

**RESOLUTION R-10-116**

**RESOLUTION SUPPORTING S-2404  
CAPPING ATTORNEY FEES IN LITIGATION AGAINST PUBLIC ENTITIES**

**Whereas**, Public Officials and employment practices claims against municipalities have increased dramatically during the past several years; and

**Whereas**, according to a ten year closed claim study recently completed by the Municipal Excess Liability Joint Insurance Fund, the cost of employment practices liability claims per employee was \$26 in the year 2000 and increased to \$125.00 per employee for most of the decade; and

**Whereas**, according to the same study, the cost per employee increased 175% to \$354 per employee in just the past two years; and

**Whereas**, 65% of these claims are for police and the 2011 projected cost of these claims is \$740.00 per officer; and

**Whereas**, legal fees historically represent over 70% of the cost of these claims; and

**Whereas**, provisions in various laws such as LAD and CEPA providing for fee shifting have encouraged attorneys to make unreasonable demands in otherwise minor cases; and

**Whereas**, John Farmer, Dean of the Rutgers Law School, and former New Jersey Attorney General stated: "Even cases with marginal relevance are now being presented by Plaintiffs' counsel as having substantial settlement value"; and

**Whereas**, in a recent case, a New Jersey Court awarded the Plaintiff's attorney a fee of \$450,000 even though the injury awarded his client was only \$20,000; and

**Whereas**, the explosion of employment practices cases will continue until reasonable caps are placed on legal fee applications.

**NOW, THEREFORE, BE IT RESOLVED** by the Township Committee of the Township of South Harrison that the Legislature is urged to adopt S-2404 placing a cap on attorney fee awards in fee shifting cases against public entities, as follows:

- For awards (compensatory and punitive damages combined) of \$50,000 or less, the maximum fee award should be \$50,000, though a lower fee should be awarded if warranted based on considerations of reasonableness.
- For awards over \$50,000, the fee award should not exceed the verdict, though a lower fee should be awarded if warranted based on considerations of reasonableness.

**BE IT FURTHER RESOLVED** that a copy of this Resolution shall be sent to the Legislative Delegation of the Third District, the Governor, the Senate President, Majority Leader and Minority Leader, as well as the Assembly Speaker, Majority Leader and Minority Leader.

**TOWNSHIP OF SOUTH HARRISON**

**BY:** \_\_\_\_\_  
**JAMES MC CALL, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**NANCY E. KEARNS, RMC, TOWNSHIP CLERK**

**CERTIFICATION**

I hereby certify the above to be a true copy of the Resolution adopted by the Township Committee of the Township of South Harrison at a Special Meeting held on the 29th day of December, 2010.

\_\_\_\_\_  
**NANCY E. KEARNS, RMC  
TOWNSHIP CLERK**