

COMMITTEE OF THE WHOLE

09-0716R

RESOLUTION AUTHORIZING SETTLEMENT OF THE CLAIM OF THE CITY OF DULUTH VERSUS THE DULUTH AMATEUR HOCKEY ASSOCIATION IN THE AMOUNT OF \$100,000.

CITY PROPOSAL:

RESOLVED: that the proper city officials are authorized to settle the claim of the city of Duluth against the Duluth Amateur Hockey Association for a total amount of \$100,000 said claim arising out of the action filed in St. Louis County District Court and entitled *Lexington Insurance Company, as subrogee of City of Duluth, and City of Duluth vs. Duluth Amateur Hockey Association*, St. Louis County File No. 69DU-CV-06-1537, and execute all documents necessary, funds to be deposited into Fund 610-036-1651-4654-02.

Approved for presentation to council:

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

ADM/ATTY MAL:cjk 11/17/2009

STATEMENT OF PURPOSE: This action is a negligence claim commenced by the City and its insurer against Duluth Amateur Hockey Association and arises out of the fire that destroyed the Peterson Ice Arena on December 19, 2004. This resolution authorizes a final settlement with Duluth Amateur Hockey in a total amount of \$100,000. The arena was insured against loss by fire in the amount of \$782,284 and subject to a \$100,000 deductible. The city previously received \$682,284 in insurance proceeds. With this settlement the city has recovered the total insured value on the arena. The city attorney recommends this settlement.