

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Randy Stenquist		2. Telephone Number 503-823-6000	3. Bureau/Office/Department OMF/Risk Management
4a. To be filed (date) March 4, 2010	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to FPD Budget Analyst February 24, 2010

1) **Legislation Title:** *Pay Claim of ADS Investment, LLC.

2) **Purpose of the Proposed Legislation:** This ordinance will close OMF Risk Management File No. G2009-0450-01RS for a total of \$13,096.41. Please see memorandum for detail.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source.

This legislation will have no impact on City revenue.

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years) (If the action is related to a grant or contract please include the local contribution or match required)

Cost to the City is \$13,096.41. The source of funding is the City's Insurance and Claims Fund. All cost of the settlement is in the current fiscal year.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created please include whether they will be part-time, full-time, limited term or permanent positions. If the position is limited term please indicate the end of the term.)

No.

6) Will positions be created or eliminated in future years as a result of this legislation?

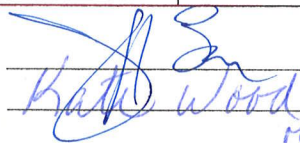
No.

Complete the following section only if an amendment to the budget is proposed.

7) **Change in Appropriations** (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Center Code column if new center needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

Jeff Baer, Director, BIBS
Kate Wood, Risk Manager


MH5



183590

CITY OF PORTLAND, OREGON**Office of Management and Finance
Risk Management Services**

Sam Adams, Mayor
Kate Wood, Risk Manager
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DATE: February 17, 2010**TO:** Mayor Sam Adams**FROM:** Randy Stenquist
503-823-6000**FOR MAYOR'S OFFICE USE ONLY**

Reviewed by Bureau Liaison _____

RE: *Pay Claim of ADS Investments LLC (emergency)

1. **INTENDED THURSDAY FILING DATE:** March 4, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** March 10, 2010
3. **CONTACT NAME & NUMBER:** Randy Stenquist, 503-823-6000
4. **PLACE ON:** ☒ **CONSENT** ☐ **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ **Y** ☐ **N** ☐ **N/A**
6. **(3) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY ATTACHED:** ☐ **Yes** ☐ **No** ☒ **N/A**

7. BACKGROUND/ANALYSIS

ADS Investments, LLC owns a commercial building at 1313 West Burnside. In late 2004, the owners of the Crystal Ballroom, directly across from the ADS building, reported significant sewer backups into their building. In response, the Bureau of Environmental Services in early 2005 constructed an emergency replacement of the entire sewer line connecting the Crystal Ballroom to the City's sewer main. While making these repairs, a separate wye-connection to this line was discovered; despite significant testing by BES, it was unclear if this connection was to an active sewer line at another building, or an abandoned connection that had never been capped off. In the end, BES chose to install a new, capped wye-connection at the same location as the original. Beginning in the fall of 2008, the ADS Investments building was experiencing repeated sewer backups in an infrequently used restroom. After several weeks, ADS plumbers proved the problem was not a private property plumbing failure, and BES ultimately confirmed the problem to be the severed sewer line from the 2205 Crystal Ballroom project. BES worked with ADS Investments representatives to reroute a portion of the building's internal sewer line, which then connected to a newly constructed extension of the sewer main on NW 13th Avenue. BES believed this design was far less disruptive to area businesses and West Burnside traffic. ADS Investments, LLC incurred costs of \$13,096.41 to identify, resolve, and clean up from the inadvertent sewer line disconnection caused by BES in 2005.

8. FINANCIAL IMPACT

Approval of the settlement would result in a payment of \$13,096.41 from the liability fund.

9. RECOMMENDATION/ACTION REQUESTED

Submit the attached Ordinance for approval by City Council as an emergency ordinance.