

AN ORDINANCE      2013 - 02 - 14 - 0117

**AMENDING THE CITY'S DEFINED SELF-INSURANCE & RISK MANAGEMENT PROGRAM BY REVISING THE COMPOSITION OF THE CLAIMS BOARD AND DELETING THE APPROVAL PROCESS REQUIREMENTS FOR THE PAYMENT OF FINAL JUDGMENTS.**

\* \* \* \* \*

**WHEREAS**, the City established the City of San Antonio Defined Self-Insurance and Risk Management Program (the "Program Ordinance") in 1996; and

**WHEREAS**, this Program establishes policies and duties related to the administration of lawsuits, claims and the liability insurance funds; and

**WHEREAS**, the Program is revised by Ordinance from time to time by City Council and the most recent amendments were made through Ordinance No. 2007-09-13-0969 to delete obsolete language and conform the Program provisions to the City's actual practice; and

**WHEREAS**, due to the change in the City's organizational structure and the change in reporting responsibilities, it is necessary to revise the titles of the persons that comprise the Claims Board; and

**WHEREAS**, in August, 2012, the Department of Internal Audit conducted an audit of the City's liability insurance funds, which are administered through this Program; and

**WHEREAS**, the Audit Committee approved the recommendation that the approval process requirements for the payment of court-ordered final judgments be deleted from the Program Ordinance; and

**WHEREAS**, it is now necessary to amend the Program Ordinance to reflect these changes;  
**NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1. Section 2.05 Claims Board** A.1. of the City of San Antonio Defined Self-Insurance and Risk Management Program, approved through Ordinance No. 2007-09-13-0969 (the "Program Ordinance") is amended by adding language that is underlined (added) and deleting the language that is stricken (~~deleted~~) to the existing text, as follows:

1. The Claims Board shall be composed of the following five voting members:
  - a. ~~Assistant~~ City Manager Designee as Chairman,
  - b. City Attorney as Co-Chairman,
  - c. Director of Finance,

- d. Risk Manager, and
- e. Director of the Department overseeing Risk Management.

**SECTION 2.** Section 4.03 **Withdrawals from Funds** of the Program Ordinance is amended by adding language that is underlined (added) and deleting the language that is stricken (~~deleted~~) to the existing text, as follows:

**Section 4.03 4.02 Withdrawals from Funds**

- A. Subject to the restrictions and limitations provided by the Program, withdrawal from the Fund for payment of Administrative Expenses may be made at the direction of the Risk Manager or his designee and/or the City Attorney or his designee. The Risk Manager may authorize claims adjuster to pay Administrative Expenses in amounts less than \$2,500.00.
- B. Withdrawal from the Fund for payment of any settlement shall be in accordance with Section 3.04 Settlement of Claims.
- ~~C. Withdrawal from the Fund for payment of any judgment shall be subject to the same approval authorities as for settlements, as set forth in Section 3.04 Settlement of Claims.~~
- ~~D. C.~~ C. An aggregate amount exceeding \$50,000 for Property Damage or Personal Injury may not be withdrawn from the Fund to pay the Program Claims of any one claimant that arise from the same Occurrence unless the City Council approves a greater amount for that purpose.

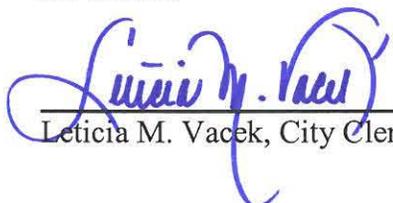
**SECTION 3.** The Program Ordinance is hereby amended in accordance with the provisions of this Ordinance, and is attached in its entirety as Exhibit I. All other provisions of the Program Ordinance not specifically revised hereby shall remain unchanged and in full force and effect.

**SECTION 4.** This Ordinance is effective immediately upon passage by eight affirmative votes; otherwise it is effective on the tenth day after passage hereof.

