



Agenda Report

File #: 18-2166

AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION

DATE: 10/17/2018

TO: Honorable Mayor and City Council Members

FROM: Legal and Risk Management

SUBJECT:

City Council consideration of General Fund revenue increase for insurance proceeds in the amount of \$63,630.26 from the City's property insurance carrier, Lexington Insurance Company, for reimbursement of water damages caused to the Police Department Report Writing Room on December 28, 2017.

RECOMMENDED ACTION:

That the City Council:

1. Consider, accept and approve General Fund revenue increase for insurance proceeds in the amount of \$63,630.26 from Lexington Insurance Company for damages caused to 730 Public Safety Way, Corona, CA on December 28, 2017; and
2. Authorize City Attorney/Legal & Risk Management Director to execute any documents necessary to effectuate the claim resolution with Lexington Insurance Company.

ANALYSIS:

Due to water seepage from under the flooring in the Police Department's report writing room located at 730 Public Safety Way, the flooring was damaged and mold developed. Accordingly, the flooring and concrete subsurface had to be replaced and repaired, mold was remediated and required painting was performed.

The City's property insurance policy covers replacement cost of the damaged and destroyed property at covered locations.

The City filed a claim for reimbursement as follows:

\$36,730.00 to Moore Flooring for replacement of the concrete subsurface & flooring.

\$31,030.26 to Belfor for mold remediation and wall painting
\$870.00 to EnviroCheck for obtaining mold samples and preparing a report.

Thus, the total cost was \$68,630.26.

After deducting the City's Property deductible of \$5,000, \$63,630.26 is the recommended amount to settle the claim.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

The insurance proceeds of \$63,630.26 will increase General Fund revenues and help to offset the costs incurred for the damage to the Police Department Report Writing Room flooring.

GENERAL FUND	
Budget Workshop May 23, 2018 - Est. Revenue Over Expenditures	\$6,626,911
Previously approved budget adjustments (net)	(6,119,917)
Current Estimated Revenue Over Expenditures	\$506,994
Revenue Increase - Insurance Proceeds	63,630
Revised Estimated Revenue Over Expenditures	\$570,624
Estimated Budget Balancing Measures Reserve 06/30/18	\$20,645,252
Estimated FY 2018-19 Change in Budget Balancing Measures Reserve	570,624
Estimated Budget Balancing Measures Reserve 06/30/19	\$21,215,876
<i>*Information contains other proposed items impacting the General Fund on the 10/17/18 Council Agenda.</i>	

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action authorizes acceptance of insurance proceeds and there is no possibility that this action will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: AMY RISK, RISK MANAGER

REVIEWED BY: DEAN DERLETH, CITY ATTORNEY / LEGAL & RISK MANAGEMENT DIRECTOR

REVIEWED BY: TOM MOODY, GENERAL MANAGER

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

REVIEWED BY: MICHELE NISSEN, ASSISTANT CITY MANAGER

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER