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San Jose keeps lid on litigation costs

By John Woolfolk
jwoolfolk@mercurynews.com

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San Jose has forked over a lot of taxpayer cash to resolve lawsuits and claims from people who felt the city owed them for a host of wrongs — from errant golf balls to sexual harassment.

But the city seems downright frugal in what it has paid out for verdicts, settlements and outside lawyers compared to other major California cities, according to a new report by a citizen watchdog group.

The report this week by California Citizens Against Lawsuit Abuse, or CALA, found that San Jose's annual litigation costs in the last couple years were a fraction of those for similarly-sized San Francisco and San Diego, as well as smaller cities such as Oakland and Sacramento.

"Some communities are more effective at avoiding lawsuits than others, and that's good management practice," said Marko Mlikotin, Northern California regional director for CALA, a non-partisan group opposed to abuses of the legal system. "It's very important for governments to have good management practices so that they don't expose taxpayers to these types of litigation."

The group's report compared costs incurred by the most populous California cities and counties for paying legal claims, verdicts and settlements, as well as hiring outside lawyers for the 2006-2007 and 2007-2008 budget years.

San Jose's litigation costs were \$1.9 million in 2006-2007 and \$1.7 million in 2007-2008. The report argued the \$1.9 million could have paid for more than two dozen firefighters that year.

But the city's costs paled in comparison to some of its peers. For 2007-2008, San Diego spent \$17 million on litigation, Oakland \$7.9 million and Sacramento \$3.3 million. Los Angeles spent a staggering \$72 million.

San Jose records also show a decline in annual litigation costs from \$4.9 million in 2005-2006 to \$1.5 million in 2008-2009.

"We try hard to keep those numbers down," City Attorney Rick Doyle said.

Santa Clara County did not fare quite to well in comparison to its peers. The county spent \$4.7 million in 2007-2008, less than the \$5.2 million cost in 2005-2006. Smaller Alameda County spent \$4.4 million on litigation in 2007-2008, while San Diego County spent just \$1.2 million.

San Francisco, which is both a city and a county, spent \$18.3 million on litigation in 2007-2008.

The report noted that while many of the lawsuits brought against government agencies have merit, some seem absurd. For instance, Oakland will pay \$1.2 million to settle a lawsuit brought by a man who was shot and paralyzed by police while robbing a church.

"That's just so crazy," Mlikotin said.

Contact John Woolfolk at 408-975-9346.

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