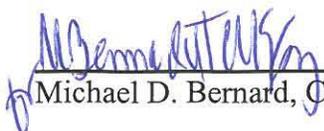
**PASSED and APPROVED** this 14<sup>th</sup> day of February, 2013.

  
M A Y O R  
Julián Castro

**ATTEST:**

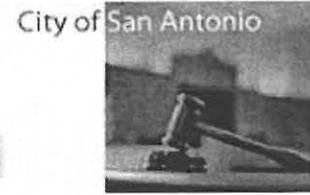
  
\_\_\_\_\_  
Leticia M. Vacek, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Michael D. Bernard, City Attorney



Request for  
**COUNCIL  
ACTION**



## Agenda Voting Results - 14

| <b>Name:</b>        | 6, 7, 9, 10, 11A, 12, 13, 14, 15   |             |     |     |         |        |        |
|---------------------|--|-------------|-----|-----|---------|--------|--------|
| <b>Date:</b>        | 02/14/2013   |             |     |     |         |        |        |
| <b>Time:</b>        | 10:01:08 AM  |             |     |     |         |        |        |
| <b>Vote Type:</b>   | Motion to Approve  |             |     |     |         |        |        |
| <b>Description:</b> | An Ordinance amending the San Antonio Self-Insurance & Risk Management Program by revising the composition of the Claims Board and amending the approval process for the payment of final judgments. [Ben Gorzell, Chief Financial Officer; Joe Angelo, Chief Human Resources Officer] |             |     |     |         |        |        |
| <b>Result:</b>      | Passed   |             |     |     |         |        |        |
| Voter               | Group  | Not Present | Yea | Nay | Abstain | Motion | Second |
| Julián Castro       | Mayor  |             | x   |     |         |        |        |
| Diego Bernal        | District 1   |             | x   |     |         |        |        |
| Ivy R. Taylor       | District 2   |             | x   |     |         |        | x      |
| Leticia Ozuna       | District 3   |             | x   |     |         | x      |        |
| Rey Saldaña         | District 4   | x           |     |     |         |        |        |
| David Medina Jr.    | District 5   |             | x   |     |         |        |        |
| Ray Lopez           | District 6   |             | x   |     |         |        |        |
| Cris Medina         | District 7   |             | x   |     |         |        |        |
| W. Reed Williams    | District 8   | x           |     |     |         |        |        |
| Elisa Chan          | District 9   |             | x   |     |         |        |        |
| Carlton Soules      | District 10  |             | x   |     |         |        |        |

# **EXHIBIT I**

**The City of San Antonio Defined Self-Insurance & Risk Management  
Program**

**ARTICLE I  
GENERAL PROVISIONS**

**Section 1.01 Policy**

It is policy of the CITY, subject to budgetary and general economic conditions, to self-insure against all potential liabilities through the Fund and to provide such self-insurance by depositing money into the Fund in amounts sufficient, under actuarial determinations, to provide for the defined self-insurance coverages herein. It is further the policy of the CITY, under the appropriate conditions, to obtain Program Insurance as provided by Section 2.04 below.

**Section 1.02 Definitions**

As used herein:

- A. "**Act**" includes an omission or failure to act.
- B. "**Administrative Expenses**" means the expenses of administering the Program, to the extent designated as such by the Claims Board, including, but not limited to, the following:
  - 1. the compensation paid to any loss control or risk management consultant;
  - 2. the compensation paid to any Claims Adjuster, Third Party Administrator, or professional actuary;
  - 3. the expense of defending any Claim, including, but not limited to, the following:
    - a. the compensation paid to expert witnesses;
    - b. attorney's fees and expenses;
    - c. investigation expenses; and
    - d. court costs;
  - 4. any expenses incurred by CITY in the course of any financing undertaken to provide funding for the fund or to repay any obligation incurred by CITY in the course of such a financing; or

