements. This task will be removed from the Board Operations Committee.
2. The following employees and committee are authorized to settle valid general liability and workers' compensation claims and actions as follows:
  - a. Chief Safety Officer: Up to \$10,000.
  - b. Chief Financial Officer: Over \$10,000 up to \$25,000.
  - c. CEO/General Manager: Over \$25,000 up to \$50,000.
  - d. Finance/Audit Committee: Over \$50,000 up to \$250,000.
  - e. The Board of Directors will settle claims and actions in excess of \$250,000.
3. A staff committee will be formed to handle emergency settlements valued between \$50,000 and \$250,000 when it is not practicable to hold a Finance/Audit Committee meeting. The committee will consist of the CEO/General Manager, Chief Financial Officer, Chief Safety Officer, Chief of Human Relations, and General Counsel. Settlements made by this staff committee will be ratified by the Finance/Audit Committee at its next scheduled meeting.
4. The CEO/General Manager and General Counsel will endeavor to keep the Board informed of matters, or litigation decisions related to matters, that implicate or challenge Agency policy irrespective of the amount of damages sought in the matter.

Following discussions with the Finance/Audit Committee and the Board Operations Committee in September, staff will incorporate any relevant feedback and present the final proposal for approval at the October 23, 2024 Board meeting.

### **Performance Goal**

**Goal 1: Workforce Investment** – The proposed changes will enhance workforce investment by providing staff with clear guidelines and the authority they need to perform their duties confidently.

**Goal 4: Valuable Community Asset** – The proposed changes will improve the Agency's responsiveness to settlement demands and increase transparency by clearly defining roles and responsibilities throughout the process.

Attachments:

- [Item 8a](#) – Settlement Authority Matrix
- [Item 8b](#) – Draft Resolution No. 0808

## Settlement Authority Matrix

Agency	Designee	Limit	Settlement Types
<b>San Joaquin RTD</b>	CEO or designee; General Counsel; CFO	\$100,000	Tort liability, potential claims, claims and/or legal actions
	Board of Directors	in excess of \$100,000	
<b>Santa Cruz Metro</b>	CEO/GM or designee; CFO; General Counsel	\$100,000	Tort liability, potential claim, claim or legal action
	Board of Directors	in excess of \$100,000	
<b>West County WD</b>	GM or designee, upon advice of General Counsel	\$50,000	Administrative claim or lawsuit; workers' compensation claim
	GM	\$50,000	Workers' compensation claim
	Board of Directors	in excess of \$50,000	
<b>GGBH&amp;TD</b>	GM	\$50,000	Liability claims, including workers' compensation and Jones Act claims
	GM or designee	\$50,000	Government tort claims
	Finance-Auditing Committee	\$250,000	
	Board of Directors	above \$250,000	
<b>SamTrans</b>	Third party claims administrator, with oversight by Insurance & Claims Administrator	up to \$5,000	General liability claims and actions
	Insurance & Claims Administrator	up to \$10,000	General liability claims and actions
	CFO, after review by General Counsel	between \$10,001 and \$25,000	General liability claims and actions
	Deputy GM, after review by General Counsel	up to \$25,000	Employment and workers' compensation claims
	GM/CEO, upon recommendation by CFO and General Counsel	between \$25,001 and \$100,000	General liability claims and actions
	GM/CEO, upon recommendation by Deputy GM and General Counsel	between \$25,001 and \$100,000	Employment and workers' compensation claims
	GM/CEO, with concurrence of CFO and General Counsel	\$100,000 or less	Claims District has against other parties
	Board of Directors	in excess of \$100,000	Any settlement in excess of \$100,000; settlement of claim that names GM/CEO, CFO, or General Counsel; claim the District has against another party

## SUNLINE TRANSIT AGENCY

### RESOLUTION NO. 0808

#### **RESOLUTION ADOPTING SETTLEMENT AUTHORITY POLICY FOR GENERAL LIABILITY CLAIMS, WORKERS' COMPENSATION CLAIMS, AND EMERGENCY SETTLEMENTS**

**WHEREAS**, no suit for money or damages may be brought against SunLine Transit Agency (SunLine) unless a written claim has been timely presented to SunLine and rejected in whole or in part; and

**WHEREAS**, SunLine has an obligation to vigorously defend its interest by thoroughly investigating all claims and lawsuits filed against it; and

**WHEREAS**, SunLine desires that all potential claims, claims, and lawsuits filed against it are resolved in a satisfactory manner; and

**WHEREAS**, on June 24, 2015 by Resolution No. 0745, the Board of Directors (Board) established the Finance/Audit Committee, Board Operations Committee, Strategic Planning and Operational Committee, and Taxi Committee, and tasked the Board Operations Committee with reviewing and advising on SunLine litigation, excluding worker's compensation actions; and

**WHEREAS**, on July 29, 2015 by Resolution No. 0746, the Board delegated to the Chief Executive Officer/General Manager the authority to make settlement decisions for worker's compensation claims and submit settlement offers to the full Board for approval; and

**WHEREAS**, SunLine desires to update and make other efficiency improvements in the process, and establish a comprehensive Settlement Authority Policy, which provides a clear delineation of authority to settle claims for all general liability and worker's compensation claims; and

**WHEREAS**, staff recommends that the Board establish a Settlement Authority Policy that will authorize the Chief Safety Officer, Chief Financial Officer, Chief Executive Officer/General Manager, Finance/Audit Committee, and a committee of staff to settle certain valid general liability and worker's compensation claims up to certain dollar values specified below.

**NOW THEREFORE, BE IT RESOLVED** that the Board of Directors of SunLine Transit Agency hereby rescinds Resolution No. 0746.

**BE IT FURTHER RESOLVED**, that the Board hereby tasks the Finance/Audit Committee with reviewing and advising on SunLine litigation and removes this task from the Board Operations Committee.

**BE IT FURTHER RESOLVED**, that the Board hereby establishes a Settlement Authority Policy for general liability and worker's compensation claims as follows:

a. The Chief Safety Officer is authorized to settle valid general liability and worker's compensation claims and actions up to \$10,000; and

b. The Chief Financial Officer is authorized to settle valid general liability and worker's compensation claims and actions over \$10,000 and up to \$25,000; and

c. The Chief Executive Officer/General Manager is authorized to settle valid general liability and worker's compensation claims and actions over \$25,000 and up to \$50,000; and

d. The Finance/Audit Committee, upon recommendation by the Chief Executive Officer/General Manager and/or General Counsel, is authorized to settle valid general liability and worker's compensation claims and actions over \$50,000 and up to \$250,000; and

e. The Board of Directors, upon recommendation by the Finance/Audit Committee and/or General Counsel, is authorized to settle valid general liability and worker's compensation claims and actions in excess of \$250,000, and to authorize payment of the same.

**BE IT FURTHER RESOLVED**, that for emergency situations when it is not practicable to hold a Finance/Audit Committee meeting, a staff committee consisting of the Chief Executive Officer/General Manager, Chief Financial Officer, Chief Safety Officer, Chief of Human Resources, and General Counsel may settle valid general liability and worker's compensation claims that have a financial impact of over \$50,000 and up to \$250,000. Settlements made by this staff committee will be ratified by the Finance/Audit Committee at its next scheduled meeting.

**BE IT FURTHER RESOLVED**, in all potential claims, claims, or legal actions that are allowed, compromised or settled, pursuant to the Board of Director's actions hereunder, the Chief Financial Officer will be responsible, upon written order of General Counsel and the Chief Executive Officer/General Manager and in accordance with the terms of such allowance, compromise or settlement, to cause the necessary check to be issued in an amount for which such liability, potential claim, claim, or legal action has been allowed, compromised or settled pursuant to this resolution.

**BE IT FURTHER RESOLVED**, that the Chief Executive Officer/General Manager and General Counsel shall endeavor to keep the Board informed of matters, or litigation decisions related to matters, that implicate or challenge agency policy irrespective of the amount of damages sought in the matter.

APPROVED AND ADOPTED by the Board of Directors of SunLine Transit Agency on the 25th day of September, 2024

AYES:

NOES:

ABSENT:

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Nancy Ross  
Chair of the Board

ATTEST:

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Edith Hernandez  
Clerk of the Board

APPROVED AS TO FORM:

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General Counsel  
Catherine Groves