

March 26, 2014

City of Lewisburg Tennessee  
Mr. Randall D. Dunn  
City Manager  
131 East Church Street  
Lewisburg, Tennessee 37091

VIA ELECTRONIC MAIL

Dear Mr. Dunn:

We previously discussed the importance of adopting language to indemnify city officers, employees, and board members while properly acting in the scope of their official duties. Such a policy provides a level of protection to these officials, many of whom serve their community for little or no compensation, while at the same time removing any uncertainty as to whether the city will defend them from loss or liability in advance of a situation giving rise to the question of whether the city will provide for their defense.

The following code section from Bristol is an example of language to establish this policy:

**Sec. 2-31. - Indemnification of city officials and employees.**

(a) Subject to the provisions of the Tennessee Governmental Tort Liability Act, the city shall indemnify, to the fullest extent permitted by law, city officials and employees, including those appointees serving on city boards and commissions, against any loss or liability arising out of any actual or alleged error, misstatement, act of omission, neglect or breach of duty arising from the performance of those functions and responsibilities that come within the scope of their official duties undertaken on behalf of the city. Such indemnification shall include, but not be limited to, claims, loss, damages, judgments, settlements, court costs, reasonable attorney's fees and expenses of litigation.

(b) The indemnification provided for in this section shall not extend to any claim, loss, damages, judgments, settlements, court costs, attorney's fees or expenses which:

- (1) Arise from actions which were willful, wanton, malicious, criminal or performed for personal gain, or constituted medical malpractice by a health care provider; or
- (2) Arise from acts of fraud, corruption or dishonesty; or
- (3) Exceed the applicable limits of liability provided by the Tennessee Governmental Tort Liability Act; or
- (4) Constitute punitive damages.

(c) Indemnification shall be provided only if the city has received timely notice of the claim and has been afforded a reasonable opportunity to provide legal counsel for the defense thereof.

(d) The city reserves all of its rights, privileges and immunities under the Tennessee Governmental Tort Liability Act and other applicable laws, and nothing herein shall be construed as a waiver of the city's sovereign immunity in whole or in part.

Please let me know if you have any questions or require any additional assistance on this matter.

Very truly yours,



Jeffrey J. Broughton  
Municipal Management Consultant