5. the cost of Program Insurance (including any compensation paid to brokers).
- C. **"Claim"** means any claim or suit against the City (whether in its capacity as a municipal corporation or as an insurer under the Workers' Compensation Law), or any claim or suit against any Plan member that the CITY is responsible for defending under the Risk Assumption Ordinance, regardless of whether any Damages resulting from such claim or suit are permitted under the Program Ordinance to be paid from the Fund.
- D. **"Corporate General Liability Conduct"** means any of the following:
1. any Error or Omission that causes an Injury; or
  2. any conduct of the CITY or a Plan Member, acting within the course, scope and authority of his employment, office or position with the CITY, that:
    - a. causes Personal Injury, Property Damage, or Regulatory Injury that is not intended or expected by the actor, or
    - b. causes Advertising Injury that:
      - i. is not intended or expected by the actor, and,
      - ii. does not arise out of any statement that the actor knows is false; or
    - c. causes Personal Injury or Property Damage (regardless of whether intended or expected by the actor) that results from:
      - i. the use of reasonable force for the purpose of protecting persons or property, or
      - ii. the discharge of the actor's official duties for the CITY.
- E. **"Damages"** means compensatory damages or special damages, or damages that lawfully may be awarded against the CITY or a Plan Member, but excluding exemplary damages found against the member.
- F. **"Department Director"** means that individual having responsibility for the management of the department from which a claim arises.
- G. **"Error or Omission"** means any act performed by a Plan Member, acting in good faith within the course and scope of employment with the City, that results in or constitutes an erroneous discharge of such Plan Member's official duties for the CITY (including the making of an incorrect statement), but that does not constitute legally actionable fraud or an intentional or knowing breach of duty.

- H. "**Fund**" means the liability and/or workers' compensation funds in Budget account 75.
- I. "**Fund Surplus**" means the amount of money in the Funds that is in excess of the amount that, in the opinion of a professional actuary, is required to maintain the Fund on an actuarially sound basis, to the extent reasonably practicable, for the period of time and risks of loss for which it is then funded.
- J. "**Injury**" means any of the following injuries:
1. Advertising Injury -any injury to a person that results from the promotion activities of CITY if such injury arises out of libel, slander, defamation, violation of right to privacy, commercial piracy, unfair competition, or infringement of copyright, title, or slogan.;
  2. Personal Injury - any
    - a. bodily injury,
    - b. mental harm, anguish, or illness (regardless of whether accompanied by Bodily injury),
    - c. discrimination with injury,
    - d. humiliation,
    - e. assault,
    - f. false or improper service of process,
    - g. false imprisonment with injury,
    - h. damage to character, reputation, or integrity,
    - i. invasion of privacy,
    - j. violation of property rights, or
    - k. violation of civil rights with injury;
  3. Property Damage - any damage to or destruction of tangible property or the loss of use of tangible property; or

4. Regulatory Injury -any economic loss sustained by a person as a result of the performance by the CITY of its regulatory or property acquisition functions.
- K. "**Occurrence**" means an episode, an incident or series of related incidents, or an event or series of related events that results in compensable injury.
- L. "**Person**" includes an individual, partnership, trust, or other association; corporation; or governmental entity or agency.
- M. "**Plan Claim**" means any "Plan Claim" as defined in the Risk Assumption Ordinance.
- N. "**Plan Loss Expenses**" means any "Plan Loss Expenses" as defined in the Risk Assumption Ordinance.
- O. "**Plan Member**" means any "Plan Member" as defined in the Risk Assumption Ordinance.
- P. "**Program**" means the San Antonio Self-Insurance and Risk Management Program, as originally authorized in Ordinance 83926.
- Q. "**Program Claim**" means any claim arising from:
1. Corporate General Liability Conduct; or
  2. actions under the Workers' Compensation laws.
- R. "**Program Ordinance**" means Ordinance 83926 and any amendments thereto.
- S. "**Risk Assumption Ordinance**" means CITY Ordinance 83927, which establishes the CITY of San Antonio Officer and Employee Liability Plan, as from time to time amended.
- T. "**Workers' Compensation Law**" means Texas Labor Code, Title V, Subtitle A.
- U. "**Workers' Compensation Payment**" means any payment of compensation, benefits, expenses, or other charges for which the City is liable, under the Workers' Compensation Law.

