

The Council is currently meeting approximately 40 times a year. With that number of meetings, it seems that a break of more than six weeks is not feasible even if it were permitted by revised Charter language. If the Charter were revised to require a minimum of 24 meetings per year, with at least one per month, meetings could be scheduled to permit an eight-week break. But the current workload that results in 40 meetings per year makes an eight-week break seem infeasible.

The Council's workload, not the Charter language, is the major impediment to scheduling breaks. A Charter revision that provides the appearance but not the reality of a remedy is not worth the potential political cost of undermining public trust and jeopardizing other needed revisions.

During the review of this issue, a subcommittee member surveyed city council meeting schedules of nearby localities ([Attachment 9](#)).

E. Recommendation

The CRC recommends that no revisions be made to the current language of Section 611.

F. CRC Vote and Conclusion Regarding City Council Meeting Schedule

The CRC approved this recommendation by a vote of 8 yes, 0 no, and 2 absent at the August 7, 2025, meeting, and confirmed the recommendation on December 4, 2025, by a unanimous vote (10-0).

4. City Manager Authority to Settle Claims (Charter Section 1314)

A. Introduction

The CRC studied whether the City Charter should be amended to allow the City Council to establish by ordinance the City Manager's authority to settle legal claims against the City. Currently, California state law limits this authority to \$50,000, and any increase requires a charter provision. The CRC recommends amending the Charter to authorize the City Council to set the settlement limit by ordinance, providing greater flexibility and administrative efficiency while maintaining appropriate oversight and accountability.

B. Background

California Government Code Section 935.4 establishes that settlement authority for claims against a local public entity is limited to \$50,000 unless a charter provision authorizes a higher amount. The statute specifically provides that "only a charter provision may authorize that employee to allow, compromise, or settle a claim against the local public entity if the amount to be paid pursuant to the allowance, compromise or settlement exceeds fifty thousand dollars (\$50,000)."

The \$50,000 threshold has been in effect since at least 1989 and has not been adjusted for inflation over the intervening decades. In today's economic environment, this limit means that relatively routine claims and settlements must come before the City Council for approval, consuming staff time for preparation and Council time in closed session deliberations.

Sunnyvale Municipal Code Section 2.04.030 (Claims Against City) currently reflects the \$50,000 limit. This code section cannot be changed to authorize a higher settlement amount unless the City Charter first provides the authority to do so.

Several California charter cities have already adopted similar provisions allowing their city councils to establish settlement limits by ordinance. These cities include Pasadena, Santa Monica, and Los Angeles, with settlement limits up to \$100,000. This approach provides cities with the flexibility to adjust settlement thresholds through the normal ordinance process, which includes public input, rather than requiring repeated charter amendments.

C. Current Charter Language

The City Charter does not currently contain specific language addressing the City Manager's settlement authority. The City Manager's powers and duties are outlined in Charter Article 802, but settlement authority above \$50,000 is not explicitly addressed, resulting in the default application of state law limits.

Under the current framework, the City Manager may settle claims up to \$50,000. Any claim or settlement exceeding this amount must be brought to City Council for approval, typically in closed session. This requires:

- Staff preparation of materials for Council review
- Scheduling of closed session items
- Council deliberation and action
- Processing of additional administrative documentation

D. CRC Considerations and Analysis

Settlement Authority by Ordinance - Administrative Efficiency, Flexibility and Responsiveness

A primary benefit of increasing the City Manager's settlement authority is increased administrative efficiency, which aligns with City Council's strategic goal of a responsive, transparent, and efficient City government. Routine claims that currently require Council action could be resolved more quickly by the City Manager. This would:

- Reduce the frequency of closed session items related to modest settlements
- Allow faster resolution of claims, potentially reducing costs

- Free up staff time currently spent preparing lower-value matters for Council review
- Enable the City Manager to respond more nimbly to time-sensitive settlement opportunities

Establishing settlement authority by ordinance, rather than in the Charter itself, provides important flexibility. Economic conditions, litigation costs, and the nature of claims against cities evolve over time. An ordinance-based approach allows the City Council to adjust the threshold as needed without requiring a charter amendment and ballot measure.

This is particularly important given that the current \$50,000 limit has remained unchanged for over three decades. The Consumer Price Index calculator provided by the State of California's Department of Industrial Relations indicates that \$50,000 in 1989 is equivalent to approximately \$140,000 today based on San Francisco Bay Area CPI. Medical and legal costs—two significant components of many claims against the City—have likely risen even more.

Based on the CRC's review of other California charter cities that have settlement authority limits up to \$100,000 and considering inflation since the State established the default \$50,000 limit over three decades ago, a new limit in the range of \$100,000 to \$150,000 would be appropriate.

As a comparison, Sunnyvale Municipal Code Section 2.08.040 designates contract approval and spending authority to the City Manager up to \$250,000. This amount is five times higher than the current settlement authority limit.

Maintaining Accountability and Oversight

The proposed charter amendment maintains robust accountability measures:

- The City Council retains complete authority to set the limit through the public ordinance process
- The Council can adjust the limit up or down as circumstances warrant
- All settlements would continue to be subject to existing requirements for multiple levels of internal review
- The City Council would retain authority over all settlements exceeding the limit established by ordinance

Comparison with Other Jurisdictions

Several California charter cities have adopted approaches similar to the CRC's proposal. Of particular note is the City of Pasadena, which recently passed a Charter Amendment, Measure S, with similar provisions. Pasadena City Charter Section 1014, which passed in 2024 with 86.44% of the vote, now reads:

"The City Council shall prescribe by ordinance, exclusive of court costs, the monetary limits for an employee or employees to: (i) commence any action on behalf of the City, or (ii) settle any claim or action against the City, or any officer, employee, board or department thereof in his or her or its official capacity. No claim or action for more than the amount set forth in the ordinance shall be commenced or settled without the prior approval of the City Council."

This language provides a proven model that emphasizes Council control while enabling administrative efficiency.

E. Recommendation

The CRC recommends a ballot measure amending Section 1314 of the Sunnyvale City Charter to authorize the City Manager to settle claims in amounts higher than \$50,000.

The proposed revisions to Charter Section 1314 to implement this recommendation are as follows:

§ 1314 Claims Against City.

(1) Except as otherwise required by the provisions of State law applicable to chartered cities, claims and demands against the City shall be presented and audited as prescribed by ordinance.

(2) The City Council shall prescribe by ordinance the monetary limits for an employee to settle any claim or action against the City, or any City officer, employee, board, or department acting in an official capacity. No claim or action against the City may be settled for more than the amount set forth in the ordinance without the prior approval of the City Council.

The CRC also recommends that, in conjunction with placing this Charter amendment measure on the ballot, that Council adopt an ordinance setting a specific settlement authority limit and procedures that would take effect only upon passage of the ballot measure. Such an ordinance would give the voters more clarity on the settlement authority limit.

The CRC recommends a settlement authority limit of \$150,000.

This recommendation aligns with Council's strategic goal of a responsive, transparent, and efficient city government. Legal costs have risen significantly since the State established the current \$50,000 authority limit over three decades ago. A higher limit also enables the City Manager to respond more nimbly to time-sensitive settlement opportunities.

F. CRC Vote and Conclusion Regarding Settlement Authority

The CRC approved the recommendation on this issue by a vote of 10-0.