



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 19, 2025

FROM: CITY ATTORNEY'S OFFICE WARDS: ALL

**SUBJECT: ADD THE LAW FIRM OF CIPRIANI & WERNER PC TO THE CITY'S APPROVED
PANEL OF OUTSIDE COUNSEL AND APPROVE LEGAL SERVICES
AGREEMENT WITH THE LAW FIRM OF CIPRIANI & WERNER PC**

ISSUE:

To consider approval of a legal services agreement with the law firm Cipriani & Werner PC to investigate a recent cyber incident.

RECOMMENDATIONS:

That the City Council:

1. Add the law firm of Cipriani & Werner PC to the panel of approved attorneys for the City; and
2. Approve a legal services agreement with the law firm of Cipriani & Werner PC; and
3. Authorize the City Attorney or designee to execute the legal services agreement with the law firm of Cipriani & Werner PC.

BACKGROUND:

The City purchases Cyber Liability insurance to protect the City from security failures, data breaches, cyber extortion and fraud. The City's cyber liability insurance carrier for 2025-2026 is Coalition Incident Response ("Coalition"). Coalition in turn delegates cyber incident responses to law firms from their approved panel to manage end-to-end forensic examinations. On July 23, 2025, the City suffered a cyber incident and notified Coalition. Coalition then assigned Cipriani & Werner PC to assist Coalition in conducting the investigation. Cipriani & Werner PC specializes in assisting clients with data privacy and information security liability by helping adequately secure and protect sensitive information by developing and implementing corporate governance, cybersecurity practices, incident analysis protocols and response programs. Cipriani & Werner sent an engagement letter to the City; however, City Council approval is needed for the legal services agreement because Cipriani & Werner is not on the City's approved panel of outside counsel.

City Charter Section 702, "Eligibility, powers and duties of City Attorney," provides, in part, that "the City Council shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter or to assist the City Attorney therein." Section 702(p) of the City's Purchasing Resolution allows the City to forgo informal and competitive procurement when the Procurement "is for the retention of outside legal counsel and services."

Coalition and Cipriani & Werner will support the City in executing any necessary post-incident measures to ensure the integrity of its cyber infrastructure.

DISCUSSION:

The City has an obligation to notify Coalition of any cyber incidents that may prompt a claim. The City has access to Rapid Response Services which include access to a designated 24/7 hotline, two-hour legal consultation, and an initial consultation from Coalition Incident Response. Rapid Response Services can be triggered for any actual or suspected security failures, data breaches, cyber extortion, or funds transfer fraud. All other services not included under the Rapid Response Services umbrella are subject to the City's \$250K retention limit.

Cipriani & Werner will:

1. Monitor Coalition Incident Responses' forensic investigation.
2. Conduct legal research and provide legal guidance based on the forensic investigation findings.
3. Engage vendors to assist in data mining services/and/or notification services, if necessary.
4. Draft notification materials, if necessary, to provide notification pursuant to state data privacy law and federal law.
5. Assist with responding to inquiries from individuals and regulators, if necessary.

Engaging Cipriani & Werner PC is essential for the City to appropriately address any potential liability concerns that may arise from the recent cyber incident. Because of the urgent need to investigate this cyber security incident, the Interim City Attorney executed the attached Engagement Letter as their proposed budget of \$5,000 to \$8,000 was within the City Attorney's authority. However, because this firm is not on the City's approved panel of outside counsel, Council approval is needed to add them to the City's panel and authorize a legal services agreement. If the City Council declines to approve this retention, Cipriani & Werner PC will be instructed to halt all investigation.

FISCAL IMPACT:

The estimated cost of this item is expected to be in the range of \$5,000 to \$8,000. Sufficient funds are within Fund 630, Outside Legal Services 1310000-421100.

Prepared by: Thomas Chisum, Deputy City Attorney
Certified as to
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Rebecca McKee-Reimbold, Interim City Attorney

Attachment: Engagement Letter