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## **Transcript**

**January 14, 2026, 9:50PM**

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**OT Operations Cluster Transcription 10:36**

One it is 2 O 1:00 PM and today is January 14th. And let's call operational professor in order to start with the 2nd district, I'm going to 2nd District and Vista Lagrand very good. Third district. John Leonard, Third District, 4th district, grandchildren 4th district and 5th District, Mich.

Vega 5th District Tammy Mulcher Fraser Office and I'm joined by my colleagues Kim. Erin, thank you.

Yep, alright.

Darde, please start us off.

Just to the call of order information, items. OK. And next we have the board motion for the day is second, this second district authorizing the liaison part and implementing the plan for the sale of.

Presenters.

I'll I will be presenting on behalf of our office.

So again, you said agreed.

I'm surprised, Mitchell's a senior deputy in housing, homelessness and planning.

This is a pretty straightforward motion.

The Los Angeles County Museum of Art Lochla is nearing completion of the Geffen Galleries and one of the components that the team is still working on is around alcohol sales.

So it's already A use that was permitted on site and with the new construction, they need to revisit the afterpa sales and the outlets.

So this motion.

If adopted.

Provides the authority to the director of LACMA as well as a museum associates to be able to create a plan in collaboration with the Department of Regional Planning around the alcohol sales. It also provides the authorization to the director of LACMA

to submit applications and execute the NECESS.

Documents to the relevant county departments, as well as to the state agencies in order to.

Implement that plan.

And directs our county departments to cooperate with them in the timely processing of those applications.

That's just the directives.

And then I have in case you'll have technical questions on the line is Brian Leroy, the Lachma Council and then Casey, Huron County. Prince is here as well.

Thank you sella.

Does anybody have any questions?

I just have one.

Is there a particular reason why this has to come?

Like go before the board as a motion as opposed to like a board letter from Lakla.

It's a timing.

I think they're working out a different route, but it ended up happening this so that they can time do the timings for submission OK and I mentioned me this is something that's required if they couldn't just amend their alcohol license on their own, they have to go through.

And get board to this plan, correct? But I will ask ACP to go up.

Sure. To make sure that you get that text for them, planning to share with me if you have real technical questions. But.

We do need it.

Is it OK that I'm like walking and talking?

It's like I'm on a show. OK, so we need a separate entitlement. And so the entitlement is not applicable.

The old entitlement because the building no longer exists and the restaurant no longer exists.

So now we need a new alcohol permit for the new facility that's being built.

And so that's why we're proceeding in this manner and we're working with refill planning on that entitlement and the terms and conditions that are going to be obtained.

OK, perfect. That makes perfect sense. Thanks.

So this is just motion and everything else going down under the motion.

It's like you're gonna get any other board action, right?

As of right now, we do not anticipate any additional board action that this will take care of, OK.

All right, seeing no other questions, the office is welcome to follow for the February 3rd Agenda. Thank you.

Both public comments.

Are there any public comments for this item, either in person or online? If you're online, please speak up or raise your hand on teams please.

Thank you.

All right. We are now on #4A.

This is the board memo from the CEO Risk Management.

Cassie Nicole is yours.

And did you all receive the updated list of things?

Not good morning board deputies.

So we did have one minor minor revision.

So on page 31 you have some red changes.

It's in publishers, so that's not actually changes.

So the red ones, we didn't delete them, we just moved.

Them down one fine.

So I'm not sure.

Tell me if you had a question with that.

The numbers did add up once.

We just move them down.

It's basically register recorder had \$88 million that should have been sheriff for 4850.

So there was just a line error.

Sometimes it happens.

Publisher, we looked at everything else.

That's it.

So I apologize for that error, but and I have copies if anyone needs that.

Moving forward so.

I think I know everyone here, but I will just give a brief background. So every year my office on the assistant CEO.

Over risk management.

And this is Bob Chavez.

He's a manager with me over risk mitigation.

My office conducts a risk management annual report.

This is for county wide.

This is to inform the board of summarized cost of risk liability on workers compensation exposures. Assist departments in recognizing the nature and extent of exposures and losses and provide direction of risk management strategies to be taken in current and sub fiscal years.

So LA County's new approach to risk management I took over about two years ago in February.