**ARTICLE II**  
**SELF-INSURANCE AND RISK MANAGEMENT PROGRAM**

**Section 2.01 Program Defined**

The CITY, by enactment of Ordinance 83926, established the "San Antonio Self-Insurance and Risk Management Program" consisting of the policies, rights, and duties embodied in the Ordinance. The City herein further defines and clarifies the policies, rights and administration of the Program.

**Section 2.02. Self-Insurance and Risk Management Program.**

- A. The Risk Manager, subject to the superior authority of the City Manager, shall:
  - 1. identify and qualify (to the extent practicable) the risks that have the potential to result in liability of the CITY or Plan Members for a claim payment;
  - 2. budget and plan the Self-Insurance and Risk Management Program, including, but not limited to risk assumption, risk reduction, risk retention and risk transfer (including the purchase of Program Insurance);
  - 3. develop and maintain a management information system in coordination with any existing systems of the CITY, for the efficient recording of Program information; and
  - 4. devise and implement programs designed to reduce the CITY's and the Plan Member's potential liability exposure.
- B. The Risk Manager shall implement and supervise the safety policies and procedures that are to be followed by the CITY, subject to applicable budgetary restrictions.

**Section 2.03. Self-Insurance and Risk Management Program Services**

- A. To assure the viability of the Self-Insurance and Risk Management Program the Risk Manager may hire a professional risk management service to be retained as a contractor to the Self-Insurance Liability and Workers' Compensation Funds.
- B. The Risk Manager may also retain a professional actuary service to assure the financial stability of the Self-Insurance Liability and Workers' Compensation Funds.
- C. If a professional service is retained, the Risk Manager shall select the service provider, subject to the approval of the City Council.

**Section 2.04 Program Insurance**

- A. Program Insurance may be obtained under the following circumstances:
  - 1. as excess coverage over that provided by the fund;
  - 2. as reinsurance for the Fund;
  - 3. as first-dollar coverage in lieu of that provided by the Fund;
  - 4. when services that are necessary to effectively administer the Program can be obtained only through the obtaining of the insurance;
  - 5. when the CITY is required by contract or law, to obtain the insurance; or
  - 6. when the limitations on coverage under the Fund do not result in long-term economic advantage to the CITY, and the insurance obtained either does not contain such limitations, or offsets such limitations or reduces such limitations.
- B. The procurement of Program Insurance shall be coordinated by the Risk Manager subject to superior authority of the City Manager and approval by the City Council.
- C. Program Insurance shall be written by companies licensed to do business in the State of Texas at the time the policy issued and shall be written by companies with an A.M. Best rating of A-(VII) or better or otherwise acceptable to the Risk Manager.
- D. The remuneration of agents or brokers providing insurance services to the CITY pursuant to the Program shall be on a fee basis.

**Section 2.05 Claims Board**

- A. The Self-Insurance Claims Board ("Claims Board") as originally created by Ordinance 83926, is hereby modified as follows:
  - 1. The Claims Board shall be composed of the following five voting members:
    - a. City Manager Designee as Chairman,
    - b. City Attorney as Co-Chairman,
    - c. Director of Finance,
    - d. Risk Manager, and
    - e. Director of the Department overseeing Risk Management.
  - 2. The Department Director shall attend as a non-voting member.

- B. Meetings of the Claims Board shall be in accordance with the provisions of the Texas Open Meetings Act, Tex. Gov't Code Chapter 551, *et. seq.*
- C. The Claims Board shall meet as necessary to consider settlement of claims and lawsuits within the range of its authority as set by Section 3.04 Settlement of Claims. The setting of such meetings, posting of necessary agendas and maintenance of meeting minutes will be under the direction of the Risk Manager.

### **ARTICLE III ADMINISTRATION OF CLAIMS**

#### **Section 3.01 Administration of Claims Generally**

The Risk Management Division is responsible for the administration of Claims and operates in conjunction with the City Attorney's Office in matters of litigation.

