

**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) May 13, 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 May 5, 2010	

1) Legislation Title: *Pay Claim of Stevawn Welch and Richard McEachran.

2) Purpose of the Proposed Legislation: This ordinance will authorize settlement of OMF Risk Management File Nos. G2010-0159-01 and G2010-0159-02 for a total of **\$60,597.73**. 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 up to a total of \$60,597.73. 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?

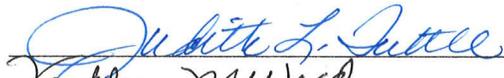
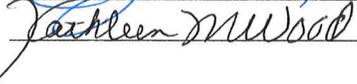
No.

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
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Jeff Baer, Director, BIBS
Kate Wood, Risk Manager



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

Sam Adams, 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: May 5, 2010**TO:** Mayor Sam Adams**FROM:** John Buehler
503-823-5256**FOR MAYOR'S OFFICE USE ONLY**

Reviewed by Bureau Liaison _____

RE: *Pay Claims of Stevawn Welch & Richard McEachran (emergency)

1. **INTENDED THURSDAY FILING DATE:** May 13, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** May 19, 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 claim brought against the City by Stevawn Welch and her husband, Richard McEachran (Risk File Nos. G2010-0159-01 & -02). This settlement is subject to the approval of the City Council. We are recommending the City pay a total of \$60,597.73 to settle the claim.

The incident that led to this claim began on December 11, 2009. A sewage backup heavily damaged the claimants' home and contents at 12022 SE Liebe Street, in Portland. Their property insurer denied coverage for the loss. Investigation by Risk Management, BES, and PBOT's Bureau of Maintenance indicate there is substantial likelihood that the City would be held liable for the damage in this case. Risk Management has therefore advanced \$5,000 for Ms. Welch and \$5,000 for Mr. McEachran for cleanup and preliminary repairs. This is the maximum payable on these claims without an ordinance approving payment of additional amounts.

The proposed Ordinance requests authority for Risk Management to settle both claims, combined, for a total of \$60,597.73 (which includes the \$10,000.00 previously advanced by Risk Management).

8. FINANCIAL IMPACT

Approval of the settlement would result in a payment of \$60,597.73 from the liability fund.

9. RECOMMENDATION/ACTION REQUESTED

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