Believe it or not, really went quickly in the past two years, we've focused on core risk management principles, risk assessment and control, risk transfer and finance.

So what does that really mean?

It just means that we have shifted away from in the county.

You always hear like we need a corrective action. We need to do this.

It's always after the fact.

It's very reactive.

What we have been doing the last two years is very proactive risk management.

It's very passionate about that. Proactive risk management is time consuming. It's tiring, it's all consuming.

You have to love what you do or you'll be at lacera.

My team has been fantastic and because of that I am happy to say and this on last, this Tuesday you approved risk management policies. So for 25 years we've been having risk management.

We've never had risk management policies, so that became a board policy on Tuesday.

We created that first time ever in the county.

Thank you for the board for proving that. But to say that so the standard risk of cost the nation.

So you always want to be at 2.0 is basically your standard flatline throughout the the nation. That is the cost of risk, whether you're a Fortune 500, a large organization.

We hit 1.98% this year.

This is the lowest it has been in 20 years and we did a final loss portfolio transfer.

I'll go into that a little bit, but if we that was an extra 25,000,000 we added.

If we took out the loss portfolio transfer that we added this year.

Our cost of risk was 1.93 in the history of risk management. It's never been low and so I want to take credit because I've been here for two years, so I'll say the first year, you know, it's a little bit of legacy this last year.

I'm going to take credit with my team for being very proactive for working 18 hours a day and really just the departments, all the department heads have been really focused like we've had risk management, map goals. We have been in with the departments.

And what I'm gonna show you later on is law enforcement liability.

And I just left contract cities and our our numbers are phenomenal and it's just something we've never seen before. So I'm very happy because sheriff's working very hard. The law enforcement liability, it's the training, it's the focus on making sure that they have Tasers, they have less.

All of that has finally come to fruition and we're seeing it in the numbers.

Now I will say this because I said this somewhere someone yesterday.

And they said, how was that with AB218?

This excludes AB 218, so I just want to be the caveat that's an outlier. This is the regular information and the liabilities that we normally deal with.

So the LPT was a comprehensive risk financing plan that removed nearly 300,000 old workers compensation claims.

So those were the long term liability payments. So workers comp is a big. Big program and to remove 300,000.

So basically we did a two year.

Lost portfolio transfer where we transfer those liabilities to another insurance company. They're no longer along with us and those are off the books.

So those liabilities are off.

So that's why we had to spend the 50 million to get here.

Now we're at the 1.9%.

So.

The cost of risk is measured by the county's operating budget, so you take the county's overall budget, then you do our liabilities and that's how you get the cost of risk. That's how it's figured out.

So I'm going to go into each program right now.

So workers compensation, the workers compensation frequency, that means claims increase by 132 to 11,296 claims the cost increase approximately 13 million to 599,000,000 which is a 2.2% increase from the previous F.

Year this is attributed to statutory changes and physician charges and payments to injured workers 2.2.

It pretty much beats inflation.

So for workers comp, that's a good number because we're basically staying stable in the workers comp arena.

Vehicle liability.

Vehicle liability we increased by 188 to 1406 claims this year, but 173 of those were non jurisdictional, which means there were car accidents that were filed against us, but they were not county jurisdictional cases. They weren't county claim.

The cost of vehicle claims and lawsuits decreased by 1.93 million to 15.9% decrease in employment practices. This is where we saw a bump this year.

Employment practices liability increased by 40 claims to 224 claims, which is partially attributed to 12 claims against the Department of Public Health, Aging discrimination and then nine against the DA.

And the number for those. I'll go into a little bit the cost for employment practices. Ability claims increased by 9.3 million to 47.6 million. This is a 24% increase over the last fiscal year and it's basically three claims were responsible for that and it's the DA. Basically, we saw an uptick the DA because of the former DA.

We're getting the retaliation claims. The sheriff there was a sheriff claim from the former sheriff retaliation claim, and then we had some DPSS, some fsla.

Wage cases.

So it follows where sometimes we have a change of administration.

We see that and that's where they all hit this year.

So that's the where we saw this is the law enforcement liability and law enforcement liability or claims remains stable.

We increased by only three this year to 743, but law enforcement claims and costs decreased by 24.9 million to 54.4 million a 31.5% decrease.

Over fiscal year 2324 and a 48 point or 49.8% decrease from 2223.

