§ 68. Compromise of actions, proceedings or claims. 1. The town board of any town may compromise or settle:

a. An action or proceeding against the town, with the approval of the court in which such action or proceeding is pending.

b. Any claim presented pursuant to section sixty-five-a or sixty-seven of this chapter, with the approval of a justice of the supreme court of the judicial district in which such town is located.

2. The order of the court or the justice approving such settlement or compromise may be granted upon the motion of an officer of the town designated by the town board, supported by the affidavit of such officer setting forth the cause of action or the claim against the town and also such other information which, in his opinion, will enable the court or the justice to arrive at a determination that such compromise or settlement is just, reasonable and to the interest of the town. Such officer may also present the affidavits of other persons in support of his motion. The court or the justice, in order to arrive at such a determination, may require such officer to present additional information by a supplemental affidavit or affidavits or may require other persons to present additional information by their affidavits.

3. Upon obtaining the approval of the court or the justice, the town board may pay the amount of such compromise or settlement from funds or sources authorized pursuant to section one hundred twelve of this chapter.

4. Notwithstanding the foregoing provisions of this section, the town board of any town may compromise or settle any action, proceeding or claim against the town upon such terms as said board shall determine are just, reasonable and to the interest of the town.