§ 121. Payment of judgments and compromised actions, proceedings or claims. Whenever a final judgment has been recovered against a town, or an action, proceeding or claim has been compromised or settled in the manner provided in section sixty-eight of this chapter, the town board may provide by taxation the sum necessary to pay such judgment or compromised action, proceeding or claim, or may provide such sum, in whole or in part, pursuant to the local finance law.