So we've decreased \$54 million within the last two years and almost 50%. So in law enforcement liability in the nation is trending up, not down.

So this is remarkable and I attribute that to my staff as well as the sheriff's staff really taking it seriously. The law enforcement and hearing it, making sure the Tasers were appropriately given, not just in the back of patrol cars.

And.

Were there when they when needed general liability claims, we did see an increase from 583 to 4248 claims.

This is a 15% increase.

This was due mainly to there was a contract dispute up of 523 claims with health

services and then 304 of those claims were due to DPW wildfire claims of January 2025.

So we knew that we'd be seeing those.

There was an increase of 19.4 million to 62.8 million, which is a 44.

.6% increase the increase is contributed to three claims the CEO have the eminent domain, the Vermont corridor hit this year for 17.9 million.

That's your biggest bulk of it. We had a share of claim where we were at a soccer game and we were directing traffic and a car hit.

Pedestrian and reliable for that, and that was an \$8 million claim. And then the fire department had a wrongful death for 7 million.

So that's where the uptick in general liability came. Medical practice, we increased by 12 to 155 and this was a 1.7% increase to 88.5 million and we had a fire department claim for 1.6 and a D.

Claim for 1.3 million.

So overall, progressing forward CEO risk.

Management continues to work with departments to prevent injuries and lower costs through guided assistance to training.

Education initiatives, including collaboration with departments and addressing cost of drivers, measurement of departments, risk performance and focus loss prevention efforts.

Furthermore, the board directed in 2021 to talk about the bottom 10% of each cluster of the departments, and so we work with each year. Who?

Hits the bottom 10% and this year it's the DA beaches and Harvards register record. DHS and DCFS.

So we'll be working with them.

Why? What?

Why were they in the bottom 10%?

And we also added a section for the sexual misconduct.

How many investigations are being reported each year and that will be ongoing to the board? Asks for that a few months ago.

So that is part of the report. How many?

How many claims we were getting and investigations we are are doing?

Related to 8218.

So this report represents the combined efforts of the entire risk management staff and our success can be attributed to continuing staff from the board and all facets of

risk management, including filling staffing requests that have allowed us to create our audit and compliance for the efficacy of the.

Proposed and to just be more supportive of our initiatives and I had said that I think at our audit committee, the board allowed us to have several new positions to create an audit committee.

For ourselves, an audit in compliance committee.

And so now we have a unit that's actually going out, looking at, we're looking at working with actual department heads saying, OK, you implemented this, but how did this actually work and why are we seeing the same instance happen again and again? And we're seeing a lower rate.

And I will say that we did look at some of the trending and this just deals with non contract cities.

So I just presented a contract cities about two hours ago and one of the things that we saw is their numbers all going down except for one area which is auto liability. So now that we know that that's an issue, we'll be now working with them on the auto and what we can do differently.

But it's nice because now we have our Rema system right that we spent all this money on.

But it's giving U.S. data so we can say we have the numbers to look at and say, OK, law enforcement's going down, we can't stop because we wouldn't want it to go back up.

But now we see the auto part and what in contract cities. Now we need to work on that and the contract cities was very happy to hear that information because they know that we're being proactive and now have can we help them move forward.

And I think the board has been very influential with that.

I'm not sure which one of your offices had it, but we had a report where they dealt with vehicle accidents and we're looking at the point system and restructuring everything the Sheriff's Department.

So with that, if you have any questions, happy to answer anything.

Does anybody have any questions?

Or you can go first, OK.

Thanks for the presentation.

So I think we're gonna also be hearing what from County Council about their liability or their litigation cost report and so.

So you know, I I see yours and your presentation saying that, you know our liability.

The numbers look better than better than before, and then I'm looking at this and it says, you know, our costs are going up.

And so I'm curious about the partnership between right, you know, County Council's kind of litigation efforts and then the work that you and your team do to try to reduce liability and risk for the county in terms of the discrepancy and I guess.

What what they're seeing because you know?

As you know, we we sit through these settlements and we hear about the corrective action plans and really great that you're going to be looking at on the effectiveness of some of these caps because you know I think those are sometimes weaknesses and why we might see Tre.

And and whatever else.

So I'm just kind of curious from your perspective just from what you are reporting and then what we're going to hear later from County Council about just increase litigation costs.