#### **Section 3.02 Claims Adjusters**

- A. The Risk Manager may allow one or more claims adjusters to adjust or otherwise administer Claims for the CITY.
- B. A claims adjuster may be selected from among the CITY's administrative staff, or a professional claims handling or management service may be retained.
- C. If a professional claims handling or management service is to be retained, such employment shall be on a non-exclusive basis, and the contract under which such service is retained shall be made terminable by the City.
- D. Each claims adjuster shall be directly responsible to the Risk Manager or his designee and shall follow any claims administration policies and procedures established by the Risk Management Division.

#### **Section 3.03 Defense of Claims**

- A. The City Attorney or his designee shall direct the defense of the CITY in suits.
- B. The City Attorney or his designee, in consultation with the Risk Manager, shall select, supervise and/or retain, if applicable, outside attorneys, experts, and investigators they deem necessary in connection with the defense of any suit.
- C. The City Attorney shall promulgate guidelines for the defense of the City in litigation matters and, in consultation with the Risk Manager shall establish a procedure for evaluating the performance of all outside counsel, experts and investigators.

**Section 3.04 Settlement of Claims**

- A. Settlement proposals shall be submitted to the proper approving authority by submission of a memorandum outlining the claims made and the justification for settlement recommendation. The memorandum shall be prepared by the attorney handling the lawsuit or the claims adjuster assigned to the claim and submitted to the Risk Management Division for processing.
- B. Settlement of claims and lawsuits shall be upon the following approval authorities:
  - 1. The assigned claims adjuster may issue payment for settlement of any one claimant that arise from the same occurrence in the amount of \$2,500.00 or less without the necessity of City approval.
  - 2. Settlement in an amount between \$2,500.01 and \$15,000.00 per claimant shall require approval of the Risk Manager or his designee and the City Attorney or his designee, with notification to the Department Director, as indicated by their signatures on the settlement memorandum.
  - 3. Settlement in any amount between \$15,000.01 and \$50,000.00 per claimant shall require approval of a majority of the Claims Board as indicated by the Chair's signature on the settlement memorandum.
  - 4. Settlement in any amount above \$50,000.00 per claimant shall require approval of the City Council through passage of a City Ordinance.
- C. Settlement of property damage and personal injury damages arising from the same occurrence shall be considered as separate claims for purposes of determining the appropriate authority level.

**Section 3.05 Payment of Non-Covered Claims**

Any Claim that the CITY is legally obligated to pay that is not a Program Claim or, if a Program Claim, that is in excess of the amount permitted under the Program Ordinance to be withdrawn from the Fund to pay such Program Claim, may be paid by the CITY *only at such times and from such other sources of payment as are permitted by law.*

**ARTICLE IV**  
**REGULATION OF SELF-INSURANCE LIABILITY & WORKERS' COMPENSATION**  
**FUNDS**

**Section 4.01 Authorized Withdrawals from the Fund or Funds**

- A. Money may be withdrawn from the Fund or Funds ONLY for the following purposes:
1. to pay for Administrative Expenses;
  2. to pay any Program Claim;
  3. to compromise or settle a Claim in accordance with Section 3.04 Settlement of Claims;
  4. to pay any Fund or Fund Surplus to the CITY;
  5. to retire (by scheduled payment, prepayment, defeasance, or otherwise) any obligation of the CITY incurred in connection with providing funding for the Funds; or
  6. to reimburse the CITY for any payment made under any agreement to provide funding for the Funds that is permitted to be paid to the CITY pursuant to such agreement, or to the extent and under the terms and conditions provided in such agreement, to cure a default in payment by the CITY under such agreement.
- B. No withdrawal from the Funds may be made except in accordance with the Program Ordinance.

