THIS PRINT COVERS CALENDAR ITEM NO. 10.6

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY

DIVISION: Finance

BRIEF DESCRIPTION:
Amending the SFMTA Board's Delegation of Authority Policy to increase the SFMTA Board's delegation to the City Attorney's Office to settle claims and lawsuits in favor of and against the City from no more than $25,000 to no more than $100,000 and to require annual reporting of settlements between $25,000 and $100,0000 to the SFMTA Board; and delegating to the SFMTA Director of Human Resources, with the approval of the City Attorney, the authority to settle grievances under memoranda of understanding of up to $100,000 involving service critical employees.

SUMMARY:
- Under the current SFMTA Board Delegation of Authority Policy, consistent with prior Citywide policy, the SFMTA Board has delegated authority to settle claims and lawsuits in favor of and against the City for no more than $25,000 to the City Attorney with the written approval of the Director of Transportation and with monthly reporting to the SFMTA Board.
- The Board of Supervisors recently adopted legislation to increase its delegation to settle claims and lawsuits to the City Attorney from no more than $25,000 to no more than $100,000. The delegation removes the requirement for a Department Head's written authorization and requires annual reporting to the Board and Mayor of all settlements between $25,000 and $100,000. The legislation also increases the amount the Board delegates to the City's Human Resources Director, with the approval of the City Attorney, to settle grievances under memoranda of understanding from $50,000 to $100,000.
- The Board of Supervisors legislation does not automatically apply to the SFMTA. The SFMTA Board would need to separately delegate this change in authority.
- Having one Citywide policy on the authority for settlements creates efficiencies in processing settlements for the City Attorney's Office and the SFMTA Board of Directors. Staff recommends the SFMTA Board adopt the same policy for the SFMTA, except that approval of settlements up to $100,000 will require the approval of the Director of Transportation.

ENCLOSURES:
1. SFMTAB Resolution
2. SFMTA Board's Delegation of Authority Policy, Amended

APPROVALS: **DATE**
DIRECTOR Julie Kirschbaum November 12, 2026

SECRETARY November 12, 2026

ASSIGNED SFMTAB CALENDAR DATE: November 17, 2026

PURPOSE

Amending the SFMTA Board's Delegation of Authority Policy to increase the SFMTA Board's delegation to the City Attorney's Office to settle claims and lawsuits in favor of and against the City from no more than $25,000 to no more than $100,000 and to require annual reporting of settlements between $25,000 and $100,0000 to the SFMTA Board; and delegating to the SFMTA Director of Human Resources, with the approval of the City Attorney, the authority to settle grievances under memoranda of understanding of up to $100,000 involving service critical employees.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This item will support the Strategic Plan Goals:

Goal 10 - Positioning the Agency for financial success.

This item does not directly address any of the Transit First Policy Principles but supports all of them.

DESCRIPTION

Under the current SFMTA Board Delegation of Authority Policy, consistent with prior Citywide policy, the SFMTA Board delegated authority to settle claims and lawsuits in favor of and against the City for no more than $25,000 to the City Attorney with the written approval of the Director of Transportation and with monthly reporting to the SFMTA Board. The delegation was formalized in the Delegation of Authority Policy, SFMTA Resolution 240604-061, Section G. The Director of Transportation delegated authority to settle grievances under Labor Memoranda of Understanding and other personnel cases to the SFMTA Human Resources Director.

The Board of Supervisors (BOS) recently adopted legislation to increase the delegation to settle claims and lawsuits in favor of and against the City to the City Attorney from no more than $25,000 to no more than $100,000. (BOS Ordinance No. 205-26). The delegation removes the requirement for a Department Head's written authorization and requires annual reporting to the Board and Mayor of all settlements between $25,000 and $100,000. The Board also increased the amount of the delegation of authority to settle grievances under labor memoranda of understanding (MOUs) to the City's Human Resources Director from $50,000 to $100,000.

The Board of Supervisors legislation does not automatically apply to the SFMTA because the Charter provides that the SFMTA Board of Directors, upon recommendation of the City Attorney, has authority to settle claims and litigation relative to matters under the SFMTA's jurisdiction. (S.F. Charter Section 8A.102(e).) To be consistent with Citywide policy, the SFMTA Board would need to separately delegate this authority.

If the SFMTA Board approves the proposed amendment to the Delegation of Authority Policy it would:

- Increase the Delegation to the City Attorney's Office to settle claims and lawsuits in favor of and against the City from no more than $25,000 to no more than $100,000. Unlike the citywide policy, settlements up to $100,000 will require the Director's written approval;
- Delegate to the SFMTA Director of Human Resources, with the approval of the City Attorney, the authority to settle grievances under memoranda of understanding of up to $100,000 involving service critical employees from the current delegation of $25,000.
- Require annual reporting of all settlements between $25,000 and $100,0000 as opposed to the monthly reporting of all settlements up to $25,000 currently provided;

Having one Citywide policy on the threshold for settlements that can be resolved by the City Attorney's Office and Human Resources Directors creates efficiencies in processing settlements for the City Attorney's Office, the SFMTA Board of Directors, and the Human Resources Department.

