

# Mayor and Council Communication

**DATE:** 06/27/23

**M&C FILE NUMBER:** M&C 23-0605

**LOG NAME:** 14RISK TRANSFER ATMOS REIMBURSEMENT

**SUBJECT**

(ALL) Adopt Appropriation Ordinances in the Amount of \$60,745.00 for Reimbursement of Subrogation Claims in the Stormwater Capital Projects Fund

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**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 \$60,475.00, from available net position due to subrogation recovery, for the purpose of transferring to the Stormwater Capital Projects Fund; and
  2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Stormwater Capital Projects Fund in the amount of \$60,475.00, transferred from the Risk Financing Fund, for the purpose of funding the Stormdrain Pipe Rehab programmable project (City Project No. P00114).
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**DISCUSSION:**

Through Stormwater's Closed-Circuit Television program (CCTV), which records the internal condition of Stormwater's storm drain pipes, it was discovered that Atmos had bored a gas line through a storm drain pipe thus creating a conflict. The City contacted Atmos regarding the conflict and Atmos relocated their gas line. At that time, Atmos did not have a contractor under contract to repair the City's storm drain line. Atmos requested the City use one of the City's on-call contractors to make the repairs to the storm drain line and Atmos agreed to reimburse the City for that cost. The City proceeded with the storm drain repair and used Stormwater funds to pay for the repair.

The Human Resources - Risk Management Division has collected subrogation revenue totaling \$60,475.00. 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.

Funding is available for appropriation in net position of the Risk Financing Fund for the purpose of funding the New York & Arlington SDR project (City Project No. 103623) within the Stormwater Pipe Rehab programmable project (City Project No. P00114) for reimbursement of prior expense. The beginning net position balance is \$29,702,575.18 and after the transfer the ending balance will be \$29,642,100.18.

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 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 Stormwater Capital Projects Fund for the Stormdrain Pipe Rehab programmable project. Prior to any expenditure being incurred, Human Resources and Transportation & Public Works Departments have the responsibility of verifying the availability of funds.

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