

FINANCIAL IMPACT STATEMENT For Council Action Items

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

1. Name of Initiator John Buehler		2. Telephone Number 503-823-5256	3. Bureau/Office/Department OMF/Risk Management
4a. To be filed (date) September 23, 2010	4b. Calendar (Check One) <div style="display: flex; justify-content: space-around;"> Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/> </div>		5. Date Submitted to FPD Budget Analyst September 15, 2010

1) Legislation Title: *Pay Claim of Donna Milrany.**2) Purpose of the Proposed Legislation:** This ordinance will close OMF Risk Management File No. G2006-0322-01 for a total of \$27,000.00.**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 \$27,000.00. 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.

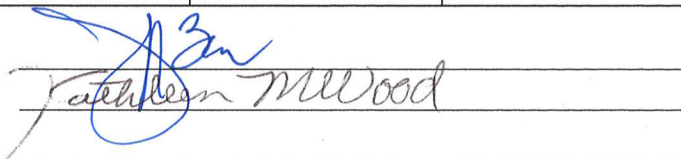
6) Will positions be created or eliminated in future years as a result of this legislation?

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



APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF PORTLAND, OREGON

Office of Management and Finance Risk Management Services

Sam Adams, Mayor
Kate Wood, Risk Manager
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DATE: September 9, 2010

TO: Mayor Sam Adams

FROM: John Buehler
503-823-5256

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

RE: *Pay Claim of Donna Milrany (emergency)

1. **INTENDED THURSDAY FILING DATE:** September 23, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** September 29, 2010
3. **CONTACT NAME & NUMBER:** John Buehler, 503-823-5256
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

This Ordinance is to authorize settlement of a lawsuit brought against the City by Donna Milrany (Risk File No. G2006-0322). This settlement is subject to approval by the City Council. We are recommending the City pay a total of \$27,000.00 to settle the litigation.

The incident that led to this claim began in August, 2004, when Comfort Mechanical installed a new furnace in plaintiff's home. The City of Portland inspected and approved the installation in October, 2004, as part of the required permitting process. Both Comfort Mechanical and the City acknowledged that the installation was done incorrectly, in that the Comfort Mechanical installer failed to properly connect the exhaust vent, which is intended to ventilate exhaust gases from the furnace to the exterior of the home. As a result, plaintiff was possibly exposed to carbon monoxide discharge when the furnace was in use from the time of its installation in August 2004, to the time the problem was discovered in August 2005.

In a lawsuit filed in August 2006, Ms. Milrany claimed she suffered injuries due to exposure to carbon monoxide. A settlement conference was held in July 2010 with a Multnomah County Circuit Court Judge, at which the parties were finally able to reach a compromise total settlement of \$54,000: \$27,000 to be paid by the City and \$27,000 to be paid by the installer, Comfort Mechanical. This marked a significant decrease from all of plaintiff's prior demands. We recommend the City pay a total of \$27,000 to settle the lawsuit.

8. FINANCIAL IMPACT

Approval of the settlement would result in a payment of \$27,000.00 from the liability fund.

9. RECOMMENDATION/ACTION REQUESTED

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