The Board's Delegation Policy, Section G would be amended as follows:

> Consistent with Charter Sections 6.102 and 8A.102 and the Board of Supervisor's delegation to ~~Department Heads and~~ the City Attorney's Office and the City's Director of Human Resources in Administrative Code, Article II~~,~~:
>
> **1.** Any unlitigated or litigated claim against or in favor of the SFMTA may be compromised and settled with the written approval of the City Attorney or a staff member of the Office of the City Attorney designated by the City Attorney, where the amount of such compromise or settlement does not exceed $100,000 with the written approval of the Director of Transportation ~~$25,000.00, provided such settlement has been approved by the Director~~. This delegation includes the ability to make offers of compromise under Civil Code Section 998 for amounts that do not exceed $100,000 ~~$25,000.00~~.
> **2.** Any grievances under memoranda of understanding of up to $100,000 involving service critical employees may be settled by the SFMTA Director of Human Resources with the approval of the City Attorney.
>
> No payment by way of compromise and settlement authorized by this Section shall be made until the Controller certifies that monies are available from the proper funds or appropriations to pay such compromise and settlement. The City Attorney shall submit, on an annual ~~a monthly~~ basis, a report to the Director and the SFMTA Board of Directors listing litigation concerning the SFMTA that the City Attorney has settled under this delegated authority ~~in the preceding month~~.

STAKEHOLDER ENGAGEMENT

The Board of Supervisors considered the Citywide policy at the Rules Committee on September 14, 2026 and the full Board considered it on September 22 and 29, 2026. It was approved by the Mayor on October 2, 2026.

ALTERNATIVES CONSIDERED

The SFMTA Board can decide not to increase the City Attorney's and Human Resources Director's authority to settle claims and lawsuits or could require more frequent reporting the SFMTA Board. This alternative was rejected because it would not create the same efficiencies for the City Attorney's Office, the SFMTA Board of Directors, and the Human Resources Department as having one Citywide policy on the threshold for settlements that can be resolved by the City Attorney's Office and Human Resources Directors.

FUNDING IMPACT

None.

ENVIRONMENTAL REVIEW

On October 23, 2026 the SFMTA, under authority delegated by the Planning Department, determined that the amendment to the SFMTA Board of Director's Delegation is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney has reviewed this report.

RECOMMENDATION

Amending the SFMTA Board's Delegation of Authority Policy to increase the SFMTA Board's delegation to the City Attorney's Office to settle claims and lawsuits in favor of and against the City from no more than $25,000 to no more than $100,000 and to require annual reporting of settlements between $25,000 and $100,0000 to the SFMTA Board; and delegating to the SFMTA Director of Human Resources, with the approval of the City Attorney, the authority to settle grievances under memoranda of understanding of up to $100,000 involving service critical employees.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, Under the current SFMTA Board Delegation of Authority Policy (Resolution No. 240604-061), consistent with Citywide policy, the SFMTA Board has delegated authority to settle claims and lawsuits in favor of and against the City for no more than $25,000 to the City Attorney with the written approval of the Director of Transportation and with monthly reporting to the SFMTA Board; and,

WHEREAS, The Board of Supervisors recently adopted legislation to increase the delegation to settle claims and lawsuits in favor of and against the City to the City Attorney from no more than $25,000 to no more than $100,000. The delegation removes the requirement for a Department Head's written authorization and requires annual reporting to the Board and Mayor of all settlements between $25,000 and $100,000; and,

WHEREAS, The Board of Supervisors also increased the amount the Board delegates to the City's Human Resources Director with the approval of the City Attorney to settle grievances under memoranda of understanding from $50,000 to $100,000; and,

WHEREAS, The Board of Supervisors legislation does not automatically apply to the SFMTA because the Charter provides that the SFMTA Board of Directors, upon recommendation of the City Attorney, has authority to settle claims and litigation relative to matters under the SFMTA's jurisdiction; and,

WHEREAS, To be consistent with Citywide policy, the SFMTA Board would need to separately delegate this authority; and,

WHEREAS, Having one Citywide policy on the threshold for settlements that can be resolved by the City Attorney's Office and Human Resources Director creates efficiencies in processing settlements for the City Attorney's Office, the SFMTA Board of Directors, and the Human Resources Director; and,

WHEREAS, Staff proposes that the SFMTA Board amends the Board's Delegation of Authority Policy, Section G as follows ("Amended Section G"):

> Consistent with Charter Sections 6.102 and 8A.102 and the Board of Supervisor's delegation to ~~Department Heads and~~ the City Attorney's Office and the City's Director of Human Resources in Administrative Code, Article II~~,~~:
>
> **1.** Any unlitigated or litigated claim against or in favor of the SFMTA may be compromised and settled with the written approval of the City Attorney or a staff member of the Office of the City Attorney

designated by the City Attorney, where the amount of such compromise or settlement does not exceed $100,000 with the written approval of the Director of Transportation ~~$25,000.00, provided such settlement has been approved by the Director~~. This delegation includes the ability to make offers of compromise under Civil Code Section 998 for amounts that do not exceed $100,000 ~~$25,000.00~~.

2. Any grievances under memoranda of understanding of up to $100,000 involving service critical employees may be settled by the SFMTA Director of Human Resources with the approval of the City Attorney.

No payment by way of compromise and settlement authorized by this Section shall be made until the Controller certifies that monies are available from the proper funds or appropriations to pay such compromise and settlement. The City Attorney shall submit, on an annual ~~a monthly~~ basis, a report to the Director and the SFMTA Board of Directors listing litigation concerning the SFMTA that the City Attorney has settled under this delegated authority ~~in the preceding month~~.

WHEREAS, On October 23, 2026, the SFMTA, under authority delegated by the Planning Department, determined that the Transportation Code amendment is not defined as a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); now therefore be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors amends the Board's Delegation of Authority Policy to increase the SFMTA Board's delegation to the City Attorney's Office to settle claims and lawsuits in favor of and against the City from no more than $25,000 to no more than $100,000 and to require annual reporting of settlements between $25,000 and $100,0000 to the SFMTA Board; and delegating to the SFMTA Director of Human Resources, with the approval of the City Attorney, the authority to settle grievances under memoranda of understanding of up to $100,000 involving service critical employees and adopts Amended Section G.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of November 17, 2026.

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Secretary to the Board of Directors
San Francisco Municipal Transportation Agency