

COUNCIL POLICY STATEMENT

Policy No. 43
General Subject: Finance
Specific Subject: Litigation Policy
Date Approved: October 20, 2008
Date Revised: February 6, 2012

PURPOSE

To establish a procedure for assignment of a law firm to represent the City in active litigation, require consistent reporting of cases of litigation where the City is involved as either plaintiff or defendant, and to have guidelines for settlement of general liability, automobile and workers compensation claims made against the City.

RATIONALE

This policy will eliminate confusion and provide assurances to elected officials and staff as to proper procedures for claim handling.

POLICY STATEMENT

The City Council shall go on record that they have selected one or more law firms with appropriate knowledge and expertise in municipal liability law to represent the City in litigation. If more than one firm is selected, the City Manager shall determine which cases are assigned to the law firms.

It shall be the policy of the City of Park Ridge to track the cost of litigation in a consistent manner from case to case. At the start of each litigation, the chosen law firm will develop a case analysis that will include at a minimum: anticipated legal expenses, loss reserves, timetable for litigation and a summary of the case. Each case will have, as part of that summary, an estimate of the likelihood of success of the litigation and the reasons to pursue our defense as a defendant or prosecution as the plaintiff. City Council shall make a determination on each case, whether the benefit outweighs the costs of litigation.

Settlement authority on City litigation for general liability, automobile and worker's compensation claims made against the City up to \$25,000, excluding litigation costs, shall be made by the City Manager and Finance Director. Any amount over \$25,000 must be reviewed and approved by the City Council.

City Council will be provided a report by the Administration at a minimum on a quarterly basis, with an update of any action taken on each case since the last report.