



Legislation Text

File #: 131295, Version: 1

131295
SUBSTITUTE
THE CHAIR

Substitute resolution to approve settlement of the City of Milwaukee's claims against Engberg Anderson, Inc., Simpson Gumpertz & Heger Inc., Lexington Insurance Company, Bloom Companies, LLC and Endurance American Specialty Insurance Company in the matter of *City of Milwaukee v. Simpson, Gumpertz & Heger, Inc., et al.*

This resolution authorizes the City Attorney to execute a Settlement Agreement and Release which settles the City of Milwaukee's claims against Engberg Anderson, Inc., Simpson Gumpertz & Heger Inc., Lexington Insurance Company, Bloom Companies, LLC and Endurance American Specialty Insurance Company in the matter of *City of Milwaukee v. Simpson, Gumpertz & Heger, Inc., et al.*, Milwaukee County Circuit Court Case No. 12 CV 004989 in exchange for a total payment of \$7,995,000.00.

Whereas, In regard to problems with the terra cotta restoration work which had been completed on the Milwaukee City Hall in 2008, the City filed suit on May 12, 2012 against Simpson, Gumpertz & Heger, Inc., Engberg Anderson, Inc., Bloom Companies, LLC and J. P. Cullen & Sons, Inc., along with numerous insurance companies that had issued policies of insurance to said companies; and

Whereas, The City has settled its claims against J. P. Cullen & Sons, Inc. by entering into a Settlement Agreement and Repair Contract pursuant to resolution in file number 130163 for a contract price of \$6,707,000; and

Whereas, The current settlement, if approved would substantially compensate the City for the expenses and damages asserted in the current litigation; and

Whereas, The City Attorney recommends settlement as in the best interests of the City considering the expense, delay and uncertainty of continued litigation, now, therefore, be it

Resolved, That the City Attorney is authorized to execute a Settlement Agreement and Release and other documents, and to take such action as the City Attorney deems necessary to effectuate the settlement of claims called for herein, and it is

Further Resolved, That \$6,707,000 of the funds to be received, plus any interest that has been incurred due to borrowing, should be applied in part to the Debt Service Fund per resolution file 130642 and the remainder directed to the General Fund.

City Attorney

MRH:

January 10, 2014

1081-2012-1217:199187