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REPORT TO THE LAND USE AND HOUSING COMMITTEE

AMENDMENT OF THE ORDINANCE PROVIDING INDEMNITY AND DEFENSE TO
COMMUNITY PLANNING GROUPS

INTRODUCTION

The City Attorney's Office is requesting direction on the proposed amendment to the Community Planning Group Indemnification Ordinance [Ordinance] which will provide for the indemnity and defense of subcommittee members of community planning groups [CPG].

DISCUSSION

In March, 2009, the City Council passed O-2009-96, providing indemnification and defense to the members and former members of CPGs. At that time, the Council directed this Office to revise the Ordinance to include members of the subcommittees of CPGs.

According to staff of the City Planning and Community Investment Department [CPCI], there are 43 recognized CPGs in the City. Each of these has at least one subcommittee, and some have as many as five. Approximately 25 of the CPGs appoint or elect their subcommittee members. CPCI staff does not have any information on how the other subcommittees are formed. Anecdotally, CPCI staff believes that some subcommittee members are merely volunteers who show up at an appointed time.

The City's Excess Insurance for General Liability policy covers only those volunteers who are elected or appointed by the City. It is unclear whether all subcommittee members would be covered by the policy.

Further, the proposed amendment to the Ordinance will increase the City's exposure by including additional persons whom the City is responsible to defend and indemnify. If those persons are not covered by the City's liability policy, there could be an increased demand on the general fund. As it is impossible to determine what litigation might be filed in the future, and whether or not that litigation will be successful. It is impossible to determine the potential cost of including these subcommittee members in the Ordinance. Risk Management and the Independent Budget Analyst are performing their own analyses regarding this issue, and it is expected that they will be reporting their results to the Committee.

CONCLUSION

The proposed amendment to the Community Planning Group Indemnification Ordinance which will provide for the indemnity and defense of subcommittee members of community planning groups may put the City's general fund at risk. Therefore, the City Attorney's office is seeking direction on whether to proceed with the proposed amendment.

Respectfully submitted,

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By



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