

CITY COUNCIL REPORT



Meeting Date: **March 24, 2026**
General Plan Element: ***Provide for the orderly administration of the affairs of the City***
General Plan Goal: ***Fiscal management***

ACTION

Adopt Resolution No. 13618 authorizing the Contract No. 2026-040-COS releasing Cody Wilson and Progressive Insurance Company for the payment of \$40,085.51 to settle the City's claim against them related to damage to two City-owned vehicles on October 24, 2024.

Background

Under S.R.C. §2-174(b)(4), settlement of claims in excess of \$20,000 must be approved by the City Council. The City Attorney's Office – Safety & Risk Management Division has successfully secured a **settlement of \$40,085.51 to reimburse the City's Loss Trust Fund** for expenses incurred from an automobile collision that damaged and totaled two City vehicles.

On October 24, 2024, Cody Wilson ("Mr. Wilson") was driving impaired on the shoulder of the southbound 101 freeway. Mr. Wilson then rear-ended two police vehicles that were unoccupied and off to the right of the freeway. Three officers were out of both vehicles talking with the driver of a violator vehicle when the collision occurred. Mr. Wilson was traveling at a high rate of speed, and he continued past the initial collisions and he hit another vehicle, owned by a third party. All the vehicles were declared total losses.

Safety & Risk Management adjusted the total losses and settled the damage with the Fleet Department. The first vehicle was a 2019 Chevrolet Tahoe. The Actual Cash Value for the Tahoe was \$29,715.91. The second vehicle was a 2017 Ford Explorer. The Actual Cash Value for the Explorer was \$15,532.19. The value was determined by comparing the vehicles to similar vehicles for sale in this region with similar options, mileage, and condition.

A subrogation demand in the amount of \$45,248.10 was sent to Mr. Wilson's carrier, Progressive Insurance Company ("Progressive"). Progressive had a policy limit of \$50,000 and had to factor in damages to the third party, which was a 2017 Chevy Malibu and some towing expenses. The total of all the damage to the City and a third party was \$56,439.46. This exceeded the available coverage limits of Mr. Wilson's liability insurance policy. Progressive completed a pro-rata calculation and offered the City \$40,085.51 to cover the City of Scottsdale's portion. While this is \$5,162.59 less than the total amount owed, it allows the immediate recovery of funds without the necessity of litigation. In addition, Mr. Wilson had no other insurance policy or assets that the City could pursue. Thus, the City Attorney's Office recommends the proffered settlement of \$40,085.51 as being in the best interest of the City.

ANALYSIS & ASSESSMENT

Recent Staff Action

The SRAs for both vehicles were reviewed and investigated by the City Attorney's Office - Safety & Risk Management Division - and the costs were found to be reasonable and necessary. The Fleet department was paid to replace both vehicles. The Safety & Risk Management Division secured an offer of settlement with Progressive based on the available liability coverage limits.

Policy Implications

None.

Significant Issues to be Addressed

None.

Community Involvement

N/A.

RESOURCE IMPACTS

Available funding

The cost of replacing the damaged vehicles was paid by the Loss Trust Fund, and if recovered, will be deposited into the Loss Trust Fund account to reimburse the Fund for that expense.

Staffing, Workload Impact

Approval of this Resolution will allow the City to recover nearly full reimbursement for the two vehicles totaled in the incident.

Future Budget Implications

Approval of this Resolution will allow the City to recover reimbursement to the Loss Trust Fund for the majority of the losses it incurred in this incident.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach

The City Attorney's Office recommends that the Council adopt Resolution No. 13618 and authorize settlement of this claim as proposed.

Proposed Next Steps

If the settlement is approved, City representative(s) will finalize the documents and deposit the funds into the Loss Trust Fund account for City Claim Numbers 2425-066-19931 and 2425-065-17704.

RESPONSIBLE DEPARTMENT(S)

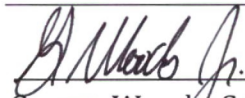
City Attorney's Office – Civil Division and Safety & Risk Management Division

STAFF CONTACTS (S)

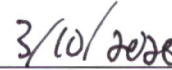
George Woods, Jr., Safety & Risk Management Director, gwoods@scottsdaleaz.gov

Luis E. Santaella, Interim City Attorney, lsantaella@scottsdaleaz.gov

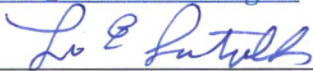
APPROVED BY



George Woods, Safety & Risk Management Director
(480) 312-7040
gwoods@scottsdaleaz.gov



Date



Luis E. Santaella, Interim City Attorney
(480) 312-2405
lsantaella@scottsdaleaz.gov



Date

ATTACHMENTS

1. Resolution No. 13618
2. Contract No. 2026-040-COS

RESOLUTION NO. 13618

A RESOLUTION OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING SETTLEMENT IN THE AMOUNT OF \$40,085.51 TO SETTLE THE CITY'S CLAIM AGAINST CODY WILSON AND PROGRESSIVE INSURANCE COMPANY, AND AUTHORIZING THE MAYOR TO EXECUTE CONTRACT NO. 2026-040-COS.

WHEREAS, on October 24, 2024, Scottsdale Police Department officers were conducting a traffic stop on the southbound 101 freeway. The officers were out of their respective vehicles and talking to the driver of a violator vehicle;

WHEREAS, another driver, Cody Wilson, was driving southbound on the shoulder of the 101 freeway while impaired. Mr. Wilson collided into both stopped and unoccupied Scottsdale Police vehicles. Mr. Cody was driving at such a high rate of speed, the initial impact did not stop him and he continued to move forward and he collided with a third-party's vehicle. As a result, both Scottsdale vehicles were declared total losses; and

WHEREAS, the City (through its Loss Trust Fund) had to pay for the replacement for both vehicles, which cost the City \$45,248.10. A subrogation demand was sent to Mr. Cody's liability insurance carrier, Progressive Insurance Company. Mr. Cody did not have sufficient policy limits to cover all the damages for all parties. Progressive Insurance Company sent a Pro-Rata breakdown and offer of \$40,085.51 to settle the City's claim; and

WHEREAS, it is in the best interest of the City to effectuate a settlement of this claim in the amount of \$40,085.51; and

WHEREAS, the parties have agreed to resolve the disputed issues and compromise all claims by settling herein.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. That the City Council authorizes the Mayor to execute Contract No. 2026-040-COS on behalf of the City to settle this claim in its entirety in the amount of Forty Thousand Eighty-Five dollars and Fifty-One Cents (40,085.51) with the funds to be deposited into the City's Loss Trust Fund for the settlement of City of Scottsdale Claim Number 2425-065-17704.

Section 2. That the City Council approves the settlement set forth above and authorizes and directs the City Manager, the City Treasurer, and the Interim City Attorney, and their respective staff to execute such documents and take such other actions as are necessary to carry out the purpose of the Resolution.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this ____ day of _____, 2026.

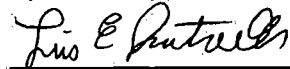
CITY OF SCOTTSDALE, an Arizona
municipal corporation

ATTEST:

Lisa Borowsky, Mayor

Ben Lane, City Clerk

APPROVED AS TO FORM:



Luis E. Santaella, Interim City Attorney

PROPERTY DAMAGE RELEASE

January 29, 2026

Claim Number: 24-327810092

In consideration of the sum of forty thousand, eighty five dollars and fifty one cents (\$40,085.51) receipt of which is hereby acknowledged, I/we, City of Scottsdale, do hereby release and forever discharge Cody Wilson, Kyle Wilson, and Progressive Advanced Insurance Company (Progressive) from any property damage claim, demand, right or cause of action arising out of or in any way connected with that certain accident, resulting therefrom, which occurred on or about 10/24/2024, in Scottsdale, AZ.

AS A FURTHER CONSIDERATION AND INDUCEMENT FOR THIS COMPROMISE SETTLEMENT, AND PAYMENT, IT IS EXPRESSLY WARRANTED AND AGREED:

- (1) That this is a full and final release of any and all claims for property damage arising out of said accident and expressly includes, but is not limited to, all unknown and unanticipated property damage resulting from said accident, casualty or event, as well as those now disclosed.
- (2) That this is a compromise settlement of a disputed claim, and that the payment of the consideration for this release shall not be deemed or construed as an admission of liability on the part of any and all of the releases herein described, but on the contrary, any such liability is expressly denied.
- (3) That there are no liens, or claim of liens, or assignments in law or equity, or otherwise, of, or against, the claim or cause of action of the undersigned herein and that the undersigned is fully entitled to give a complete release and discharge of said claims.

For your protection, Arizona law requires the following statement to appear on this form. "Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties."

THE UNDERSIGNED HAS READ AND UNDERSTANDS THE TERMS OF NATURE OF THE FOREGOING RELEASE AND WARRANTS THAT THE RELEASE CONTAINS THE "ENTIRE AGREEMENT" BETWEEN THE PARTIES HERETO AND NO PROMISE, INDUCEMENT OR AGREEMENT NOT EXPRESSLY CONTAINED HEREIN HAS BEEN MADE.

IN WITNESS WHEREOF, I have hereunder set my hand this ____ day of _____, 2026.

CITY OF SCOTTSDALE, an Arizona Municipal Corporation

By: _____

Lisa Borowsky
Mayor, City of Scottsdale

Dated: _____

ATTEST:

Ben Lane, City Clerk

Dated: _____