

**Ordinance Amending Section 11-131 of the Charlottesville City Code Regarding
Compromise and Payment of Claims Against the City.**

WHEREAS, Section 11-131 of the Charlottesville City Code establishes procedures and authorization levels for the compromise and payment of claims made against the City that are not covered by insurance or that fall within the City's insurance deductibles; and

WHEREAS, the current settlement authorization thresholds in Section 11-131 were adopted in 1997 and no longer reflect the typical cost of claims, litigation expenses, or prevailing settlement values; and

WHEREAS, delays in resolving routine claims can increase administrative costs, legal expenses, and potential liability to the City; and

WHEREAS, providing the City Attorney and City Manager with increased settlement authority for lower-dollar claims will promote timely resolution of disputes while preserving appropriate oversight; and

WHEREAS, reserving City Council approval for higher-dollar settlements ensures continued transparency and accountability for claims that present greater fiscal or policy impacts; and

WHEREAS, the Council desires to modernize the City's claims settlement process while maintaining prudent financial controls and risk management practices;

Now, therefore, be it ordained by the Council of the City of Charlottesville:

That Section 11-131 of the Charlottesville City Code is hereby amended and reenacted to read as follows:

Sec. 11-131. Compromise and payment of claims against city.

Claims for damages made against the city not covered by insurance or falling within the deductible limits of any coverage may be paid from the risk management fund with the following limits:

1. Claims of twenty-five thousand dollars (\$25,000.00) or less shall be paid by the director of finance from the risk management fund upon certification by the city attorney that the city is liable for payment or that the amount to be paid is recommended as a compromise of a claim involving disputed liability.
2. Claims of more than twenty-five thousand dollars (\$25,000.00) but not more than fifty thousand dollars (\$50,000.00) shall be paid by the director of finance from the risk management fund upon certification by both the city attorney and the city manager that

the city is liable for payment or that the amount to be paid is recommended as a compromise of a claim involving disputed liability.

3. Claims in excess of fifty thousand dollars (\$50,000.00) shall be paid from the risk management fund only after authorization from city council.
4. The City Attorney shall provide notice to City Council of any settlement approved under subsections (1) or (2) within a reasonable time after the settlement is finalized, in a manner consistent with applicable confidentiality requirements.