

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to City Budget Office. Retain copy.)

1. Name of Initiator John Buehler		2. Telephone No. 503-823-5256	3. Bureau/Office/Dept. OMF/Risk Management
4a. To be filed (hearing date): July 10, 2013	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 Commissioner's office and CBO Budget Analyst: June 26, 2013
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title: *Pay claim of Terry Kotz in the sum of \$26,599 involving Bureau of Environmental Services. (Ordinance)

2) Purpose of the Proposed Legislation:

This ordinance will close OMF Risk Management File No. G2012-0420-01

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

This legislation will have no impact on City revenue.

5) 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. If there is a project estimate, please identify the *level of confidence*.)

Cost to the City is \$26,599. The source of funding is the City's Insurance and Claims Fund. All cost of the settlement is in the current fiscal year.

6) Staffing Requirements:

- **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.

- **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 Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☐ YES: Please proceed to Question #9.

☒ NO: Please, explain why below; and proceed to Question #10.

This Ordinance settles a tort claim filed against the City of Portland by Terry Kotz. The City Attorney's Office and Risk Management have concluded that it is not appropriate to have public involvement in settlement negotiations regarding tort claims or lawsuits against the City.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

c) How did public involvement shape the outcome of this Council item?

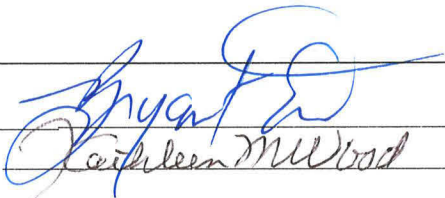
d) Who designed and implemented the public involvement related to this Council item?

e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No future public involvement is anticipated or necessary. Approval by City Council of this Ordinance will fully settle a tort claim against the City of Portland.

Bryant Enge, 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

Charlie Hales, Mayor
Kate Wood, Risk Manager
1120 S.W. Fifth Avenue, Room 709 • Portland, OR 97204-1912
Phone: 503-823-5101 • Fax: 503-823-6120
www.portlandonline.com

DATE: June 24, 2013

TO: Mayor Charlie Hales

FROM: John Buehler 503-823-5256

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

RE: *Pay claim of Terry Kotz in the sum of \$26,599 involving Bureau of Environmental Services. (Ordinance)

1. **INTENDED WEDNESDAY FILING DATE:** July 10, 2013
2. **REQUESTED COUNCIL AGENDA DATE:** July 24, 2013
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 settles a claim by Terry Kotz for the cost of repairs at his hillside property. The damage to his property was caused by a leaking sewer main in an easement under his home, which is located just off Broadway Drive in Portland's West Hills. The proposed settlement amount is \$26,599. This payment will fully resolve City Risk Claim No. G2012-0420-01.

The sewer main runs down a steep slope in an easement under Mr. Kotz's garage and deck. A leak in that main was first discovered in March 2011. There was some soil settlement at that time, but no damage to the structure of the house. The Bureau of Environmental Services installed a "cured in place" pipe liner to seal the leak. The liner work on the pipe segment under the Kotz house was completed in October 2011. In March 2012, however, a sinkhole developed at the same location as the prior leakage. The sinkhole undermined the supports for his deck and garage. The sinkhole occurred in our easement, and the City was obligated to restore the property to its prior condition. City crews filled the sinkhole, and Mr. Kotz hired a private engineering firm and a private contractor to make the necessary structural repairs. This settlement is for his out-of-pocket costs for that work (less an agreed-upon adjustment for his upgrade of a retaining wall).

8. FINANCIAL IMPACT

Approval of the settlement would result in a total payment of \$26,599 from the liability fund. Total settlement amount is \$26,599, less \$5,000 previously advanced by Risk Management.

9. RECOMMENDATION/ACTION REQUESTED

Approve settlement of Terry Kotz property damage claim in the sum of \$26,599.