


**RESOLUTION NO. 2017-07**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA,  
ARIZONA, ESTABLISHING AS A PUBLIC RECORD THE TERMS OF PROPOSED  
AMENDMENTS TO SEDONA CITY CODE, CHAPTER 3.10 (CLAIMS AND DEMANDS  
AGAINST THE CITY).**

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA that the terms set forth in that document attached hereto as Exhibit A and entitled "2017 Amendments to Sedona City Code (Claims and Demands Against the City)" constitute a public record to be incorporated by reference into Ordinance No. 2017-03.

At least one (1) paper copy and one (1) electronic copy of this public record shall be kept in the office of the City Clerk for public use and inspection.


PASSED AND ADOPTED this 14<sup>th</sup> day of February, 2017 by the Mayor and Council of the City of Sedona, Arizona.

  
\_\_\_\_\_  
Sandra J. Moriarty, Mayor

ATTEST:

  
\_\_\_\_\_  
Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Robert L. Pickels, Jr., City Attorney

## Exhibit A

### 2017 Amendments to Sedona City Code (Claims and Demands Against the City)

#### Chapter 3.10 CLAIMS AND DEMANDS AGAINST THE CITY

##### Sections:

- 3.10.010 In general.
- 3.10.020 Claim filing procedures.
- 3.10.030 Alternative dispute resolution.
- 3.10.040 Authority of the city manager to settle claims.

##### **3.10.010 In general.**

This chapter is intended to set forth the process and settlement authority of designated city representatives in settlement of any monetary claims or disputes brought against the city. The provisions of this chapter incorporate and supersede the provisions of Ordinances 95-20 and 97-05. [Ord. 99-04, 3-9-1999. Code 2006 § 3-7-1].

##### **3.10.020 Claim filing procedures.**

A. A person or legal entity that believes they have a claim against the city shall serve a notice of claim in accordance with A.R.S. § 12-821.01.

B. Upon receipt of a statutorily compliant claim, the city attorney will determine if a response is appropriate along with the form and substance in which any such response shall be communicated to a claimant. [Ord. 99-04, 3-9-1999. Code 2006 § 3-7-2].

##### **3.10.030 Alternative dispute resolution.**

A. For any claim other than a breach of contract or claims for additional cost or time relative to the performance of any contract for which the contractual remedy has not been exhausted, the city attorney may determine that the process of alternative dispute resolution should be employed, in which case the city attorney shall acknowledge, in writing to the claimant, receipt of the claim and give notice that the alternative dispute resolution procedures must be complied with. The city attorney shall then refer the claim to either the city volunteer mediation service, a private mediation service, or the State Attorney General's Mediation Office. The city attorney may also stipulate with the claimant to use any other alternative dispute resolution mechanism.

B. The mediation service, to which the claim is referred, shall set a mediation meeting at a time convenient to the parties, but no later than 60 days of the receipt of referral from the city. Written notice of the mediation hearing date shall be provided to both parties and to the claimant by first class mail.

C. The parties shall meet at the appointed time as scheduled. The city shall be represented by a person with knowledge and understanding concerning the claim.

D. Any agreement developed during the mediation shall be submitted to the city manager who may, in his discretion, consummate a final settlement of the claim if it falls within the parameters of his settlement authority as set forth in SCC 3.10.040, or if not, the proposed settlement agreement shall be submitted to the city council for approval.

E. Upon agreement of the parties, mediation may be continued for more than one session if the need exists.

F. The mediator shall issue a written final decision or notice of disposition at the conclusion of the mediation, including, in the event the parties do not reach agreement in resolving the claim, notice that the claim is unresolved and is, therefore, presented to the city for action pursuant to A.R.S. Section 12-821.01(A) and (E). The time frame set out in A.R.S. Section 12-821.01 for giving notice of a potential claim and initiating suit shall run from the date a final decision or notice of disposition is issued at the conclusion of mediation. In the event the parties are not able to agree to a resolution of the dispute during mediation the claimant may proceed as provided for in A.R.S. Section 12-821.01. [Ord. 99-04, 3-9-1999. Code 2006 § 3-7-3].

### **3.10.040 Authority of the city manager to settle claims.**

A. The city manager is authorized to negotiate and settle claims and disputes brought against the city, its officers, appointees and employees, subject to the following conditions:

1. The city manager or the city manager's designated representative has made a thorough investigation regarding questions of liability and damages and has determined a reasonable dollar value of the claim.
2. The claim and any proposed settlement has been reviewed and approved by the city attorney.
3. The settlement is conditioned upon an appropriate written release by the claimant in favor of the city, its officers, appointees and employees.

B. The settlement authority of the city manager is limited in the following respects:

1. For claims which have been submitted to the city's insurance carrier, the city manager is authorized to pay any deductible assessed by the insurance carrier, contingent upon the review and approval of the city attorney.

2. The city manager is authorized to settle any claims not to exceed \$25,000 for settlement of claims or disputes made in connection with easement and property acquisitions or condemnation actions. Such settlements shall be reviewed and approved by the city engineer and the city attorney

3. For any other claims presented to the city, including but not limited to claims for bodily injury, property damage or claims in settlement of personnel actions, the city manager shall have authority to settle such claims for an amount not to exceed \$25,000, contingent upon the review and approval of the city attorney.

4. The city manager or his designee may process workers' compensation claims in accordance with the Arizona worker's compensation law, A.R.S. Section 23-901 et seq., and the provisions of the city personnel manual.

C. All other claims, which cannot be resolved within the parameters set forth above, will be submitted to the city council for review and approval or denial.

D. The city manager will submit, to the city council, a periodic report of all claims settled pursuant to subsection (B) of this section. [Ord. 99-04, 3-9-1999; Ord. 2006-14, 7-11-2006. Code 2006 § 3-7-4].