

Mayor and Council Communication

DATE: 06/22/21

M&C FILE NUMBER: M&C 21-0489

LOG NAME: 142021WINTERSTORM

SUBJECT

(ALL) Adopt Attached Appropriation Ordinances Reallocating Appropriations and Increasing Receipts for Commercial Insurance Recovery Related to the Winter Storm Damage

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance reallocating appropriations in the Human Resources Department of the Risk Financing Fund by decreasing appropriations in the General Operations and Maintenance category in the amount of \$250,000.00, and increasing appropriations in the Transfers and Other category by the same amount for the purpose of transferring to the General Capital Projects Fund for the winter storm repairs at multiple City properties; and
 2. Adopt the attached appropriation ordinance increasing receipts and appropriations in the General Capital Projects Fund transferred from the Risk Financing Fund in the amount of \$250,000.00 and increasing estimated receipts and appropriations in the amount of \$13,750,000.00 for a total of \$14,000,000.00 for the 2021 Winter Storm programmable (City programmable No. P00137).
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DISCUSSION:

During the winter storm in February 2021, multiple City properties were damaged. Damages are projected to be approximately \$14,000,000.00. Repair costs are covered by the City's commercial property insurance, subject to a \$250,000.00 deductible. The purpose of this Mayor and Council Communication (M&C) is to reallocate certain appropriations and increase receipts related to the insurance proceeds.

Each year, funds are budgeted in the Risk Financing Fund to pay for incurred expenditures that fall within the policy deductible for property damage claims covered by the City's commercial insurance. When a claim exceeds the policy deductible, commercial insurance recoveries are collected. Based on estimation of repair cost, claim payments in the amount of \$13,750,000.00 are anticipated by the City upon completion of damage evaluation and estimates on repair costs. The \$250,000.00 policy deductible will be transferred from the Risk Financing Fund to the General Capital Projects Fund, for a total appropriation of \$14,000,000 in the 2021 Winter Storm programmable project.

The City will make payment for repairs on the multiple City properties upon completion of repairs based on actual cost.

This M&C does not request approval of a contract with a business entity.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Risk Financing Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in General Capital Projects Fund for the 2021 Winter Storm programmable project. Prior to an expenditure being incurred, the Human Resources Department has the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by: Jay Chapa 5804

Originating Business Unit Head: Nathan Gregory 7783

Additional Information Contact: Mark Barta 7790