THE CITY OF ASHEVILLE

Staff Report

Council Meeting Date: August 23, 2022

Subject: Budget Amendment to allocate Insurance Recovery Funds to Water Resources

Staff Resource(s): Tony McDowell, CFO and Vicky Michales, Assistant Risk Manager

Action Requested: Adoption of a budget amendment, in the amount of $150,000, to allocate Insurance Recovery Funds to reimburse expenses to repair a structure damaged at the North Fork Water Treatment Plant.

Background:

- On April 27, 2020, a third party damaged a North Fork Water Treatment Plant structure.
- The City pursued subrogation for the damage against the at-fault party's insurance carrier seeking reimbursement for the property damage and received $150,000 in consideration for the property damage.
- The City seeks to allocate the recovered insurance funds to reimburse the Water Resources Department for contracted services expenses paid to repair the damaged property.

Vendor Outreach Efforts:

- N/A

Council Goal(s):

- A Financially Resilient City

Committee(s):

- N/A

Pro(s):

- Reimburse the Water Resources Department for expenses incurred to repair a structure damaged by a third party.

Con(s):

None.

Fiscal Impact:

- Revenue will be received in the Property & Liability Fund and transferred to the Water Resources Operating Fund, which necessitates a budget amendment in both funds.

Suggested Motion:

- Move to adopt budget amendments in both the Water Resources Operating Fund and the Property and Liability Fund in the amount of $150,000 obtained from third party auto liability insurance subrogation to reimburse Water Resources Department expenses incurred to repair third party property damage.

Attachment(s)

- Budget Amendment

ORDINANCE NO. _____

BUDGET ORDINANCE AMENDMENT

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE

That the City of Asheville Fiscal Year 2022-23 Budget Ordinance be amended to provide an appropriation of $150,000 in the Property & Liability Fund in consideration for subrogated third party auto liability insurance funds to be transferred to the Water Resources Operating Fund as follows:

PROPERTY & LIABILITY FUND

Revenues:

Insurance Recovery	$150,000
Total Revenues	$150,000

Appropriations:

Transfer to Water Operating Fund	$150,000
Total Appropriations	$150,000

WATER RESOURCES OPERATING FUND

Revenues:

Operating Transfer from Prop. & Liability Fund	$150,000
Total Revenues	$150,000

Appropriations:

Contracted Services	$150,000
Total Appropriations	$150,000

That this ordinance shall be in full force and effect upon the date of final passage.

Read, approved and adopted this 23th day of August, 2022.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney