

MOTION

BUDGET & FINANCE

For the 2014-2015 fiscal year, the City budgeted \$47.91 million for liability claims, of which \$47.52 million was comprised of general fund revenues that would otherwise be spent on the delivery of services for constituents, if not for the costs that the city incurs in claims and litigation. In the current fiscal year, the city has budgeted \$53.91 million for liability claims, a 13% increase over the prior year. Despite this significant increase in the budget, the City has already expended \$35.02 million, or almost 65% of the budgeted amount, in the first fiscal quarter of the year.

As an enormous enterprise with tens of thousands of employees, hundreds of miles of streets and sidewalks, and police and fire departments performing dangerous work daily, it is natural that the City will incur litigation defense and liability costs as a result of its day-to-day work. However, the City must continue to take steps to reduce those costs.

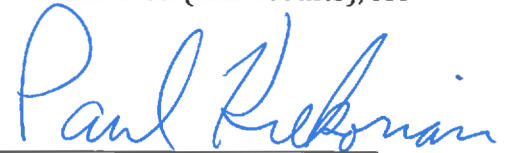
The City's ability to manage its risk depends on the diligence and collective focus of leaders in the city on mitigating and eliminating risk wherever it is possible to do so. No entity as large as the City of Los Angeles can eliminate its liability claims entirely, but every City department should have the standard practice of identifying its most significant risks and putting in place a strategy to mitigate those risks.

I THEREFORE MOVE that the Council INSTRUCT every General Manager of every non-proprietary department to report on its most significant areas of risk and liability, and identify, in concert with the City's risk manager in the CAO's office and the risk management staff at the City Attorney's office, a strategy to reduce or eliminate those risks.

I FURTHER MOVE that the Council REQUEST that the City Attorney's office report on the following:

1. The history of liability payouts for each department identifying by category of claim the greatest sources of liability for the City for each of the past five years.
2. For each major category of claims, statistics comparing number of claims filed (and number paid or rejected), number of complaints filed in litigation, number of cases settled and amount of settlement payouts, number of cases disposed of prior to trial (e.g. by dispositive motion) and results, and number of cases tried (and results), for each of the past five years.

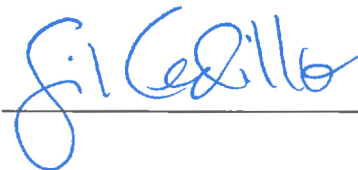
Presented by:



PAUL KREKORIAN

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Seconded by:



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DEC - 4 2015