

Approved: February 17, 2026

Resolution No. 26-370

1. **PURPOSE:** This policy establishes the respective authority and reporting requirements of the County Administrator and Board of Commissioners for settlement of claims, litigation and separation agreements. This policy shall not apply where severance pay is considered or approved pursuant to the terms of the County's Employee Personnel Manual or labor agreement authorizing severance.
2. **AUTHORITY:** Authority to establish rules and regulations in reference to the management of the interest and business concerns of the county is vested with the Gratiot County Board of Commissioners (MCL 46.11(m)).
3. **APPLICATION:** This policy applies to all County elected officials, department heads, and employees.
4. **RESPONSIBILITY:** The County Administrator shall be responsible for the implementation and administration of this policy.
5. **DEFINITIONS:**
 - 5.1 ***"Consideration"*** means a monetary commitment on the part of the County, whether in the form of a lump sum cash payment, or compensation for services for a specified term, or individually-negotiated payments for benefits (e.g., COBRA); it excludes payments for salary and benefits previously earned and accrued by the employee (e.g., earned leave) or continued employment on the same terms as existed prior to the agreement.
6. **POLICY:** The County Administrator shall have settlement authorities as described below. Settlement of litigation, claims, or entering into separation agreements in amounts greater than the limitations described below shall be reserved to the County Board of Commissioners.
 - 6.1 To settle claims, litigation, or enter into separation agreements when the consideration paid by the County has a value of \$10,000.00 or less.
 - 6.2 To reimburse an individual or business where the County caused property damage and the out-of-pocket cost to the claimant to repair or replace the property has a value of \$25,000.00 or less.
 - 6.3 To settle citizen (non-employee) liability claims or litigation where the County's insurance carrier authorizes settlement.

6.4 Upon the recommendation of legal counsel for the County and the County's workers' compensation third party administrator, the County Administrator may authorize workers' compensation redemptions within the limits of the funds allocated by the Board of Commissioners.

7. ADMINISTRATIVE PROCEDURES

7.1 Settlements and separation agreement proposals which require approval by the Board of Commissioners shall be accompanied by a recommendation from the County Administrator or legal counsel for the County.

7.2 Waiver and release provisions of all settlements of claims, litigation and separation agreements, regardless of the amount of consideration, shall be in a form approved by legal counsel for the County.

7.3 The County Administrator shall provide the Board of Commissioners with a written quarterly report of the settlements of claims and litigation, and all separation agreements authorized under this Policy.

8. ADMINISTRATOR AND LEGAL COUNSEL REVIEW: The County Administrator shall approve all new and amended policies as to substance. County Counsel shall approve all new and amended policies as to legal content. These approvals shall accompany draft policies and amended policies submitted to the Board of Commissioners for consideration.