

Memorandum Regarding Council Bill No. 2025-14: An Ordinance providing claim settlement authority to the City Administrator.**Background:**

Current City Code Section 2-190 authorizes the City Administrator to enter into contracts on behalf of the City in amounts not to exceed \$5,000.00. Staff has been utilizing this authority to settle minor claims that are made against the City. However, this creates an issue where a claim may be more than \$5,000.00 but less than the deductible of the applicable liability policy held by the City.

To obtain authorization to settle claims above \$5,000.00 but under any applicable deductible, City staff would need to seek approval from City Council. This would slow down the City's ability to settle claims.

Analysis:

To cover this potential gap, staff are proposing the adoption of City Code Section 2-194 which would authorize the City Administrator to enter into settlement agreements which do not exceed \$15,000.00. As part of this grant of authority, the Administrator would be required to secure a complete release of any claims related to the incident and the City Attorney will be required to report to the Mayor monthly about any settled claims.

Additionally, these provisions would not limit the Council's authority to settle any claims made against the City.

Recommendation:

Staff believe that these provisions would allow the City to more efficiently settle small claims made against the City while also providing oversight into this process to the Mayor. Because of these reasons, staff recommends approval of this Council Bill.

MEMO SUBMITTED BY:

Nick Woodman | City Attorney

Attachments:

Council Bill No. 2025-14.

1 AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA AMENDING CHAPTER 2,
2 ARTICLE VI, DIVISION 2 OF THE NIXA CITY CODE BY ADDING THERETO A NEW
3 SECTION TO PROVIDE AUTHORITY TO THE CITY ADMINISTRATOR FOR THE
4 SETTLEMENT OF CERTAIN CLAIMS.

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6 **WHEREAS** currently, the City Administrator, pursuant to Section 2-190 of the Nixa
7 City Code, has authority to settle claims made against the City that do not exceed
8 \$5,000.00; and

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10 **WHEREAS** in many cases the City's deductible for its insurance policies is more
11 than \$5,000.00; and

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13 **WHEREAS** this creates a gap between the City Administrator's authority to settle
14 claims and when it would be prudent to notify the City's insurance carrier of the claim;
15 and

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17 **WHEREAS** to provide for a more efficient claim settlement process, City staff are
18 proposing the adoption of the provisions of this Council Bill; and

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20 **WHEREAS** the City Council desires to modify the City Code as set forth herein.

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22 **NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF**
23 **NIXA, AS FOLLOWS, THAT:**

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25 **SECTION 1:** Chapter 2, Article VI, Division 2 of the Nixa City Code is hereby
26 amended by adding thereto a new Section which shall read as follows (Explanation:
27 Language in bold-face type (e.g., **thus**) is language to be added. Language in bold-faced
28 brackets (e.g., [**thus**]) is not enacted and is intended to be omitted or deleted.):

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30 **Sec. 2-194. Authority of the city administrator to settle certain claims.**

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32 (a) **Purpose.** The purpose of this section is to establish a procedure for the efficient
33 and timely resolution of certain claims made against the City by delegating
34 limited settlement authority to the City Administrator. The City Council has
35 determined it to be in the best interest of the City to authorize the City
36 Administrator to settle minor claims within specified parameters to reduce the
37 costs of litigation and reduce administrative burdens of the City Council.

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39 (b) **Definitions.** For purposes of this section, the following words, terms, and
40 phrases shall have the meaning ascribed to them in this subsection, unless the
41 context clearly indicates a different meaning:

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43 **Claim** means any demand or potential demand for monetary damages
44 asserted against the City, its officers, employees, or agents, arising from alleged
45 tortious conduct, breach of contract, or other cause of action.

City Administrator means the duly appointed City Administrator for the City of Nixa, Missouri, or their authorized designee.

Settlement means the resolution of a claim or potential claim through the payment of funds or other consideration and resulting in the claimant's release of the City from actual or potential liability or exposure.

- (c) ***Authority to Settle.*** The City Administrator is hereby authorized to settle claims against the City, its officers, employees, or agents. The City Administrator's settlement authority shall be limited to claims where the total settlement amount does not exceed \$15,000.00. The City Administrator shall consult with the City Attorney on all claims. The City Administrator shall obtain the approval of the City Attorney before settling any claims.
- (d) ***Written Agreement Required.*** All settlements made pursuant to this Section shall be documented in a written agreement, signed by the claimant and the City Administrator, which shall include a full and complete release of the City from any and all further liability related to the claim.
- (e) ***Report to Mayor.*** The City Attorney shall report to the Mayor at least monthly summarizing all claims settled under the authority of this section, including the claimant's name, a brief description of the claim, the settlement amount, and the date of settlement.
- (f) ***Payment of Settlements.*** Payment of settlements authorized under this section shall be made from funds appropriated for that purpose.
- (g) ***Reservation of Authority.*** Nothing in this section shall be construed as limiting the authority of the City Council to settle any claim against the City, regardless of the amount.
- (h) ***Grant of Additional Authority.*** The City Council may, by roll call vote, in open or closed sessions, grant the City Administrator additional authority to settle a claim pursuant to this section.
- (i) ***Claims referred to City's Liability Insurance Carrier.*** The City Administrator may refer any claim to the City's liability insurance carrier. The settlement authority granted by this section shall not apply to any claim referred to said liability insurance carrier.

SECTION 2: The City Attorney, when codifying the provisions of this Ordinance, is authorized to provide for different section numbers, subsection numbers, and different internal citation references than those provided herein when such section numbers, subsection numbers, or internal citation references are in error or are contrary to the intent of this Ordinance.

SECTION 3: Savings Clause. Nothing in this Ordinance shall be construed to affect any suit or proceeding now pending in any court or any rights acquired, or liability incurred nor any cause or causes of action occurred or existing, under any act or ordinance repealed hereby.

SECTION 4: Severability Clause. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Council hereby declares that it would have adopted the Ordinance and each section, subsection, sentence, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid.

SECTION 5: This Ordinance shall be in full force and effect from and after its final passage by the City Council and after its approval by the Mayor, subject to the provisions of section 3.11(g) of the City Charter.

ADOPTED BY THE COUNCIL THIS 27th DAY OF May 2025.

ATTEST:

PRESIDING OFFICER

CITY CLERK

APPROVED BY THE MAYOR THIS _____ DAY OF _____ 2025.

ATTEST:

MAYOR

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY