

Mayor and Council Communication

DATE: 06/27/23

M&C FILE NUMBER: M&C 23-0606

LOG NAME: 14RISK TRANSFER FIRE ENGINE 12

SUBJECT

(ALL) Authorize Appropriation Ordinances in the Amount of \$907,482.00 for Reimbursement of Subrogation Claims in the General Capital Projects Fund for the Replacement of Fire Engine 12

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Risk Financing Fund in the amount of \$907,482.00, from available net position due to subrogation recovery, for the purpose of transferring to the General Capital Projects Fund; and
 2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the General Capital Projects Fund in the amount of \$907,482.00, transferred from the Risk Financing Fund, for the purpose of funding the Replacement of Fire Engine 12 (City Project No. 104661).
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DISCUSSION:

On the morning of September 3, 2022 at approximately 03:20 am, E12 responded to a reported residential structure fire located at 120 N.W. 22nd Street. During the course of the emergency response, Engine 12 struck a dip while entering a lefthand turn which resulted in the tires unloading and the apparatus turning over onto its side midway through the turn. The damage sustained from this accident has rendered the apparatus inoperable and a total loss as determined by the insurance adjuster.

Siddons Martin is the authorized dealership in Texas, New Mexico, and Louisiana supporting the Pierce fire apparatus product line and the sole source for parts and warranty service in this area. Replacement costs were estimated at \$907,482.00 by Siddons Martin.

The Human Resources - Risk Management Division has collected subrogation revenue totaling \$532,883.09. Pursuant to policy, these funds are being transferred from the Risk Financing Fund, where they were originally recorded, to the fund sustaining the losses, where they will be recorded as revenue. The balance of \$374,598.91 for depreciation cost, deductible and other expenses will be funded from the existing net position.

Funding is available for appropriation in net position of the Risk Financing Fund for the purpose of funding the Insurance Truck Replacement project (City Project No. 104661) for reimbursement of prior expense. The beginning net position balance is \$31,352,155.88 and after the transfer the ending balance will be \$30,333,673.88.

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 available in net position of the Risk Financing Fund, and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the General Capital Projects Fund for the Insurance Truck Replacement project. Prior to any expenditure being incurred, Human Resources and Fire Departments have the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by: Jessica L. McEachern 5804

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Additional Information Contact: