

RESOLUTION NUMBER R- 301431

DATE OF FINAL PASSAGE MAY 11 2006

A RESOLUTION VALIDATING PRIOR CITY COUNCIL
VOTES TO FUND AGREEMENTS WITH KROLL, INC.

WHEREAS, on February 14, 2005, the City Council voted for the City of San Diego to hire Kroll, Inc., a New York-based risk management firm, to conduct an investigation related to the City's overdue audit for fiscal 2003, and voted for an initial contract not to exceed \$250,000, as resolved through City Resolution R-300139; and

WHEREAS, on May 10, 2005, the Council voted to increase the Kroll funding "for a total not to exceed amount" of \$1.75 million, as resolved through Resolution R-300423; and

WHEREAS, on June 28, 2005, the Council voted to allocate an additional \$200,000 to Kroll, as resolved through Resolutions R-300629 and R-300630; and

WHEREAS, on August 9, 2005, the Council voted to provide \$1.2 million more for the investigation and to bring the "not to exceed" amount of the Kroll contract to \$3.55 million, as resolved through Resolution R-300780; and

WHEREAS, on January 17, 2006, the Council voted to provide another \$10 million in funding to Kroll and attorneys Willkie, Farr & Gallagher, as resolved through Resolution R-301170; and

WHEREAS, Council President Scott Peters participated in each of the votes for the resolutions stated above that funded the City's contract with Kroll; and

WHEREAS, on or about March 30, 2005, Council President Scott Peters reported in a Form 700 Statement of Economic Interest that his spouse held shares of stock in Marsh & McLennan; and

WHEREAS, on or about April 3, 2006, Council President Scott Peters reported in a Form 700 Statement of Economic Interest that his spouse held shares of stock in Marsh & McLennan; and

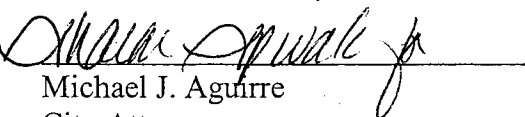
WHEREAS, Marsh & McLennan has been the parent company of Kroll, Inc. since 2004; and

WHEREAS, the issue of whether Council President Scott Peters should have participated in the Kroll funding votes is under investigation and not yet resolved; and

WHEREAS, for the above reasons, in an abundance of caution, the City Council should take action, without Council President Scott Peters' participation, to protect the City's interests and re-vote on all of the Kroll funding resolutions listed above, to validate those agreements in light of these events; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that Resolutions R-300139, R-300423, R-300629, R-300630, R-300780 and R-301170 are hereby validated by the Council.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

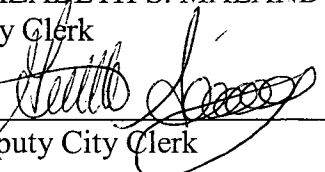
By 
Michael J. Aguirre
City Attorney

MJA:sbs
05/03/06
Or.Dept:Atty.
R-2006-939

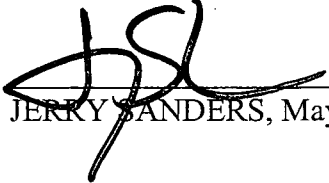
R- 301431

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of MAY 08 2006.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 5-11-06
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

Passed by the Council of The City of San Diego on MAY 08 2006, by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Scott Peters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Toni Atkins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Anthony Young	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Brian Maienschein	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Frye	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jim Madaffer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ben Hueso	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage MAY 11 2006

AUTHENTICATED BY:

(Seal)

JERRY SANDERS

Mayor of The City of San Diego, California.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California.

By

Mary Cepeda Deputy

Office of the City Clerk, San Diego, California

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