

CITY COUNCIL REPORT



Meeting Date: February 20, 2024
General Plan Element: *Provide for the orderly administration of the affairs of the City*
General Plan Goal: *Fiscal management*

ACTION

Adopt Resolution No. 13051 authorizing Agreement No. 2024-052-COS with Plaintiff John Reddell, Jr. in the amount of \$105,000 to settle all claims in *John Reddell, Jr. v. City of Scottsdale, et al.*, Case No. CV2022-053059, currently pending in the Superior Court of the State of Arizona, County of Maricopa.

BACKGROUND

This lawsuit stems from a motor vehicle accident that occurred on September 28, 2021, at the intersection of South Greenfield Road and East Queen Creek Road in Gilbert, Arizona. Plaintiff John Reddell was the driver and sole occupant of his vehicle when he collided with an unmarked City of Scottsdale police vehicle being driven by a Scottsdale detective (since retired). Mr. Reddell alleges he had the right-of-way when he entered the intersection on a green traffic signal and collided with the detective's vehicle after the detective failed to stop on a red light. The City of Scottsdale detective was cited for failing to stop at a red light. Mr. Reddell's alleged injuries include scalp and upper extremity lacerations, neck strain, a closed head injury, headaches, and a lower back injury ultimately requiring surgery. Mr. Reddell has incurred approximately \$65,000 in medical bills and claims lost income of approximately \$40,400.

Mr. Reddell's Notice of Claim sought \$600,000.00 in damages to settle his claims and, if the case were to proceed to trial, the Plaintiff would likely have asked a jury to award money damages in approximately that amount.

The parties participated in formal mediation with an independent mediator on January 23, 2024, and agreed, subject to City Council approval, to resolve the litigation for \$105,000.00. This amount will resolve all claims and the entirety of Plaintiff's lawsuit, including claimed damages for pain and suffering, lost wages, future medical bills and any and all related fees and costs.

City staff is recommending that the City Council approve this settlement because the cost, uncertainty, and risk of going forward to trial in this case far outweigh the amount of this negotiated settlement.

ANALYSIS & ASSESSMENT

Recent Staff Action

The matter is being handled in-house by the City Attorney's Office in collaboration with the Safety and Risk Management Department. Following investigation and a period of discovery including depositions, the parties agreed to participate in a mediation that, if successful, would allow the parties to avoid the additional expenses of protracted litigation. Staff believes that settlement of this lawsuit is in the best interests of the City.

Policy Implications

None.

Significant Issues to be Addressed

None.

Community Involvement

No community involvement is necessary on this item.

RESOURCE IMPACTS

Available funding

The proposed settlement will require a total payment of \$105,000 from the City to the Plaintiff as set forth in the settlement agreement. Funds are available in the City's FY 2023/24 Safety and Risk Management Operating Budget to pay the settlement to Plaintiff John Reddell. If the settlement is denied, the City will likely spend tens of thousands of dollars in fees and expenses in the defense of this case through trial.

Staffing, Workload Impact

Approval of the proposed settlement brings this lawsuit to a conclusion and will eliminate the need for staff resources from the City Attorney's Office, Safety and Risk Management and other Departments to be expended on this case.

Future Budget Implications

The proposed settlement of \$105,000 *may* be included in the City's primary property tax rate for the next year, at the Council's discretion. The eligibility of settlement and judgment payments for possible inclusion in the City's primary property tax rate is based upon an Arizona Attorney General opinion.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach

The City Attorney's Office recommends that the Council adopt Resolution No. 13051 and authorize settlement of this lawsuit as proposed. **The City Manager, City Treasurer, and Police Chief have been consulted and are supportive of the proposed settlement as well.**

Proposed Next Steps

If the settlement is approved, City representative(s) will execute settlement documents as proposed.

RESPONSIBLE DEPARTMENT(S)

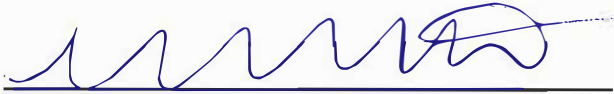
City Attorney's Office – Civil Division
Safety and Risk Management

STAFF CONTACTS (S)

Sherry R. Scott, City Attorney, sscott@scottsdaleaz.gov

George Woods, Safety and Risk Management Director, gwoods@scottsdaleaz.gov

APPROVED BY



Sherry R. Scott, City Attorney
(480) 312-2405
sscott@scottsdaleaz.gov

2/05/2024
Date

ATTACHMENTS

1. Resolution No. 13051
2. Contract No. 2024-052-COS

RESOLUTION NO. 13051

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING SETTLEMENT IN THE AMOUNT OF \$105,000.00 TO SETTLE *JOHN REDDELL JR. V. CITY OF SCOTTSDALE, ET AL.* CASE NO. CV2022-053059 CURRENTLY PENDING IN THE SUPERIOR COURT OF THE STATE OF ARIZONA, COUNTY OF MARICOPA, AND AUTHORIZING THE MAYOR TO EXECUTE CONTRACT NO. 2024-052-COS.

