

RE: Code Amendment to Authorize City Administrator to Exercise Limited Settlement Authority Over Claims on Behalf of the City.

Background:

The Council has delegated limited settlement authority to the City Administrator over claims against the City to make those smaller claims more efficient to settle and requiring less administrative action by Council. However, the Council has not delegated similar settlement authority to the City Administrator over claims held by the City. Such claims are rare but when it occurs it requires the approval of the Council, even over the smaller claims.

Analysis:

This proposed ordinance is largely modeled after Section 2-194 which authorizes limited authority for settlements on claims against the City. Staff believe that most, if not all, of the claims held by the City would be in the nature of contract claims or property damage claims where the total value of the claim can be determined. Therefore, we have drafted the ordinance authorizing settlement authority in terms of the total value of the claim. In situations where the value of a claim is not liquidated or cannot be ascertained, or is estimated above \$50,000.00, Council approval would still be required. In the event a claim would be settled using this authority, the City Attorney would be required to make a monthly report to the Mayor.

Recommendation:

Staff recommends passage of the ordinance authorizing the City Administrator to have limited settlement authority on claims where the total value of the claim does not exceed \$50,000.

MEMO SUBMITTED BY:

Kara L. Wacker | City Attorney

kwacker@nixa.com | 417-725-3785

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 SECTION 2-195 FOR**
3 **THE PURPOSE OF ALLOWING THE CITY ADMINISTRATOR LIMITED AUTHORITY**
4 **TO SETTLE CLAIMS ON BEHALF OF THE CITY.**

5
6 **WHEREAS** the City Council has granted the City Administrator limited authority to
7 settle claims against the City in Section 2-194; and

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9 **WHEREAS** this limited authority to settle claims against the City does not allow
10 the City Administrator to settle claims the City has against other parties; and

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12 **WHEREAS** although it is less common for the City to hold a legal claim for
13 damages against a third party, those situations do arise and staff believe some of those
14 claims could be settled and resolved more efficiently with administrative action rather than
15 Council approval; and

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17 **WHEREAS** the authority granted for administrative approval would be limited only
18 to claims with a liquidated amount of \$50,000 or less; 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 Section 2-195, which said section 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.):

29
30 **Sec. 2-195. Authority of the City administrator to settle certain claims on behalf of**
31 **the City.**

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

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

44
45 ***City administrator* means the duly appointed city administrator for the**
46 **City of Nixa, Missouri, or their authorized designee.**

Claim means any demand or potential demand for monetary damages the city has against third parties, arising from alleged tortious conduct, breach of contract, or other legal cause of action.

Settlement means the resolution of a claim or potential claim through the payment of funds or other consideration to the city and resulting in the city's release of the third party from the claim.

(c) **Authority to settle.** The city administrator is hereby authorized to settle claims the city holds against third parties where the total potential value of the claim does not exceed \$50,000.00. 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 city administrator and the third party against whom the claim is made, which shall include all consideration paid or granted to the city and what specific cause of action is being relinquished by the city.

(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 third party's name, a brief description of the claim and its basis, the settlement amount, and the date of settlement.

(f) **Reservation of authority.** Nothing in this section shall be construed as limiting the authority of the city council to settle any claim made on behalf of the city, regardless of the amount.

(g) **Grant of additional authority.** The city council may, by roll call vote, in open or closed sessions with the city attorney present, grant the city administrator additional authority to settle a claim pursuant to this section.

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 _____ DAY OF _____ 2026.

ATTEST:

PRESIDING OFFICER

CITY CLERK

APPROVED BY THE MAYOR THIS _____ DAY OF _____ 2026.

ATTEST:

MAYOR

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY