

**THE CITY COUNCIL OF THE CITY OF SAN DIEGO
THE CLOSED SESSION MEETING REPORT
FOR MONDAY AND TUESDAY, MAY 15 and 16, 2006
CITY ADMINISTRATION BUILDING
COMMITTEE ROOM – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

REPORTING RESULTS OF THE CLOSED SESSION MEETINGS

Only items that can be disclosed are reported out in the Open Session of the regular City Council Meeting. Public comment on Closed Session items are taken in Open Session. Please refer to the City Clerk’s minutes for Open Session for more information. Assistant City Attorney Karen Heumann reports the results of the Closed Session Meetings of May 15 and 16, 2006, as follows:

CLOSED SESSION MEETING FOR MONDAY, MAY 15, 2006

Closed Session Items were heard on Tuesday, May 16, 2006.

CLOSED SESSION MEETING OF TUESDAY, MAY 16, 2006:

ROLL CALL:

Present: Mayor Jerry Sanders, Council President Peters, Council President Pro Tem Young, Councilmembers Faulconer, Atkins, Maienschein, and Frye

Absent: Councilmember Madaffer – Dist. 7 (Absent for the meeting.)
Councilmember Hueso – Dist. 8 (Absent for Item CS-1 only.)

CLOSED SESSION ITEMS:

Conference with Legal Counsel - existing litigation, pursuant to California Government Code section 54956.9(a):

**CS-1 *Daniel Garcia v. City of San Diego*
San Diego Superior Court Case No. GIC 844402**

ACA assigned: E. Gordon

Motion: Acceptance of Signed Settlement Offer
Moved: Council President Peters – Dist. 1
Seconded: Councilmember Atkins – Dist. 3
Vote: 6/0 [Passed]
Absent: Councilmember Madaffer
Councilmember Hueso

Reported out in Open Session on May 16, 2006, at 10:00 a.m. by Karen Heumann, Assistant City Attorney: Today in Closed Session, City Council voted to settle the personal injury lawsuit for \$175,000. The motion was made by Council President Peters and second by Councilmember Atkins. The vote was 6-0 (unanimous). Councilmembers Madaffer and Hueso were absent.

**CS-2 *Insurance Company of the State of Pennsylvania vs. City of San Diego*
United States District Court Case No. 02-CV-0693**

EACA assigned: D. McGrath

Motion: Initiate Litigation or Intervene
Moved: Council President Peters – Dist. 1
Seconded: Councilmember Heuso – Dist. 8
Vote: 7/0 [Passed]
Absent: Councilmember Madaffer

Reported out in Open Session on May 16, 2006, at 10:00 a.m. by Karen Heumann, Assistant City Attorney: Today in Closed Session, the City Council, by unanimous vote, voted to prosecute bad faith claims against the City's insurers, Insurance Company of the State of Pennsylvania and other AIG companies, for failure to fulfill their legal obligation to defend the City in the De La Fuente matters and the City Council voted to retain Latham and Watkins and Levine Steinberg to aggressively prosecute those claims. The motion was made by Council President Peters and second by Councilmember Hueso. The vote was 7-0 (unanimous). Councilmember Madaffer was absent.

CS-3 *Border Business Park v. City of San Diego*
Appellate Case No. D039225; San Diego Superior Court Case No. GIC 692794
Otay Acquisitions v. City of San Diego
San Diego Superior Court Case No. GIC 753247
National Enterprises, Inc. v. City of San Diego
San Diego Superior Court Case Nos. GIC 791407; GIC 805465

EACA assigned: D. McGrath

Nothing to report

CS-4 *SDCERS v. San Diego City Attorney Michael J. Aguirre, et al. more*
San Diego Superior Court Case No. GIC841845

CA M. Aguirre

This item was pulled in Open Session on Monday, May 15, 2006.

REPORTED BY: _____
Karen Heumann
Assistant City Attorney