



## Cover Memorandum/Staff Report

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**File #:** 20-505

**Agenda Date:** 7/7/2020

**Item #:** 7.I.

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**TO:** Mayor and Commissioners  
**FROM:** Lynn Gelin, City Attorney  
**DATE:** July 7, 2020

### DIRECTION CONCERNING REQUEST FOR INDEMNIFICATION

#### **Recommended Action:**

The City Attorney seeks direction regarding a request from George Gretsas seeking indemnification by the City.

#### **Background:**

On July, 6, 2020, City Manager George Gretsas forwarded to the City Attorney a Cease and Desist letter authored by Attorney Francisco Touron concerning disparaging remarks rising to the level of slander per se allegedly made by Mr. Gretsas regarding Homestead Concrete & Drainage, Inc. ("HCD"), a subcontractor performing work in the City. The letter indicates that damages exceeding \$1,000,000 will be sought if Mr. Gretsas does not issue a written retraction of his disparaging remarks. According to the letter, HCD became aware of slanderous statements made by Mr. Gretsas to City of Delray Beach employees.

Mr. Gretsas seeks to be indemnified by the City in this matter. Pursuant to his Agreement with the City, "[t]he City shall defend, hold harmless, and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the course and scope of Employee's performance of his duties as City Manager or resulting from the reasonable exercise of judgment or discretion in connection with the performance of his City duties or responsibilities, unless the act or omission involved willful or wanton conduct. The City's indemnification of Employee under this paragraph shall extend to any and all losses, damages, judgments, interest, settlements, fines, court costs, and other reasonable costs and expenses of legal proceedings, including attorney's fees and any other liabilities incurred by, imposed upon, or suffered by Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the course and scope of performance of his duties.

Further, the Agreement provides that, "Employee may request, and the City shall not unreasonably refuse to provide, independent legal representation at the City's expense if there is a conflict of interest between Employee's interests and the City's interests. Legal representation provided by the City for Employee shall extend until a final determination of the legal action, including any appeals brought by either party. This paragraph shall not apply to litigation between the parties to this Agreement concerning an alleged breach of the Agreement."

The City Attorney seeks direction from the Commission on this matter.