

City of Portland, Oregon

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) Jun 3, 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 May 26, 2010

1) Legislation Title: *Pay Claim of Peter Joseph Kane.**2) Purpose of the Proposed Legislation:** This ordinance will close OMF Risk Management File No. G2008-0142-01 for a total of \$12,500.00. 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 \$12,500.00. 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?

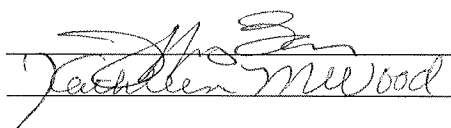
No.

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: May 19, 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 Peter Joseph Kane (emergency)

1. INTENDED THURSDAY FILING DATE: June 3, 2010
2. REQUESTED COUNCIL AGENDA DATE: June 9, 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

Risk Management Services and the City Attorney's Office have reached a compromise settlement of a lawsuit brought by Peter Kane (through his attorney, David Stewart). The lawsuit names as defendants Wasson Properties, LLC ("Wasson") and the City of Portland. This settlement is subject to the approval of the City Council. We are recommending the City pay the total sum of \$12,500.00 to settle this lawsuit. This amount represents the City's 50% share of the total settlement amount of \$25,000.00, with the other 50% being paid by co-defendant Wasson. The 50/50 split was negotiated between the City Attorney's Office and the attorneys for Wasson.

The lawsuit arose from a bicycle accident that occurred on the afternoon of August 19, 2007. Plaintiff was riding his bicycle on SE Grand Avenue, just south of SE Spokane Avenue. This is a short section of new roadway just north of the Sellwood Bridge, in front of a newly constructed office/residential condominium building which is owned by co-defendant Wasson. Plaintiff crashed as he rode over a series of unmarked storm water control devices, which resembled speed bumps, in front of that condominium building.

Mr. Kane suffered injuries and property damage in the accident. His lawsuit sought over \$50,000 in total damages, both economic and noneconomic.

The City Attorney's Office took the position in the lawsuit that any responsibility for the unmarked hazards was with defendant Wasson. There were issues, however, about the approval process for the street design, as well as bike route marking, that led Risk Management and the City Attorney's Office to conclude that there was significant risk that the City would be held liable. Substantial settlement negotiations then took place, and ultimately led to the proposed settlement of the claim for a total of \$25,000.00, with Wasson and the City splitting the settlement on a 50/50 basis. Under all of the

circumstances, both the City Attorney's office and Risk Management conclude that settling the case for a contribution from the City of \$12,500.00 is reasonable and justified.

8. FINANCIAL IMPACT

Approval of the settlement would result in a payment of \$12,500.00 from the liability fund.

9. RECOMMENDATION/ACTION REQUESTED

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