WHEREAS, Plaintiff John Reddell Jr. brought a lawsuit against the City of Scottsdale and a Scottsdale police officer alleging that Plaintiff was injured in a motor vehicle accident when the two cars collided at the intersection of E. Queen Creek Road and S. Greenfield Road in Gilbert, Arizona.

WHEREAS, the City continues to dispute liability but it is in the best interest of the City to effectuate a settlement of all claims against the City and its employees arising from the subject incident and which form the basis of the lawsuit, *John Reddell Jr. v. City of Scottsdale, et al*, CV2022-053059, currently pending in the Superior Court of the State of Arizona, County of Maricopa;

WHEREAS, the parties have agreed to resolve the disputed issues and compromise all claims by settling herein.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. That the City Council authorizes the Mayor to execute Contract No. 2024-052-COS on behalf of the City to settle this case in its entirety in the amount of One Hundred Five Thousand Dollars and 00/100 (\$105,000.00) from funds to be paid from the City's Safety and Risk Management Operating Budget for settlement of *John Reddell Jr. v. City of Scottsdale, et al*, CV2022-053059, currently pending in the Superior Court of the State of Arizona, County of Maricopa.

Section 2. That the City Council approves the settlement set forth above and authorizes and directs the City Manager, the City Treasurer, City Attorney, and their respective staffs to execute such documents and take such other actions as are necessary to carry out the purpose of the Resolution.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this _____ day of _____, 2024.


ATTEST:

CITY OF SCOTTSDALE, an Arizona
municipal corporation

Ben Lane, City Clerk

David D. Ortega, Mayor

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY



Sherry R. Scott, City Attorney

By: Abram N. Bowman, Assistant City Attorney

ATTACHMENT 1

**SETTLEMENT AGREEMENT
AND GENERAL RELEASE**

This Settlement Agreement and General Release of All Claims ("Agreement") is entered into by and between JOHN REDDELL, JR. ("Plaintiff") and the CITY OF SCOTTSDALE, a municipal corporation, its employees, officers, and agents ("City"). Plaintiff and City may be referred to jointly as the "Parties".

RECITALS

A. On or about September 28, 2021, Plaintiff alleges that he was driving his vehicle westbound on E. Queen Creek Road approaching the intersection with S. Greenfield Road in Gilbert, Arizona. Plaintiff alleges he entered the intersection with the right-of-way when his vehicle collided with a Scottsdale Police Department vehicle driven by an on-duty Scottsdale police detective travelling northbound on S. Greenfield (hereafter "the accident"). Plaintiff alleges injuries and damages as a result of the accident.

B. Plaintiff filed a lawsuit in the Superior Court of Maricopa County, Arizona, entitled *John Reddell, Jr. v. City of Scottsdale, et al.*, Case No. CV2022-053059 alleging damages for injuries he claims to have sustained in the accident.

C. Despite the fact that liability has not been admitted regarding the claim asserted by Plaintiff and the fact that this remains a disputed claim, Plaintiff desires to finally and fully resolve all past, present, and potential disputes, claims, and issues as between the Parties relating to or arising out of Plaintiff's accident and the facts and circumstances that gave rise to Plaintiff's alleged injuries. The Plaintiff and City desire to avoid further expense, inconvenience, and the distraction of burdensome and protracted litigation. This Agreement is intended to resolve any dispute which may exist between the

Parties. Plaintiff intends to execute this Agreement in order to provide for payment, subject to the terms specifically set forth below, in full settlement and discharge of all claims which are, or might have been, brought against the City as a result of Plaintiff's accident.

AGREEMENT

In consideration of the promises and releases set forth herein, the Parties agree as follows:

1. *Settlement Payment.* The total payment by the City for the settlement of this claim shall be ONE-HUNDRED FIVE-THOUSAND DOLLARS and 00/100 (\$105,000.00) which includes any and all claims for costs and attorneys' fees, with the payment to be made to "John Reddell and Goodnow McKay IOLTA". Plaintiff acknowledges and agrees that this settlement payment is the full and entire amount that Plaintiff will ever receive from the City in connection with the claim described above. If Plaintiff is or was represented by counsel, Plaintiff acknowledges that any fees due to such counsel shall be Plaintiff's responsibility and the City will have no further obligation to pay such sums beyond the amount identified above.

