

PUBLIC WORKS AND UTILITIES COMMITTEE

10-0225R

RESOLUTION APPROVING SETTLEMENT OF CLAIM OF AMERICAN FAMILY INSURANCE GROUP AS SUBROGEE OF DENNIS W. BARD IN THE AMOUNT OF \$25,596.37.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to pay to American Family Insurance Group as subrogee of Dennis W. Bard the sum of \$25,596.37 in full and final settlement of the claim which arose out of a failure of a city sanitary sewer main occurring near 1720 West Page Street on December 20, 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

ATTY MAL:cjk 4/20/2010

STATEMENT OF PURPOSE: On December 20, 2008, a city sanitary sewer main failed causing sewage to penetrate and damage the basement of property located at 1720 West Page Street and owned by Dennis W. Bard.

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 \$25,596.37. The city attorney's office recommends this settlement.