

PUBLIC WORKS AND UTILITIES COMMITTEE

09-0246R

RESOLUTION APPROVING SETTLEMENT OF CLAIM OF METLIFE AUTO & HOME AS SUBROGEE OF BRUCE G. MARS IN THE AMOUNT OF \$15,361.26.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to pay to MetLife Auto & Home, as subrogee of Bruce G. Mars, the sum of \$15,361.26 in full and final settlement of the claim which arose out of a failure of a city sanitary sewer pumping station occurring near 442 Hastings Drive on November 7, 2008; payment to be made from the Self Insurance Fund 610-036-1653-5841.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

PW&U/ATTY MAL:blj 4/13/2009

STATEMENT OF PURPOSE: On November 7, 2008, a city sanitary pumping station failed causing sewage to penetrate and damage the basement of property located at 442 Hastings Drive and owned by Bruce G. Mars.

The city's liability is based upon the legal principle that it is under a duty to maintain its sanitary sewer system in a reasonably safe condition. The city of Duluth has investigated this claim and verified the damages and expenses. The civil division of the city attorney's office analyzed the city's loss exposure. Settlement negotiations were conducted and an agreement has been reached in the amount of \$15,361.26. The city attorney's office recommends this settlement.