

DRAFT 7/29/2026 MCT

ORDINANCE NO. 3259-26

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
SUNNYVALE TO AMEND SECTION 2.04.030 OF TITLE 2
(ADMINISTRATION AND PERSONNEL) OF THE SUNNYVALE
MUNICIPAL CODE RELATING TO CITY MANAGER CLAIMS
SETTLEMENT AUTHORITY

WHEREAS, on June 4, 2024, the City Council created a Charter Review Committee (CRC) to review and propose potential amendments to the Sunnyvale City Charter; and

WHEREAS, the CRC held sixteen public meetings between February and December 2025, and prepared and approved a final report on December 4, 2025; and

WHEREAS, the City Council reviewed and accepted the CRC's final report on February 3, 2026 (RTC 26-0254), which included a recommendation related to City Manager settlement authority for claims against the City; and

WHEREAS, Section 1314 of the current City Charter links the City Manager settlement authority to California Government Code Section 935.4, which establishes that settlement authority for claims against a local public entity is limited to \$50,000 unless a charter provision authorizes a higher amount; and

WHEREAS, recommendation four of the CRC report noted that the \$50,000 settlement limit had not been updated since 1989, and recommended a ballot measure amending Charter Section 1314 to "authorize the City Council to set the settlement limit by ordinance, providing greater flexibility and administrative efficiency while maintaining appropriate oversight and accountability;" and

WHEREAS, the CRC further recommended 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" to "give the voters more clarity on the settlement authority limit;" and

WHEREAS, on June 23, 2026, the Council adopted Resolution No. 1369-26 placing a measure on the November 3, 2026, ballot proposing to amend Section 1314 of the City Charter to authorize the City Council to set by ordinance the amount of the City Manager's settlement authority (the "Measure"); and

WHEREAS, the CRC report recommended a settlement authority limit of \$150,000, while during discussions related to the CRC report and the decision to place measures on the November 2026 ballot, staff and the Council indicated support for setting the City Manager's settlement authority at \$250,000, consistent with the City Manager's current contract approval

authority under Sunnyvale Municipal Code Section 2.08.040; and

WHEREAS, the City of Sunnyvale desires to implement the CRC's recommendation to adopt an ordinance setting a specific amount for City Manager settlement authority, to take effect if the Measure passes.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SUNNYVALE DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 2.04.030 AMENDED. Section 2.04.030 of Chapter 2.04 (Departments of the City) of Title 2 (Administration and Personnel) of the Sunnyvale Municipal Code is hereby amended to read as follows:

§ 2.04.030 Claims against the city.

- (a) All claims and actions against the city or any officer or any employee thereof shall be filed, served and processed in accordance with applicable state law. All claims shall be filed with the city clerk.
- (b) Pursuant to Section 935.4 of the Government Code of California and Section 1314 of the City Charter, the city manager or the manager's designee shall be authorized to accept, settle or reject without prior approval of the council, claims against the city, provided that no allowance, compromise or settlement shall exceed two hundred fifty thousand dollars. Upon the written order of the city manager or the manager's designee, the director of finance shall cause to be issued a warrant upon the treasury of the city in the amount for which a claim has been allowed, compromised or settled.
- (c) The city manager or the manager's designee is further authorized to compromise or settle, without prior approval of the council, except on a matter of policy, any actions in which the city is the plaintiff, provided that the amounts of such compromise or settlement shall not exceed two hundred fifty thousand dollars.

SECTION 2. CEQA - EXEMPTION. The City Council finds, pursuant to Title 14 of the California Code of Regulations, Section 15061(b)(3), that this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a Project which has the potential for causing a significant effect on the environment.

SECTION 3. CONSTITUTIONALITY; SEVERABILITY. If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision or decisions shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause and phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 4. EFFECTIVE DATE. This ordinance shall become effective as provided in the City Charter. Notwithstanding the effective date, the provisions of this ordinance shall not become operative unless and until the Measure is approved by a majority of voters at the November 3, 2026, election, and the election results are certified by the City Council. If the Measure is not approved, this ordinance shall be of no further force or effect and deemed repealed without further action by the City Council.

SECTION 5. POSTING AND PUBLICATION. The City Clerk is directed to cause copies of this ordinance to be posted in three (3) prominent places in the City of Sunnyvale and to cause publication once in The Sun, the official publication of legal notices of the City of Sunnyvale, of a notice setting forth the date of adoption, the title of this ordinance, and a list of places where copies of this ordinance are posted, within fifteen (15) days after adoption of this ordinance.

Introduced at a regular meeting of the City Council held on July 28, 2026, and adopted as an ordinance of the City of Sunnyvale at a regular meeting of the City Council held on _____, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:
RECUSAL:

ATTEST:

APPROVED:

DAVID CARNAHAN
City Clerk
Date of Attestation: _____

LARRY KLEIN
Mayor

(SEAL)

APPROVED AS TO FORM:

REBECCA L. MOON
City Attorney