

# Mayor and Council Communication

DATE: 05/10/22

M&C FILE NUMBER: M&C 22-0344

LOG NAME: 142021HAILSTORM

**SUBJECT**

(ALL) Authorize Payment for Repairs in the Amount Up to \$2,300,000.00 for Damage to Multiple City Properties Occurring May 2, 2021, Adopt Attached Appropriation Ordinances and Amend the Fiscal Year 2022 Adopted Budget

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize payments for repairs to multiple City properties in an amount of up to \$2,300,000.00;
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Risk Financing Fund, in the amount of \$2,300,000.00, from reducing fund balance, for the purpose of transferring to the General Capital Projects Fund;
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the General Capital Projects Fund, in the amount of \$2,300,000.00, transferred from available funds within the Risk Financing Fund, for the purpose of funding the 2021 Hail Damage project (City Project No. 104059); and
4. Amend the Fiscal Year 2022 Adopted Budget.

**DISCUSSION:**

On May 2, 2021, multiple City of Fort Worth (City) properties were damaged by hail. Damages are projected to be approximately \$2,300,000,000.00. Repair costs are covered by the City's commercial property insurance, subject to a \$2,750,000.00 aggregate deductible. The purpose of this Mayor and Council Communication (M&C) is to reallocate certain appropriations for the purpose of funding repairs of damage to City owned property that falls within the commercial insurance deductible.

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. The deductible for wind and hail is \$2,750,000.00 in the aggregate; meaning that wind and hail damages in a single policy year must meet the full deductible prior to any commercial insurance reimbursement.

There was a single hail event in 2021. The estimation of repair cost is approximately \$2,300,000.00 which fall within the wind/hail deductible. Upon completion of repairs, the City will make payment for repairs on multiple City properties based on actual repair cost.

The action in this M&C will amend the Fiscal Year 2022 Adopted Budget as approved in connection with Ordinance 25073-09-2021, Section 5. Internal Service Funds, as listed on page 21.

Fund / Department	FY2022 Adopted Budget	M&C Authority	Budget Adjustment	Revised FY2022 Budget
<b>Budget Category</b>				
Risk Financing Fund				
Revenues				
Use of Money and Property	\$399,990.00			\$399,990.00
Other Revenue	\$22,347,389.00			\$22,347,389.00
Use of Fund Balance/Net Position	\$30,352.00	M&C 21-0965	\$ 1,706,710.00	\$1,737,062.00
Use of Fund Balance/Net Position		M&C 22-0002	\$ 703,673.58	\$703,673.58
Use of Fund Balance/Net Position		This M&C	\$ 2,300,000.00	\$2,300,000.00
<b>Total Revenues</b>	<b>\$22,777,731.00</b>		<b>\$ 4,710,383.58</b>	<b>\$27,488,114.58</b>
Expenditures				
Human Resources	\$22,770,503.00	M&C 21-0965	\$1,706,710.00	\$24,477,213.00
Transfer to Capital Fund		M&C 22-0002	\$703,673.58	\$703,673.58
Transfer to Capital Fund		This M&C	\$2,300,000.00	\$2,300,000.00
Transfer to IT Refresh Capital	\$7,228.00			\$7,228.00
<b>Total Expenditures</b>	<b>\$22,777,731.00</b>		<b>\$4,710,383.58</b>	<b>\$27,488,114.58</b>

Funding is available for appropriation in the fund balance of the Risk Financing Fund. Available fund balance is \$35,507,856.43 and after use of fund balance, the available balance will be \$33,207,856.43.

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

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**FISCAL INFORMATION / CERTIFICATION:**

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

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