



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Grant M. Yates, City Manager

Date: October 24, 2017

Subject: Proposed Approval of Settlement of Robert Hogenauer Lawsuit

Recommendation

It is recommended that the City Council approve a settlement in the amount of \$35,000.

Background

Robert Hogenauer was allegedly injured in a bicycle accident that occurred on May 26, 2014 on Machado Street in the City of Lake Elsinore. Mr. Hogenauer, through his attorney (the Law Offices of David C. Siegal), filed a lawsuit in Riverside Superior Court (case no. RIC1605766) against the City, Frontier California, Inc., and R.J. Noble Company as defendants. In the lawsuit, the City contends that it is entitled to a defense and indemnity from Frontier California, Inc. and R.J. Nobel Company, both of which deny the contention.

Discussion

All parties have reached a proposed settlement. Under the terms of the Settlement Agreement and Release (Settlement Agreement), \$35,000 is to be paid by the City of Lake Elsinore, \$20,000 by Frontier California, Inc., and \$20,000 by R.J. Noble's insurance carrier. As is usually the case in these types of settlements, the Settlement Agreement is intended to resolve any and all claims the parties may have against one another relating to the accident.

The City's insurance carrier, the Southern California Joint Powers Insurance Authority (SCJPIA) has conducted a thorough investigation and recommends approval by the City Council of a settlement in the amount of \$35,000. SCJPIA will pay \$30,000 and the City of Lake Elsinore will pay the balance of \$5,000.

Under the terms of the Settlement Agreement, Mr. Hogenauer shall file a request for dismissal with prejudice of his lawsuit within five days of delivery by the parties of the monetary payments due.

Fiscal Impact

\$35,000 settlement payment, \$30,000 of which is payable by SCJPIA and \$5,000 of which is payable by the City.

Exhibit

A - Settlement Agreement