

Mayor and Council Communication

DATE: 04/23/24

M&C FILE NUMBER: M&C 24-0322

LOG NAME: 14RISK TRANSFER WATER KENWORTH T880 DUMP TRUCK

SUBJECT

(ALL) Adopt Appropriation Ordinances in the Amount of \$127,250.00 for the Replacement of Kenworth T880 Dump Truck, Unit 262278

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 \$127,250.00, from available net position due to subrogation recovery, for the purpose of transferring to the Water & Sewer Capital Projects Fund; and
 2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water & Sewer Capital Projects Fund in the amount of \$127,250.00, transferred from the Risk Financing Fund, for the purpose of funding the Replacement of Kenworth T880 Dump Truck (City Project No. 105527).
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DISCUSSION:

On February 28, 2023 at approximately 7:00PM a Kenworth T880 Dump Truck (unit 262278) caught on fire that resulted in a total loss of the vehicle at an overall cost of \$147,900.00. At initial report of claim, the issue of cause and origin as it relates to this dump truck fire was first raised and reviewed by the assigned adjuster then deferred to the insurance carrier for further investigation.

After a protracted investigation by the carrier, they determined the cause of origin for this dump truck fire was in fact attributable to faulty repairs done by the dealership that sold the truck to the City of Fort Worth. Accordingly, the insurance company issued a claim payment in the amount of \$77,250.00 which was received and deposited to the Risk Financing Fund on August 30, 2023. Pursuant to policy, these funds are being transferred from the Risk Financing Fund, where they were originally recorded, to the fund sustaining the loss, where the funds will be recorded as revenue. The balance of \$50,000.00 which the policy deductible will be funded is from the existing net position. The total amount of transferred funds is \$127,250.00.

Funding is available for appropriation in net position of the Risk Financing Fund for the purpose of funding the replacement of this Kenworth T880 Dump Truck (unit 2620278). The beginning available net position balance is \$35,812,216.69 and after the transfer the ending balance will be \$35,684,966.69.

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 W&S Capital Projects Fund for the Unit 2620278 Risk Reimb project. Prior to any expenditure being incurred, Human Resources and Water Departments have the responsibility of verifying the availability of funds.

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