

PUBLIC WORKS AND UTILITIES COMMITTEE

10-0301R

RESOLUTION APPROVING SETTLEMENT OF CLAIM OF AUTO-OWNER'S  
INSURANCE COMPANY IN THE AMOUNT OF \$100,000.

CITY PROPOSAL:

RESOLVED, that the city council approves settlement in the amount of \$100,000 of all claims or causes of actions asserted against the city of Duluth and its officers and employees in that matter venued in the State District Court of Minnesota, Sixth Judicial District, and identified as *Auto-Owner's Insurance Company v City of Duluth*, Court File No. 69DU-CV-10-774, and further authorizes the proper city officials to execute all documents necessary to conclude this matter on a full, final and complete basis; funds payable from Fund 610, Department 036, Organization 1652, Object 5841.

Approved:

Approved for presentation to council:

\_\_\_\_\_  
Department Director

\_\_\_\_\_  
Chief Administrative Officer

Approved as to form:

Approved:

\_\_\_\_\_  
Attorney

\_\_\_\_\_  
Auditor

PW&U/ATTY MAL:dma 5/27/2010

STATEMENT OF PURPOSE: This resolution authorizes a settlement in the civil action commenced by Auto-Owner's Insurance Company. This is a subrogation action and arises out of damages sustained on February 21, 2007, at a home insured by Auto-Owner's and located at 1524 Boulevard Place. The damages were caused by a watermain break. The break caused major damage to the home in excess of \$300,000; however, the city's liability limit is \$300,000. The city administration and the city attorney recommend approval of this settlement.