So we so we look at things a little bit differently in risk management.

So our numbers are never gonna match because we deal with the workers compensation piece and we deal with claims and with settlements where they deal with judgments and settlements and what have you.

But it's a partnership, so I'm the chair of the Claims Board and I sit with Adrienne and we look at these claims every week, so we can we go through with a fine tooth comb and say how can we do this better?

We send claims back to claims board saying your corrective action plan is not what I want to see.

And there's been a lot of pushback in the last two years, so it is a comprehensive effort and then, you know, I have the risk management Inspector General, Betty underneath me, who goes out to the departments and looks at that.

So it's just it's a different way of it looking at it. And then I believe County Council has the contract city numbers in it, which ours are separated out.

So that's where your difference is.

The other is, you know, I'm glad that you brought up the auto, the vehicle liability. It was something that.

Two years ago, SD one and four did a motion.

Just for the Sheriff's Department, right on auto liability.

'Cause it was something that we were consistently seeing during our our close session breaking you know about. And so I'm curious with that motion.

I'm trying to remember if if risk manager kind of had a role in it.

We did, but OK. Like, do you feel that there are things that you have you and your team kind of like imposed on the department that will help with some of these liability issues, especially given that you're also pointing it out?

Now in support, you know what?

Definitely there are things that we need to look at and we've been working like the point system. Does that work and we've been working with the Sheriff's Department at a higher level saying more needs to be done, but also one of our recommendations that I'm not sure has.

Been implemented yet and we need to go back to the sheriff. Is is that I would like them to do a hire consultant because in risk management the problem we see over there, it's not because they're all sworn. You see a lot of.

Turnover.

And so I would like to see civilian and sworn.

So I would like a consultant to go in and look at their whole risk department to say is there things that we can be done differently because I think that sometimes they lack consistency and we have someone there who understood like this needs to be done and not.

A turnover like we just lost somebody else like a week ago. And so I was talking to the new captain who was just promoted recently, and that's another, I think in my time we've gone through like 15 captains in risk management over in sheriff. And so I would.

Like.

Report done.

I have recommended that I'm not sure that that has been taken, but if that was something that the board could help us with, I they do need to have a consultant report. And so it's just destiny telling them, you know, CEO telling them you need to do this.

I think a sworn civilian that way you have consistency and efficiency. Thank you. Thank you. I wanted to ask and I, I don't know if this is part of the litigation report, but the impact of the change in the amount CAP, Mike, rat, if you guys are seeing that this year or is that going to take some time to trickle down?

I haven't seen a whole lot of that actually.

So the IT went up slightly, but I did not see significant.

An uptick with that, OK. And then the other question I had is related to workers

comp.

Yup, 'cause the workers comp numbers in totality look good, but I know we've heard from fire department that they continue to have.

Statistically, high number of workers comp cases.

So I wanted to ask a little bit about that.

You know what?

So I was trying to get this verified before, but I looked at the 4850 for numbers and they actually look like our numbers have actually went down, which is traditionally they've been going up. And so I wanted to verify to make sure that that.

But right now it looks like unprecedent.

And it really is a cultural thing with at least the 4850 and Tony's doing. But Chief Moroni's doing a really good job at saying, you know, this is what we use it for.

This is how it is. You know, we don't claim the benefits that we don't need to.

And so we've been.

And then we've also did the carve out with them and we're actually doing a carve out with sheriff as well to try to reduce those numbers.

So we've been working with them closely, fire and sheriff for the two that we work with the most.

As well as the the LPT.

The tail end, which is something that I believe the Fire Chief had worked like wanted, looked at before we reduce some of those numbers because a lot of those cases were, it was basically fire and sheriff.

So we're able to reduce those numbers off their books. OK, great. And then the last question I had is I'm trying to find the page.

It talks about the insurance are like outside insurance costs.

Yep, what is considered part of outside insurance versus what we self insure.

OK.

So we we have 30 lines of insurance.

So yes, we are self insured, but we buy everything from aviation for our aircrafts that legally have to have it buildings.

So we do have some insurance on property.

So we buy, we buy millions of dollars worth of assurance.

But it's normally like for buildings aviation.

Cyber insurance all of that.

So those are outside insurance.

Yup, that's it. I'm done.