**Section 4.02 Withdrawals From Funds**

- A. Subject to the restrictions and limitations provided by the Program, withdrawal from the Fund for payment of Administrative Expenses may be made at the direction of the Risk Manager or his designee and/or the City Attorney or his designee. The Risk Manager may authorize claims adjuster to pay Administrative Expenses in amounts less than \$2,500.00.
- B. Withdrawal from the Fund for payment of any settlement shall be in accordance with Section 3.04 Settlement of Claims.
- C. An aggregate amount exceeding \$50,000 for Property Damage or Personal Injury may not be withdrawn from the Fund to pay the Program Claims of any one claimant that arise from the same Occurrence unless the City Council approves a greater amount for that purpose.

### **Section 4.03 Excluded Payment**

Money may not be withdrawn from the funds to make any of the following excluded payments:

- A. the payment of any Program claim involving Damages that arise from the exercise by the CITY of its power of eminent domain with the exception of damages or expenses arising by counterclaim;
- B. the payment of all or that portion of any Program claim, or of any other item for which a withdrawal from the Fund or Funds is permitted by Section 3.04 Settlement of Claims, that, in lieu of payment from the Fund, can be paid from:
  - 1. the proceeds of Program Insurance carried by the CITY, including, but not limited to those property and casualty insurance policies maintained by the City;
  - 2. the proceeds of any insurance carried under any health, accident, or similar plan of benefits provided by the CITY;
  - 3. any fund, reserves, or other source of payment available to the CITY that has been designated or otherwise set aside for such use; or
  - 4. the proceeds of any insurance, bond (including payment, performance and maintenance bonds), fund, collateral, letter of credit, indemnity or other security provided, posted or maintained by a third party at the request or for the benefit of the CITY.
- C. the payment of any Program General Liability claim arising from an injury that results from the distribution (whether by sale, gift, or otherwise) of an alcoholic beverage other than a distribution (i) which takes place at an activity or function that is incidental to the CITY's business, and (ii) for which the CITY is liable under applicable provisions of the Texas Alcoholic Beverage Code;
- D. the payment of any Program Claim arising from an injury that results from declared or undeclared war (including civil war, insurrection, rebellion, or similar hostility) or any act or condition incident to war;

- E. the payment of any Program Claim:
1. in which the CITY's liability exists by virtue of the Texas Tort Claims act, Chapter 101 of the Texas Civil Practice and Remedies Code, regardless of whether the CITY is a defendant, that exceeds the limits on liability applicable to the CITY under the statute;
  2. in which the CITY'S liability exists by virtue of the Workers' Compensation Law that exceeds the limits on liability applicable to the CITY under that statute;
  3. that the CITY is otherwise granted immunity from paying or precluded from paying by law; or
  4. in an amount that exceeds any limits prescribed in Section 4.04 Limits on Amount of Withdrawals for Program Claims or the Risk Assumption Ordinance; or
- F. the payment of any exemplary damages on the behalf of a Plan Member.

**Section 4.04 Limits on Amount of Withdrawals for Program Claims**

- A. The aggregate amount of withdrawals from the fund to pay all Corporate General Liability Claims that arise from any one Occurrence may not exceed the following amounts for the following respective classifications of Corporate General Liability Claims:
1. for Personal Injury Claims: \$250,000 per person/\$500,000 per occurrence;
  2. for Property Damage Claims: \$100,000 per occurrence;
  3. for Advertising Injury Claims: \$250,000 per person/\$500,000 per occurrence;  
and
  4. for Regulatory Injury Claims: \$100,000 per occurrence.
- B. The aggregate amount of withdrawals from the Fund to pay any Plan Claim for which the CITY in the judgment of the Claims Board is liable that arise from any one Occurrence may not exceed \$600,000.
- C. The aggregate amount of withdrawals from the Fund for any one Annual Period to pay Program General Liability Claims may not exceed \$15,000,000.
- D. Subject to Subsection F of this Section, the aggregate amount of withdrawals from the Workers' Compensation Fund to pay Workers' Compensation Payments that arise from anyone Occurrence may not exceed \$500,000.

