

RESOLUTION 26-R\_\_

A RESOLUTION OF THE CITY OF PORT ST. LUCIE, FLORIDA, AUTHORIZING THE ADMINISTRATIVE SETTLEMENT OF NON-COVERED CLAIMS AGAINST THE CITY; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

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**WHEREAS**, the City of Stuart, Martin County, St. Lucie County, and the City of Port St. Lucie are participants in and members of the Treasure Coast Risk Management Program, a self-insurance pool and risk management program (“TRICO”); and

**WHEREAS**, each member of TRICO budgets, appropriates, and contributes funds to an overall pool of insurance funds established for the defense of certain covered claims against its members, as well as payment of settlements or money judgments arising from those claims; and

**WHEREAS**, TRICO utilizes a third-party administrator for the adjustment and management of covered claims; and

**WHEREAS**, TRICO has a contract with Relation Insurance Services of Florida, Inc., to serve as its third-party administrator, under Contract #20220042, set to expire on December 31, 2028 with one remaining three-year renewal option; and

**WHEREAS**, from time to time the City must defend claims and suits for monetary relief that are not covered and/or excluded from coverage by TRICO, the City’s risk management program, or other City insurance/reinsurance policies (“Non-Covered Claims”); and

**WHEREAS**, these Non-Covered Claims against the City are often time-sensitive and may require prompt, or even immediate, review and response; and

**WHEREAS**, there is currently no provision in the City’s Charter or Code of Ordinances for settlement or payment of these Non-Covered Claims; and

**WHEREAS**, with reasonable settlement authority, fewer claims would have to be presented to the City Council for review and disposition, thereby reducing administrative overhead and streamlining the claims process for these Non-Covered Claims; and

**WHEREAS**, in the interest of governmental efficiency, this Resolution specifies the authority and process through which all Non-Covered Claims brought against the City are settled.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF PORT ST. LUCIE, FLORIDA:**

Section 1. Ratification of Recitals. The foregoing recitals are hereby ratified and confirmed as true and correct and are hereby made a part of this Resolution.

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Section 2. Authorization and Settlement of Non-Covered Claims Against the City.

- A. Settlement of Non-Covered Claims for Monetary Relief up to \$100,000.00. The City Council authorizes the City Manager or a written designee, with the advice and written consent of the City Attorney, to negotiate and settle or compromise any Non-Covered Claim against the City, including any associated fees and costs, up to \$100,000.00. In exercising such authority, the City Manager or his written designee and the City Attorney must agree that said settlement or compromise is in the best interest of the City after considering: (i) the City's legal liability; (ii) the amount of damages claimed; (iii) the potential litigation expenses; (iv) the City's potential financial exposure; (v) the precedential effect of any litigation; and (vi) the effect of the Non-Covered Claim upon City policies and practices. Any such settlement or compromise may be accompanied by non-monetary conditions, including but not limited to releases, that are not against the public interest.
- B. Settlement of Non-Covered Claims for Nonmonetary Relief. Except as provided in Section 2.C. below, the City Manager or a written designee may negotiate and settle any Non-Covered Claim seeking nonmonetary relief with the advice and written consent of the City Attorney. If a Non-Covered claim seeking nonmonetary relief also seeks monetary relief, settlement of that claim will be governed by Sections 2.A. or 2.G, as applicable.
- C. Non-Covered Claims Alleging Improper Legislative Action or Inaction. All court actions brought against the City seeking declaratory or injunctive relief as a result of City Council action or inaction, may be settled as follows:
- (1) Zoning actions may be settled by resolution of the City Council.
  - (2) Actions challenging the constitutionality of an ordinance as written (facial validity) may be settled by resolution of the City Council. However, when the enforcement of an ordinance has been preliminarily enjoined by a court of competent jurisdiction, the City Manager may, upon the recommendation of the City Attorney that it would be in the City's best interest, authorize the settlement of the injunctive action in writing.
  - (3) Actions challenging the constitutionality of the way an ordinance is enforced (as applied challenge) may be settled upon the written authorization of the

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department head charged with the enforcement of the ordinance with the written concurrence of the City Manager and City Attorney. If multiple department heads enforce, then each must concur in writing.

(4) If the action is between the City and another governmental entity and falls within the scope of Chapter 164, Florida Statutes, as amended, those conflict resolution procedures also apply to resolving the dispute and settlement must be approved by City Council resolution.

(5) Any monetary or nonmonetary component of a settlement under this Section 2.C. must be authorized under Section 2.A, 2.B, or 2.G., as applicable.

(6) The approval of the City Council under Sections 2.C.(1) and 2.C.(2) as well as the approval of the appropriate department head(s) under Section 2.C.(3) shall be required to take an appeal of an adverse ruling. The City Council shall consider such appeal at the next regularly scheduled City Council meeting as an emergency item after rendition and receipt of the court's order by the City Attorney. If that meeting is more than fourteen (14) days after receipt, the Mayor shall call a special meeting of City Council to consider the issue of such appeal.

- D. Rejection of Non-Covered Claims. The City Manager or his written designee is authorized, with the advice of the City Attorney and the Director of Risk Management, to reject any Non-Covered Claim reasonably determined to lack sufficient merit.
- E. Identification of Non-Covered Claims. The City's Director of Risk Management, with the advice of the City Attorney, shall confirm whether a particular claim is a Non-Covered Claim, as needed. Confirmation shall be documented in the claim file.
- F. Budgetary Reporting to City Council Members. The City Manager will include in the annual budgetary process a report outlining all settlements made under this Resolution.
- G. City Council Approval. All other Non-Covered Claims exceeding the amounts or scope identified herein require City Council approval. Nothing in this Resolution prohibits the City Manager from presenting proposed settlements of Non-Covered Claims to the City Council for approval.

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Section 3. Conflict. If any resolutions, or parts of resolutions, are in conflict herewith, this Resolution shall control to the extent of the conflicting provisions.

Section 4. Severability. The provisions of this Resolution are intended to be severable. If any part of this Resolution is determined to be void or is declared illegal, invalid, or unconstitutional by a Court of competent jurisdiction, the remainder of this Resolution shall remain in full force and effect.

Section 5. Effective Date. This Resolution shall become effective immediately upon adoption.

**PASSED AND ADOPTED** by the City Council of the City of Port St. Lucie, Florida, this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

CITY COUNCIL  
CITY OF PORT ST. LUCIE

By: \_\_\_\_\_  
Shannon M. Martin, Mayor

ATTEST:

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Sally Walsh, City Clerk

APPROVED AS TO FORM:

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Richard Berrios, City Attorney