Anybody else please have a couple.

Yep. One of the things destiny that you noted and you mentioned in your presentation too was that there had been.

More claims filed against District Attorney's Office for retaliation and discrimination, and a lot of these are political in nature, with an with an elected office. We now have a new DA that is kind of a different political mindset of the old DA.

Has there been conversations with the new DA?

Kind of about some of the things that occurred previously and trying to be a little bit more careful about.

Where people are moved and what things happen so that we don't repeat this.

Yes, this time, yeah.

So Julie Silva Dixon, I'm sure many of you know her.

We've had several conversations and in claims board.

And offline.

And they have changed policies to say that you can't just arbitarily transfer somebody, because that's what you want to do. Like, you have to have sign offs and it can't be done in a vacuum.

And those are the things that have been put into place and then actually a department head meetings we've been talking about, like best practices, how you approach things.

So those conversations are happening because we saw this like I said, under last year from the last DA and now we're having to deal with all the claims and it's not one, it's several.

And so as a claims board chairperson, I'm looking at these very frustrated and the DA himself is frustrated because he doesn't want to have to pay these little claims either. So we're creating best practices and trying to put guardrails in so it doesn't happen every time we switch over.

But yes, OK. OK, good.

Glad to hear that.

One of the items you notice a key objective for county wide was support for the county's new department of Homeless Services and housing.

Correct. You know, certainly one of the goals of putting this department in place and combining different functions coming from waste coming from CEOHI and coming from health was to create best practices in this new department and to create a lot of

policies some of.

Which were not in place at WASA.

So can you talk a little bit more about some of the work you're gonna do with that department?

So I think basically like with homelessness, a lot of times previous to me taking over, would we get something with homeless? We would say no.

That's a high risk liability.

And so you would hear no coming out of my office a lot. Like with an insurance.

Issue or can we?

Should we have them like project room key?

Because we know there's a liability there, yeah.

And so the answer no longer is no.

From my office, it's how do we make this work? And so that's basically what we're looking at.

So instead of no, I'm trying to come up with alternate ideas, and I've actually worked with some of the offices here on how do we get insurance.

How do we make it?

How do we get a, you know, a special one off?

And so that's what we're doing.

We're thinking outside the box and you have to keep an open mind with that because it is a new project.

But just traditionally you would hear no, it's a bad idea and we would stop being risk.

That's not where my job ends.

Just telling you know, I need to figure out a way of making it work.

OK.

Great. Thank you.

Then my last question is just generally we just saw a contract.

Increase for 3rd party administrator regarding the wildfire. Yes we did that and so can you speak a little bit about the wildfire claims?

Are we going to see a real significant increase in claims in this upcoming reports and kind of what is your approach to the wildfire claims process?

So I believe I think we have around 17,000 already there are going to be significant.

But we don't know at this time.

What that entails, if we're responsible at all for that, but we do need to have our third party administrator look at them and see what there is behind that and see what kind

of issues arise with that.

But at this time, you know, I have no idea if there's liability or not with that, but they will increase.

Our they will increase our claim counts.

Yeah, I'm just not sure about expenses or liability.

Expenditures at this time.

But it will be noted as a claim increase next year. Thank you.

I wanted to talk about the cats, so I know that you guys are looking at the cats, making sure that they're sufficient and adequate, but who is checking to make sure that the dog is actually fulfilling the cat?

We see there's a lot of audit committee, so with that is something. So the last year we actually had that was a map tool and that we have department heads. So that was a change to actually have the department head held accountable.

And looking at and saying hey, Parks and rec, you have three open items.

Why? Once it was completed and so my my office went in there and actually worked with their chief deputy and said, why is this not open and why is this not been implemented?

Why is it still open?

And it could be a budget reason.

It could be this, but we wanted it in writing.

What was going on and it was something that we could help and if it was like let's say, a budget issue, what else could we do to put?

Into place.

And so that's what we're looking at it differently. And that is the audit and compliance piece that we now have that we're able to do those audits and look at the efficacy. And that's been something Tammy, as you know from years and years ago, 22 years ago.

We talked about efficacy and nothing was ever actually done for efficacy.

It's time consuming.

It's hard.

So now we're trying to do that.

It's new.

But we are going to keep focusing on it and literally it's working with the departments.

And having them sign off and when a department head has to sign off on it, they

look at it a little more closely.

And so we actually got to the point where we had a couple departments that still haven't done it and we actually reached out, talked to them and we actually closed them out and or had them provide a letter as to reasoning and then saying how if you can.

Implement it.

Why didn't you do that?

And then what is your plan to do so that's never been done before?

And this was the past year that we saw that this is very exciting.

The the steps that you've implemented.

Your short anger? Very. It's excellent. You know, we always at on the budget side consider workers comp and all these different liabilities as unavoidable costs and that's not necessarily accurate.

Some of it is avoidable and and needs you better, especially knowing where the budget is right now.

Oh, I know this is the place that that we could really make significant changes and and actually have cost savings.

So I wanted to just thank you for all the work of you and your team.

I know it takes an entire branch so.

Thank you.

Thank you my staff that they it all goes to them because.

You know we're they're very working tirelessly, endlessly to make this a better county.

Thank you.

And have you issued your memo or not till February 2nd? Not till February 2nd.

So this after today, if it's approved, it will go to Joe for signature and then it will come before the board on February 2nd. OK, great.

Any other questions, please before? Thanks a lot.

All right. Thank you.

All right. We are now on item 4.

B and County Council's presentation on the annual allocation costs.

Four is yours. Thank you.

Good afternoon, everyone.

I'm Adrian.

Bias litigation cost managers. I'd like to introduce Rena Mays on our team and help

put together this wonderful cost.

Report. This is our 20th one. Not hasn't always looked like this, but we've been doing this for about 20 years.

And basically as you as you know, it's an accounting of litigation expenses, judgments, settlements, fees and costs for the past fiscal year.

It's gonna be stop.

We've got a slide show.

This one is.

Thanks dardie.

Aaron's you on?

Yes.

So just kind of want wanted to walk you through and of course take questions. A lot of things to noted with destiny like auto cost and the Med mall. We we have found the same type of trending. So very similar. So we look at those litigation expenses and.

Visa costs so.

Bringing in the 1st place please.

Kind of give you highlights.

Well, yeah, highlights are.

I think when you look at this issue, you need to know what the case number is. And this year we've increased cases by almost 1200 lawsuits.

So that's going to automatically increase the fees and costs associated with those with those cases.

But we still are under the average of \$234 million.

Total litigation expenses this year and we were up 4% from last year.

So that's that's a slight increase, but again with 1200 new lawsuits, it's it's I think I think we did pretty good to keep the number down next week.

All right, you can be very important.

Yes, I want to make sure do your numbers include 8218? Yes.

You're using cost again.

They increased, but because of our the number of lawsuits that we've gotten outside Council supervising Instant House Council working on those matters, the fees and cost of increase.

Next page.

And we have contract council fees trend and their trends are going up.

Their rates have been increasing, even trying to, I say no as much as I can, but sometimes I get overridden.

Sometimes it's just they have to have their rates increase to be competitive as a law firm and they can't really do work at the some of the rates that we try to keep in place for two or three years.

So I'm I'm the mean one.

I say no, but sometimes I have to say yes in order to get the best representation that we can.

It's a part of this increase attributed to AB218.

Yes.

Next time please.

County Council fees also have slightly gone up just because of our attorneys are spending more time on more cases that come in.

So that's kind of the in-house councils efforts and and expenses that go to these extra cases that we have next slide.

So our judgments of settlements, typically we've got, excuse me, for less settlements of 2.5 million this year.

And we've got two more judgments of 2.5 million for this year.

So the judgments have gone gone up, but the settlements have gone down and we're not.

And I often get asked whether it's just because of the timing, whether there was a settlement that didn't quite get into this fiscal year, whether it's still pending.

That's something that we can look into more carefully if you're interested.

But right now, the figures that we have for last fiscal year shows.

That the judgments are up and the settlements are down.

Select.

This is the trend for judgments in as destiny mentioned, the 2223 that was Vermont, Manchester, the first part of it I was involved in that eminent domain case.

So that's what raised the the judgments at that point.

But we've kind of been level since then.

Settlements again, the same due to the Bryan Chester cases in 20/22/23 to see the high school. The high rate there, but then kind of under under that not the last two fiscal years actually decreasing.

New lawsuits.

