

January 16, 2018

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution authorizing execution of all documents necessary to implement settlement of the claim brought by Sentinel Insurance Company in the lawsuit *Sentinel Insurance Company v. City of Bellevue* (King County Superior Court Cause No. 16-2-27514-1 SEA).

FISCAL IMPACT

The settlement of the claims brought by Sentinel Insurance Company require a total payment of \$215,000. Sufficient funds exist within the City's General Self-Insurance Fund for this payment.

STAFF CONTACTS

Lori Riordan, City Attorney, 452-7220
Chad Barnes, Assistant City Attorney, 452-2061
City Attorney's Office

POLICY CONSIDERATION

Pursuant to Bellevue City Code 4.36.030, settlement and payment of claims exceeding \$75,000 requires the authorization of City Council.

BACKGROUND

Sentinel Insurance Company is the insurance carrier for What the Pho restaurant located at 10608 NE 8th Street in Bellevue, Washington. Sentinel alleges that on December 2, 2014, a blockage in one of the City's wastewater lines caused a backflow into the What the Pho restaurant causing damage to the restaurant and its business operations. Sentinel paid its insured, What the Pho, for this alleged damage and sought reimbursement from the City through its subrogation lawsuit in King County Superior Court.

The City Attorney's Office recommends settlement of Sentinel Insurance Company's claim for a total of \$215,000. The Risk Management Office and Utilities Department concur with this recommendation. A copy of the Release and Settlement Agreement providing the City with a release from all claims is available in the Council office.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption.

OPTIONS

1. Adopt the Resolution authorizing execution of all documents necessary to implement settlement of the claims brought by Sentinel Insurance Company in the lawsuit *Sentinel Insurance Company v. City of Bellevue* (King County Superior Court Cause No. 16-2-27514-1 SEA).
2. Do not adopt the Resolution and provide alternative direction to staff.

RECOMMENDATION

Option 1

MOTION

Move to adopt Resolution No. 9358, authorizing execution of all documents necessary to implement settlement of the claim brought by Sentinel Insurance Company in the lawsuit Sentinel Insurance Company v. City of Bellevue (King County Superior Court Cause No. 16-2-27514-1 SEA).

ATTACHMENTS

Proposed Resolution No. 9358

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

Release and Settlement Agreement