

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

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

1. Name of Initiator Randy Stenquist		2. Telephone No. 503-823-6000	3. Bureau/Office/Dept. OMF/Risk Management
4a. To be filed (hearing date): August 21, 2013	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>		5. Date Submitted to Commissioner's office and CBO Budget Analyst:
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 Orange Splot, LLC in the sum of \$11,002 involving the Bureau of Development Services. (Ordinance)

2) Purpose of the Proposed Legislation:

This ordinance will close OMF Risk Management File No. G2013-0257-01

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 \$11,002. 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 Orange Splot, LLC. 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?

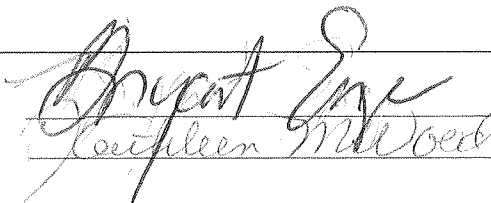
d) Who designed and implemented the public involvement related to this Council item?

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)



186210

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

Charlie Hales, Mayor

Kate Wood, Risk Manager

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DATE: July 30, 2013
TO: Mayor Charlie Hales
FROM: Randy Stenquist
503-823-6000

FOR MAYOR'S OFFICE USE ONLY

Reviewed by Bureau Liaison _____

RE: *Pay claim of Orange Splot, LLC in the sum of \$11,002 involving the Bureau of Development Services. (Ordinance)

- 1. INTENDED WEDNESDAY FILING DATE:** August 21, 2013
- 2. REQUESTED COUNCIL AGENDA DATE:** September 4, 2013
- 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

Orange Splot LLC is a builder / developer of community-oriented housing, whose current project, Cully Grove, is a 16 home development at 4745 NE Going Street. The housing units are single family detached residences, duplexes and triplexes. Orange Splot alleges actions by BDS resulted in unnecessary additional costs related to electrical work performed under the building permits for this project. Specifically, BDS inspectors noted electric meters were grouped at the end of each of the three triplex buildings, and multiple service lines ran through attic spaces above individual townhomes. This installation was reviewed by senior inspectors and found to be not compliant with the state codes for townhome construction. Nonetheless, the inspectors allowed the installation to remain, given that significant additional construction work had already occurred. Approximately two months later, the BDS Inspection Supervisor overruled this decision, and Orange Splot was advised the electrical services would need to be removed and re-routed to meet the code requirement.

BDS acknowledges the initial approval granted in October 2012 was in error, and the builder should have been told to reinstall the electrical feeder lines at that time.

8. FINANCIAL IMPACT

Approval of the settlement would result in total payments of \$11,002 from the liability fund. Total settlement amount is \$11,002, less \$5,000 previously advanced by Risk Management.

9. RECOMMENDATION/ACTION REQUESTED

Approve settlement of Orange Splot, LLC property damage claim in the sum of \$11,002.