So here you see some of the AB218 and the fire cases that have come in, but mostly

it's 8218 with probation.

Almost 2000 lawsuits DCFS and this is combined to 62% of all new county lawsuits. Bye. So we also look at, I think it's important to look at the different types of different case types, which is how we categorize and and for the cost report to give you a better idea of what types of cases, what types of matters we're facing liability in. So we've got law enforcement employment, general liability, auto liability, Med Mal, environmental. Those are our main case buckets.

And then we've got.

Small detailed case types within each of those main.

Main frames and as you can tell, the law enforcement.

Is the largest bucket along with.

Then there's employment and general liability and then auto liability is fourth. Other other case types like environmental water, water, water law.

Or nine, you know, nine percent. 5% aside. Got my glasses on.

Next slide.

So this next.

Table shows you the different types of the case type buckets in there.

What? What? It was last year and what it was this year, and this destiny also mentioned law enforcement is down and 33%.

Excessive lawsuits.

Excessive force lawsuits are up the jail conditions, detention, search, search, seizure, sexual assault cases are down, which basically led to the 33% drop.

And I think personally probably most problematic are the employment in auto numbers, which are increased and possibly the most preventable in terms of training programs, things to get those numbers reduced.

So we wanted to highlight a little bit law enforcement the case type. The public defender had the largest increase.

The DA had the largest decrease.

For employment, we've got. If you notice a steady kind of a steady rise and increase over the last four years of trending that we we do typically for four years to give you a window of what the trends are DPSS have the largest employment liability increase in DC.

Have the largest decrease.

General liability LASD have the largest increase in BGW and DCFS have the largest decrease in general liability.

And general liability is also where the AB2 is new cases fall.

Then for auto.

There's a kind of an indication of the problem there. Lasd have the largest increase.

There was a large lawsuit or judgment rather in the settlement and public works,

notably had the largest decrease, which is good news.

And then next next now again.

To answer a previous question.

I don't really see a big difference between last year fiscal year in this fiscal year 1.6.

So looking at the change of the log, we're not really seeing a big increase.

Or decrease at that point at this point.

Top five departments, sheriff, DHS, DPW, fire, DPSS.

They accounted for 75% of total litigation expenses.

Highlights on the increases and decreases.

We just like to show departments that have reductions of a million DADCFS public works library and then also those that have increases of a million due to a a judgment or a settlement or.

Flurry of cases.

Probation, fire. Public agenda.

GPSS Sheriff Arts health services.

Agent having probation to make the top.

Fire department.

I'm sorry, customer provisioned in the top five with the 8218 cases.

This is the way that the numbers came in.

I mean it, it wouldn't ordinarily.

It depends on.

It depends on when the cases come in. So like what?

Whatever was in in the hopper for last year, last fiscal year, that was over as of July or June 30th.

So, you know, next year through 2526, you'll see a lot more AB218 influence.

Just because of the free use of this room.

I think it's the same, yeah.

OK. And then recoveries?

The good news is County Council, through it, through its affirmative litigation and consumer Protection division, we recovered \$13.5 million through these matters and also \$22,000 from FEMA. So our department, this division is constantly trying to

recover fees for the county.

And then the outlook for 2526 is probably not surprised anybody, just the D as office cases, the wildfires 8218 and then we've got the landslides that are still going.

And that's what we're facing. In addition to other challenges, but these are the main ones that we've identified.

Anywhere. Any questions? Any questions?

Can you just ask?

I'm just going back to our outside counsel, our contract law firm fees.

What are? What's the criteria that's used in determining whether or not we bring on outside counselors in these cases?

I mean, it seems like we're using them all the time and so is that just practice or is there certain criteria that determines whether?

I would say both.

I mean we do use outside counsel a lot for highly specialized like you know integration cases or high profile cases.

We don't, you know, but we do have in in House Counsel that does our own cases, some of the auto liability cases.

Affirmative litigation cases.

Recovery. Those are all in house, but I think it's just a matter of what.

The capacity is, you know if you got a large firm that's gonna have more capacity, then you know two or three attorneys in our office and the ability to face large firms defending cases of that, some of the criteria too. What is the the possibility of one of?

Us being out out, manned or out resourced and then we bring in our outside counsel, but we do.

We do have a lot of litigation in the House as well.

