



**Request for City Council Committee Action
From the City Attorney's Office**

Date: January 16, 2008
To: Ways & Means/Budget Committee
Referral to:

Subject: City Chiropractic v. City of Minneapolis
Court File No.:

Recommendation: That the City Council approve the settlement of this case by payment of \$30,000.00 payable to City Chiropractic and its attorney, Bennerotte & Associates, from Fund/Org. 6900 150 1500 6660 and authorize the City Attorney's Office to execute any documents necessary to effectuate settlement.

Previous Directives: None

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Approved by: Jay M. Heffern
Jay M. Heffern
City Attorney

Presenter in Committee: Jay M. Heffern, City Attorney

Financial Impact:(Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information).
 Action requires an appropriation increase to the _____ Capital Budget or _____
Operating Budget.
 Action provides increased revenue for appropriation increase.
 Action requires use of contingency or reserves.
 Business Plan: _____ Action is within the plan. _____ Action requires a change to
plan.
 Other financial impact (Explain): \$30,000.00 from Fund/Org. 6900 150 1500 6660
 Request provided to department's finance contact when provided to the Committee
Coordinator.

Community Impact: Other

Background/Supporting Information:

The claimant, City Chiropractic, is the sole proprietorship of Mike Johnson, D.C.. At the time of the loss, his business was located at 3620 Central Avenue N.E., lower level Suite #1. As a result of the incident described below, City Chiropractic claims damage in the amount of \$68,871.73.

On the night of May 7 and into early May 8, 2007, there was a heavy rainfall which caused a large back up of sewage into 3620 Central Avenue N.E., where the claimant was a tenant. The reason that the storm drains were not able to handle the rain water that evening is because there was a sewer relining project in the area and the catch basins had been disconnected during the project. The backup of rainwater pushed sewage up through the basement floor drains and toilets. However, the backup was much more severe at 3620 Central Avenue N.E. because it was at lowest point in the area and there were more access points for the sewage to enter the building. Following the sewer backup there was extensive damage to this building.

City Chiropractic is claiming damage in the amount of \$10,807.00 to his content/equipment, such as office furniture, medical equipment and computer equipment. City Chiropractic also claims moving/building costs in the amount of \$9,032.11, to leave its current location and renovate the new location so that the business could move in as soon as possible. In addition, City Chiropractic claims consequential missed appointments totaling \$11,972.35, and business interruption costs of \$37,060.27. The claimant started moving equipment to his new location on May 15, 2007. He started treating patients at his new location on June 1, 2007.

Following extensive negotiations we have reached a tentative settlement of City Chiropractic's claim against the City in the amount of \$30,000.00. We believe that the settlement is in the best interests of the City and recommend approval by this Committee.

TJM / 2286-52471-1