

NOT YET APPROVED

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Amending Palo Alto Municipal Code Section 2.28.240 (Settlement of Claims and Actions) to Increase the City Attorney's Settlement Authority from \$10,000 to \$35,000

The City Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. Findings. The City Council finds that:

A. The public interest requires that periodic revision of the municipal code is necessary in order to make editorial changes for clarification and to make revisions that are consistent with current practice and public policy.

B. The City Attorney has authority to perform the functions of the City Council relative to claims and actions against the City or its officers or employees under the provisions of Division 3.6 of the Government Code, "Claims and Actions Against Public Entities and Public Employees".

C. Section 2.28.240 of the Palo Alto Municipal Code authorizes the City Attorney to accept, settle or reject without prior approval of the Council, claims and actions against the City, provided that no allowance, compromise or settlement shall exceed \$10,000.

D. Section 2.28.240 of the Palo Alto Municipal Code was last updated in 1995 and no longer accurately reflects the monetary value of many actions against the City.

E. Increasing the City Attorney's authority to accept, settle or reject claims and actions against the City, without prior approval of the Council, in an amount of up to \$35,000.00, will reduce the number of closed sessions, creating greater transparency in the settlement process, and facilitate the prompt resolution of claims and actions worthy of settlement.

SECTION 2. Section 2.28.240 of the Palo Alto Municipal Code is hereby amended to read as follows:

2.28.240 Settlement of Claims and Actions.

As provided in Section 935.4 of the Government Code of California, the City Attorney is designated to perform the functions of the City Council relative to claims and actions against the City or any of its officers or employees under the provisions of Division 3.6 of the Government Code, as follows:

(a) Where the City has insured itself against liability for the claimed injury, the City Attorney shall forward to the insurance carrier without prior council approval a written recommendation as to acceptance, settlement, or rejection of such claim, provided that the amount of any recommended allowance, compromise or settlement does not exceed ~~\$10,000.00~~ \$35,000.00;

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(b) Where the City is uninsured, the City Attorney shall be authorized to accept, settle or reject without prior approval of the council, claims against the city, provided that no allowance, compromise or settlement shall exceed ~~\$10,000.00~~ \$35,000.00. Upon the written order from the City Attorney, the Director of Administrative Services shall cause to be issued a warrant upon the treasury of the City in the amount for which a claim has been allowed, compromised or settled;

(c) The City Attorney is further authorized to compromise or settle, without prior approval of the council, except on a matter of policy, any actions which the City is either plaintiff or defendant and which are not covered by insurance, provided that the amount of such compromise or settlement shall not exceed ~~\$10,000.00~~ 35,000.00;

(d) The City Attorney shall make bi-annual reports to the council on action taken on claims and actions against the City;

(e) A recommendation under subsection (a) above shall constitute "action" upon such claim within the meaning of Government Code Section 945.4.

SECTION 3. The Council finds that increasing the City Attorney’s settlement authority does not meet the definition of a project under the California Environmental Quality Act pursuant to California Public Resources Code Section 21065, and therefore no environment impact assessment is necessary.

SECTION 4. This ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Deputy City Attorney

City Manager

Director of Administrative Services