The other question I had is you know, I mean, I'm sure you heard risk management, they were talking about the stuff that they're doing. Just kind of curious in terms of what kind of conversations County Council kind of has with various departments about some of their increases espe.

In we look at the Sheriff's Department and we see, you know, whether it's auto liability or excessive force. What kind of work does the the County Council do with these departments to decrease some of these risks?

Or this lawsuit. Well, as as destiny said, we're partners in partners in crime on the claims board.

We do when the departments come in, we we, I mean at that point. Obviously the case is done.

I mean the the situation has happened, but we have been a lot more aggressive and assertive in terms of the corrective action plans, asking questions, taking, having people take things back to their department and the department representatives are at the claims board meetings.

So I think we.

I think we've come a long way in terms of people, the departments becoming a little bit more accountable and at least being able to answer questions and to know that we're going to require things even if there's not a corrective action plan, we're going to require them to.

Look at things and come back to us as far as my department, we reach out, we send the the cost report. Once it's approved by the board to all the departments heads and invite them to to meet with us.

A couple years ago.

I did talk with public works, the Department of Public Works in Angela George wanted to know a little bit more about the racial discrimination cases.

So we did.

Raina did up a a research a report, and then we wanted to track what types of discrimination cases they had.

And then we talked to her the next year, and she's like, the numbers were I actually called her because the numbers discrimination numbers were down so.

The department we also have met.

With health services, after a report to discuss the things that.

The trends that we were seeing, a lot of them interested in the trends and the subtypes of the cases, for instance, like employment, is it sexual harassment?

Is it religious discrimination?

What types of you know many categories are in the bucket so that they can really have a better idea what they're facing.

The last year, both Adrienne and I met with the top five departments on our list and we walked through what their numbers were, why they were and how could we help them and we identified them and we met with Cristina Galli, the department head of DHS, and walked.

Through what we thought could be done, has the Sheriff's Department's I know you said you you invite them to talk to you? Do they even talk to you? Do they?

Do they set up meetings with you all to talk about it 'cause? It seems like it's voluntary.

But I'm curious.

I know you brought up DHS, but you know has sharp Luna sat down with y'all to see about these numbers.

We met with the the Wisconsin.

Yeah, not the sheriff himself, but his team.

Yes, that I the cost manager have not met with.

Like the sheriff. But you've met with the Sheriff's Department.

I have not met with the Sheriff's Department, OK?

Thank you.

So same comments as we have for risk management.

We're really looking and and meeting our County Council to help us curve some of these costs.

You know, this is the question.

So the stuff that comes before us is very administrative and we're seeing a couple of pieces here and there where the county had settled on something that County Council thought we would have, we would have available for it. And we had outside counsel working with us for 10.

Years on a case that we ended up settling and you know, it's not like it's a deputy shooting.

Or do you see that as child case, right?

This is administrative, it's contractual.

Sometimes it it it begs the question of maybe, maybe we should go to court.

Maybe we do need to fight this right?

It can't be assigned.

That says the county is open to payout.

We need to draw the line somewhere and it seems to me that those administrative ones are the are the best place to start, especially when we have to bring in outside counsel. And this case went on for 10 years with the outside counsel.

So I just want to put that in your ear and actually I put it in the ear of the Council who came and looked us to, but I I think.

It we, the county needs to take a look.

I know that county.

I I appreciate the County Council, does a cost analysis.

I appreciate that.

I think all of us do because we're the budget department.

We get that, but at the same time we need to send a message too on on things that are appropriate.

It's not everything, but it's on things that are appropriate, like the administrative ones.

That's just my two cents, but thank you.

I know it takes a lot of work to put this this together.

You know that.

My office especially, we love this report.

So you like you like the with 300 pages, yeah.

And of course, always in writing.

Because electronic copy never works for my office.

So, but with that, we appreciate this and we accept your presentation.

Thank you very much.

Thank you very much.

All right.

We I'm sorry.

We are now at item number five public comment.

We'll go with the.

I don't think we're the public comments for the 4B for the public comment or item 4A or 4B, there's online feedback.

Seeing none, we move to general public comments public comment.

There any general public comment online please?

They see them as future.

All right, everyone, at 2:47 PM, the meeting is adjourned.

Thank you very much.

□ **Dardy Chen** stopped transcription