2. *All Claims of Any Kind.* In consideration for the terms and promises herein, Plaintiff hereby fully and generally releases and forever discharges the City, its officers, agents and employees, including specifically retired detective Eric Dillinger from any and all claims or liabilities of any nature whatsoever to the extent allowed by law that Plaintiff has or claims to have, or may have, against any of them arising out of Plaintiff's accident including any expenses and attorneys' fees, regardless of whether or not such claims or liabilities are known to the Parties at the time of the execution of this Agreement. Plaintiff intends by the execution of this Agreement to release all claims against the City and its employees, officers, and agents including for any unknown damages and/or injuries.

3. *No Admission of Liability.* It is understood and expressly agreed that neither the payment of the Settlement Payment nor anything contained within this Agreement shall be construed as an admission of any liability whatsoever on the part of the City which has always and is now expressly denying any liability. The Parties acknowledge and agree that the Settlement Payment is made in compromise and settlement of a disputed claim.

4. *Liens.* Plaintiff warrants that Plaintiff will satisfy any and all valid liens, including, but not limited to, ERISA liens, Medicare or Medicaid liens, liens pursuant to A.R.S. § 33-931 *et seq.*, liens falling under the rubric of *Andrews v. Samaritan Health System*, 201 Ariz. 379, 36 P.3d 57 (App. 2001); *Blankenbaker v. Jonovich*, 205, Ariz. 383, 71 P.3d 910 (Ariz. 2003); *Maricopa County v. Barfield*, 75 P.3d 714 (App. 2003). Plaintiff will indemnify and hold harmless the City, its employees, officers, agents and representatives, from any and all claims, demands, actions and causes of action, and all liability whatsoever, including, but not limited to costs, attorneys' fees or judgment which might arise from an unpaid or unsatisfied hospital or medical bill and/or lien or lien of any other kind which might apply to the proceeds paid herein.

5. *Indemnify and Hold Harmless.* Plaintiff does hereby covenant to indemnify and save harmless the City from and against all claims and demands whatsoever on account of or in any way growing out of said occurrence or its results both to person and property.

6. *General Release.* Plaintiff acknowledges and agrees that this is a General Release. The Plaintiff expressly waives and assumes the risk of any and all claims for damages which exist as of this date, but of which the Plaintiff does not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect the Plaintiff's decision to

execute this Release. The Plaintiff further agrees that Plaintiff has accepted payment of the sum specified herein as a complete settlement and compromise of matters involving disputed issues of law and fact. The Plaintiff assumes the risk that the facts or law may be other than Plaintiff believes. The Plaintiff understands and agrees that this Agreement is a compromise of disputed claims, and the Settlement Payment is not to be construed as an admission of liability on the part of the City, by whom liability is expressly denied.

7. *Review of Agreement.* The Plaintiff declares and represents that no promise, inducement or agreement not herein expressed has been made to the Plaintiff and the terms of this Agreement are contractual and not a mere recital. The Parties expressly acknowledge that they have entered this Agreement knowingly and voluntarily and that each party has had the opportunity to receive the advice of counsel with respect to the Agreement and the settlement of this matter.

8. *Binding Nature of Agreement; Assignment.* This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, personal representatives, successors and assigns, except that no party may assign, delegate or transfer any of its rights or obligations under this Agreement without prior written consent of the other party.

9. *Arizona Law.* In the event of any dispute arising from the terms of this Agreement, Arizona law shall apply and govern.


10. *Dismissal with Prejudice.* The Parties shall, as soon as practicable after the execution of this Agreement and receipt of the payment described above, execute a stipulation to dismiss with prejudice the lawsuit entitled *John Reddell Jr. v. City of Scottsdale, et al.*, Case No. CV2022-053059

now pending in the Superior Court of Maricopa County, Arizona, with each party to bear their own costs and attorneys' fees.

11. *Entire Agreement.* This Agreement constitutes the entire integrated agreement between the Parties and supersedes any and all prior and/or contemporaneous agreements, promises, representations, negotiations, statements and/or understandings of the Parties.

12. *Counterparts.* This Agreement may be executed in counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

IN WITNESS WHEREOF, I have hereunder set my hand this 30th day of January, 2024.

By:  30, 2024 13:35 [MST]
John Reddell, Jr., Plaintiff

APPROVED AS TO FORM:

GOODNOW | MCKAY
1825 E. Northern Ave., Ste. 135H
Phoenix, AZ 85020

By: 
Justin McKay, Attorney for Plaintiff

CITY OF SCOTTSDALE, an Arizona Municipal Corporation

By: _____
David D. Ortega
Mayor, City of Scottsdale

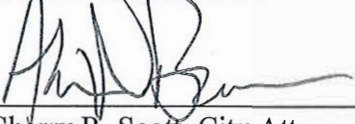
Dated: _____

ATTEST:

Ben Lane, City Clerk

Dated: _____

APPROVED AS TO FORM:



Sherry R. Scott, City Attorney

By: Abram Bowman, Assistant City Attorney

Dated: 02/05/24