

RESOLUTION NO. 17-40

**CITY OF MILLBRAE, COUNTY OF SAN MATEO
STATE OF CALIFORNIA**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILLBRAE
APPROVING THE SETTLEMENT OF THE INSURANCE CLAIM FOR THE
LOSS OF THE MILLBRAE COMMUNITY CENTER BUILDING DUE TO FIRE
ON JULY 21, 2016**

WHEREAS, on July 21, 2016, the City's Community Center was destroyed by fire; and

WHEREAS, at the time the City had a comprehensive insurance policy through the Association of Bay Area Governments that includes four categories of coverage: 1) Building Damage; 2) Business Personal Property Damage; 3) Extra Expense; and 4) Business Interruption; and

WHEREAS, immediately after the fire the insurance policy manager (Alliant Insurance Services of San Francisco) began working with City staff on recovery coordination and preparation of the various elements of a claim; and

WHEREAS, the City retained various specialized consultants and experts to support staff, review the adjuster's calculations and estimates, and ensure that the full benefits of the insurance policy would be realized; and

WHEREAS, ultimately the City and the insurance adjuster arrived a settlement for the Community Center building at \$6,194,501.00; and

WHEREAS, the City understands that until the building is actually replaced, the maximum amount that will be authorized and paid will be \$4,400,429.00, and the remaining (retention) amount up to the full building replacement cost of \$1,794,072.00 will be paid when the new Community Center building is completed; and

WHEREAS, the insurance adjuster's calculations and estimates indicate that additional payments will flow to the City above and beyond the recommended building replacement cost of \$6,194,501, and across the agreed-upon "period of recovery" of three years after the date of the fire; and

NOW, THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF MILLBRAE hereby approves the settlement of the insurance claim for the loss of the Millbrae Community Center building due to fire on July 21, 2016.

REGULARLY PASSED AND ADOPTED this 25th day of July, 2017.



Mayor

ATTEST:

Elena D. Souza
City Clerk

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the City Council of the City of Millbrae this 25th day of July 2017, by the following votes:

AYES: COUNCILMEMBERS: Holober, Papan, Lee, Oliva

NOES: COUNCILMEMBERS: Schneider

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

EXCUSED: COUNCILMEMBERS:

Elena D. Guazo

CITY CLERK