

RESOLUTION NO. 25-2023

A RESOLUTION TO APPROVE A SETTLEMENT AGREEMENT WITH WESTFIELD INSURANCE COMPANY AND SJE

WHEREAS the City of Manchester, Tennessee (City) operates a sewer system, and

WHEREAS the City had filed a lawsuit in State Court for recovery and relief to include imposition of damages, fees, and litigation expenses to include costs against the Westfield Insurance Company for payment on a surety bond for the failure of J and H Construction to properly complete a sewer rehabilitation contract with the City, and

WHEREAS a mediation was conducted between the parties on May 23, 2023, and a proposed settlement was entered into subject to the approval of the Manchester Board of Mayor and Alderman, wherein the matter was tentatively settled for the payment of damages to the City in the amount of TWO MILLION FOUR HUNDRED AND FIFTY THOUSAND AND 00/100 DOLLARS (\$2,450,000.00) from Westfield, and the payment of ONE HUNDRED THOUSAND AND 00/100 DOLLARS (\$100,000.00) to the City from SJE, without the admission of wrongdoing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that the City of Manchester enter into a settlement agreement that is consistent with the attached memorandum of understanding with Westfield Insurance Company and SJE,

BE IT FURTHER RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF MANCHESTER, TENNESSEE that the Mayor and Finance Director are authorized to execute this settlement agreement.

Resolved this 6 day of June, 2023.

Marilyn Howard Mayor

Lisa Myers, Finance Director.