- E. Subject to Subsection F of this Section, the aggregate amount of withdrawals from the Workers' Compensation Fund for any one Annual Period to pay Workers' Compensation Payments may not exceed \$15,000,000.
- F. A withdrawal from the Funds may be made that causes the limit on aggregate withdrawals prescribed by Subsection D or E of this Section to be exceeded if such withdrawal does not render the Fund actuarially unsound, as determined by a professional actuary.
- G. The limits herein are in accordance with Texas Tort Claims Act, Chapter 101 of the Texas Civil Practice and Remedies Code, as of the date of the adoption of this Plan or as those limits are modified or amended time-to-time by the Texas Legislature.
- H. Any amounts necessitated by law, above the amounts stated herein, shall be treated by specific City Ordinance.

**Section 4.05 Withdrawal of Fund Surplus**

A Fund Surplus may be withdrawn from the Fund no more than once a year in accordance with the terms of this Plan.

**Section 4.06 Investment of Fund**

The Director of Finance shall direct the investment of money in the Fund in investments that are eligible as lawful investments for other public funds of the CITY.

**ARTICLE V  
OTHER PROGRAM PROVISIONS**

**Section 5.01 Report to City Manager on Program Status**

The Director of Finance, in consultation with the Risk Manager, shall report to the City Manager on the status and experience of the Program, including the financial status of the Fund, on an annual basis.

**Section 5.02 Alteration and Termination of Program**

- A. Subject to Subsection 2 of this Section, the CITY, by ordinance, may alert the Program from time to time or terminate the Program at any time without notice to any Plan Member or other person.
- B. The CITY, by agreement approved by the City Council, may limit its right to alter or terminate the Program.

**Section 5.03 Effective Date of Program: Duration**

The program became effective on April 25, 1996, 12:01 a.m. and continues in effect until terminated by the City Council. The process for administration of all pending claims and suits, as of the effective date, shall be governed by the procedures established in this Program.

**ARTICLE VI  
MISCELLANEOUS PROVISIONS**

**Section 6.01 Conflicts with Ordinances**

This Program shall not operate to repeal or affect any ordinance of the CITY except to the extent that the provisions thereof are inconsistent or in conflict with this Program, in which event, the provisions of this Program shall control, all save and except, continuing obligations under prior Indemnity Ordinances.

**Section 6.02 Severability**

The terms and provisions of this Program shall be deemed to be severable and if the validity of any section, subsection, sentence, clause or phrase of this Program should be declared to be invalid, the same shall not affect the validity of any other section, subsection, sentence, clause or phrase of the Program.

**Section 6.03 Governmental Regulations**

The regulations provided in this Program are hereby found to be governmental.

**Section 6.04 Interpretation**

- A. Whenever the context requires:
1. reference to the City Manager, Assistant City Manager, City Attorney, Risk Manager or any department director shall be construed to include any person designated to act in their place.
  2. reference in the Program of the singular number shall include the plural and vice versa; and
  3. words used in the Program denoting gender shall be construed to include the masculine, feminine, and neuter.
- B. Titles given to any article or section of the Program are for convenience only and are not intended to modify or affect the meaning of the Program.

- C. By its language or treatment, the CITY intends no waiver of its rights under law, nor does it intend a ratification that would cause liability under the law.

**Section 6.05 Prior Contract & Tort Liability**

This Program does not alter any CITY tort or contract liability existing as of the date of the enactment of Ordinance 83926. More specifically, this Program does not alter contractual obligations in either San Antonio Firefighters or San Antonio Police as of that date.

**Section 6.06 No Admission of Liability for Claims**

The CITY, by virtue of establishing and maintaining the Program, is not admitting liability for any Claims. The CITY reserves the right to assert any defense to the payment or collection of any Claim that is lawfully available to it or any Plan Member. No language herein shall be a waiver, nor is any action taken intended as ratification.

**Section 6.07 Cooperation of City Administration**

To promote the efficient and effective administration of the Program, the various department heads and other employees having administrative responsibilities for the CITY are directed to cooperate with the Risk Management Division and the City Attorney's Office.