THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: March 23, 2021

Subject: Budget Amendment to allocate property insurance recovery funds for a new fire truck and equipment

Staff Resource(s): Tony McDowell, Interim Finance & Management Services Director/CFO
Vicky Michales, Assistant Risk Manager

Action Requested: Adoption of a budget amendment in both the Capital Projects Fund and the Property and Liability Fund in the amount of $550,000 from insurance funds anticipated to be received in consideration for a totaled City of Asheville (City) fire truck to apply towards the purchase of a new fire truck and equipment.

Background:

- On January 30, 2021, a City fire truck was totaled when it flipped over on highway I-26.
- The City filed an insurance claim with the City's property insurance carrier seeking replacement cost for the totaled fire truck and equipment and anticipates to receive $650,000 in consideration for the loss, less a $100,000 deductible for a projected total of $550,000 in insurance recovery.
- The City seeks to allocate the insurance proceeds received to the Capital Projects Fund to apply towards the purchase of a new fire truck and equipment.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- None

Pro(s):

- Allocates City selected replacement cost property insurance policy proceeds for the Asheville Fire Department rather than actual cash value insurance that depreciates assets; resulting in full cost insurance proceeds received to replace the totalled fire truck and equipment loss.

Con(s):

- As it is an unplanned purchase, replacing the fire truck requires identifying an additional $100,000 in funding.

Fiscal Impact:

- $100,000 in additional funding from the annual Capital Improvement Program contingency will be utilized to fully fund the purchase of a replacement fire truck.

Suggested Motion:

- Move to adopt a budget amendment in both the Capital Projects Fund and the Property and Liability Fund in the amount of $550,000 from property insurance proceeds to apply towards the purchase of a new fire truck and equipment.

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 2020-21 Budget Ordinance be amended to provide an appropriation of $550,000 received in the Property & Liability Fund in consideration for a City of Asheville fire truck property loss to be transferred to Capital Project Fund for the Asheville Fire Department as follows:

PROPERTY & LIABILITY FUND

Revenues:

Insurance Recovery	$550,000
Total Revenues	$550,000

Appropriations:

Transfer to Capital Projects Fund	$550,000
Total Appropriations	$550,000

CAPITAL PROJECTS FUND

Revenues:

Operating Transfer from Prop. & Liability Fund	$550,000
Total Revenues	$550,000

Appropriations:

Machinery & Equipment	$550,000
Total Appropriations	$550,000

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

Read, approved and adopted this 23rd day of March, 2021.

_____ _____

City Clerk Mayor

Approved as to form:

_____

City Attorney