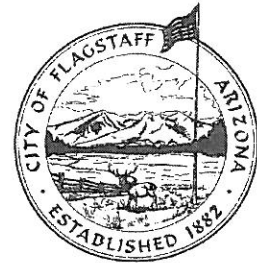


CITY OF FLAGSTAFF STAFF SUMMARY REPORT



To: The Honorable Mayor and Council
From: Debbie Jo Maust, 928-213-3634
Administration, Risk Management
Date: January 14, 2009
Meeting Date: January 20, 2009

TITLE: Consideration of payment of ~~claim legal expenses and/or settlement costs~~ arising from claim between Fred Nackard Land Company, LNN Enterprises, Inc, Richard Henderson, West Village Estates versus City of Flagstaff.

RECOMMENDED ACTION:

Approve additional \$20,000 authority. Authorize payments not to exceed a total of \$275,000, for payment of attorney fees and costs. in claim expenses and/or settlement costs.

ACTION SUMMARY:

Approval authorizes City of Flagstaff legal counsel to proceed with defense and negotiate potential settlement.

DISCUSSION:

Background/History:

Dispute stemming from stormwater ordinance fees and lack of adequate fee credits for builders who have installed detention systems. The plaintiffs include "all others similarly situated" as class members.

Key Considerations:

To be discussed in executive session.

Community Benefits and Considerations:

Not applicable.

Community Involvement:

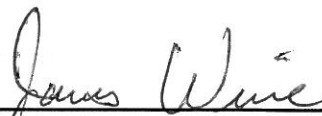
Not applicable.

Financial Implications:

There will be no insurance contributions towards the defense or settlement of this claim as the complaint falls outside of insurance coverage. The Council has previously authorized defense expenditures totaling \$255,000 to take thru trial. The additional \$20,000 requested is the estimated litigation costs to take the case through appeal. Payments to be made from the self-insured trust fund.

Options and Alternatives:

Attachments/Exhibits:



Division Head *(Acknowledgment that all reviews have been completed and required approvals initialed below.)*

INITIALS	RESPONSIBILITY	DATE	INITIALS	RESPONSIBILITY	DATE
	BIDS/PURCHASES			FINANCE/BUDGET	
	GRANTS			CONTRACTS	
DW	LEGAL	1/14/09		IGAS	

DATE OF COUNCIL APPROVAL: _____