



City Council Agenda Item

City Council Meeting Date: October 3, 2017

TO: Honorable Mayor and Council Members

FROM: Joseph W. Pannone, City Attorney
jpannone@awattorneys.com

SUBJECT: Approval of Settlement Agreements and General Releases
(Pamela J. Peterson and Chery M. Uyeda)

Recommendation:

It is recommended the City Council approve and authorize the Mayor to execute two documents, each entitled "Settlement Agreement and General Release," between (1) Pamela J. Peterson and the City of Lompoc, Patrick Wiemiller and Jessica Cadiente, in the case of *Pamela J. Peterson v. City of Lompoc, et al.*, Santa Barbara Superior Court, Case No. 17CV02501 (Attachment 1) and (2) Cheryl M. Uyeda and the City of Lompoc and Jessica Cadiente, in the case of *Elizabeth Chapman, et al v. City of Lompoc, et al.*, Santa Barbara Superior Court, Case No. 17CV02496 (Attachment 2).

Background/Discussion:

Plaintiff Pamela J. Peterson was hired by the Lompoc Library on or about May 4, 2008, as a part-time Library Clerk I at the age of 37. On or about June 13, 2015, Ms. Peterson was laid off from her position with the Library. On or about June 7, 2017, Ms. Peterson filed a complaint against the City of Lompoc (City), Patrick Wiemiller (City Manager) and Jessica Cadiente (former Lompoc Library Director), alleging she was improperly terminated due to her age in violation of State and Federal age discrimination statutes for equal employment.

Plaintiff Chery M. Uyeda was hired by the Lompoc Library on or about June 19, 1997, as a part-time Library Clerk I at the age of 46. On or about June 13, 2015, Ms. Uyeda was laid off from her position with the Library. On or about June 7, 2017, Ms. Uyeda filed a complaint against the City of Santa Barbara, the City of Lompoc, Jessica Cadiente and Irene Macias (former City of Santa Barbara Library Director), alleging she was improperly terminated and denied a post-termination hearing in retaliation for comments she made at a Buellton City Council meeting.

Pursuant to authority from the City Council, the City Attorney's office and the attorneys for Plaintiffs have since engaged in settlement discussions. The City Attorney and

counsel for Plaintiffs have negotiated proposed settlement agreements, the relevant terms of which are as follows:

- The City will pay a total sum of \$70,000 to settle both Plaintiffs' lawsuits;
- Ms. Peterson will dismiss, with prejudice, her lawsuit filed against the City, Patrick Wiemiller, and Jessica Cadiante.
- Ms. Uyeda will dismiss, with prejudice, the City and Ms. Cadiante as defendants in her lawsuit.
- Plaintiffs and the City will each bear their own attorneys' fees and costs incurred in the lawsuits;
- Both Plaintiffs will release any and all other claims, both known and unknown, that might be related to their allegations.

Although the City denies any liability, as noted in Section 1.8 of each Agreement, a continued dispute between the parties would lead both parties to incur substantial legal fees and costs, with no certainty as to the outcome of that litigation. Through settlement, the City would save significant amounts in legal fees and costs for trial preparation because trial would be unnecessary in both cases.

Fiscal Impact:

The City is self-insured for liability and utilizes CSAC-EIA as its excess insurance carrier. The City's self-insurance retention for claims is \$100,000 and any accepted claims in excess of \$100,000 are reimbursed to the City's self-insurance fund. The liability self-insurance reserve is funded at the 80% confidence level, as authorized by City Council, for existing and known claims, including the claims of Ms. Peterson and Ms. Uyeda.

Ms. Peterson and Ms. Uyeda originally submitted their claims for discrimination in concert with three other former Library employees. As a result of five claims being filed with the same date of occurrence and similar alleged circumstances, CSAC-EIA, packaged the five claims together under one claim allowing the City to submit its total cumulative costs. The City has already expended sums in excess of the self-insured retention of \$100,000 in total on the five claims. Those sums include settlement payments to the other three claimants, as well as attorney's fees for defending the City from all five claimants. Therefore, all future sums expended, including attorney's fees, will be reimbursed by CSAC-EIA, which has approved and recommended the settlement of Ms. Peterson's and Ms. Uyeda's lawsuits. The total reimbursement from CSAC-EIA is expected to be approximately \$150,000, or more depending upon attorney's fees that may not have been billed yet, for all five claims, including the recommended settlement payment to Ms. Peterson and Ms. Uyeda.

The liability self-insurance program is appropriately funded and has the necessary reserves to pay for the settlement costs, pending reimbursement from CSAC-EIA.

Conclusion:

Settlement of these actions will bring them to a close and relieve the City's need to expend additional monies defending them. Based on those economic reasons, the City Attorney recommends the City Council approve the settlement agreements.

Respectfully submitted,

Joseph W. Pannone, City Attorney

Attachments: 1) [Settlement Agreement & General Release \(Pamela J. Peterson\)](#)
2) [Settlement Agreement & General Release \(Cheryl M. Uyeda\)](#)