

# CITY OF OAKLAND

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

## AGENDA REPORT

2010 JUN 29 PM 4:13  
TO: Office of the City Administrator  
ATTN: Dan Lindheim  
FROM: Public Works Agency  
DATE: July 13, 2010

RE: **A Resolution Authorizing The City Administrator To Appropriate Insurance Claim Recovery Monies in the Amount of One Hundred Thirty Three Thousand, Seven Hundred Ninety Four Dollars and Eighty Nine Cents (\$133,794.89) Received For Damage To Public Works Agency Refuse Packer Equipment No. 4297 To Be Used For Replacement Of The Equipment And Payment In Full Of The Balance Remaining On The Lease**

### SUMMARY

This Report and the accompanying Resolution authorizes the appropriation of insurance claim recoveries that the City of Oakland has received for fire damage to a Public Works Agency Refuse Packer (Equipment No. 4297).

Staff requests that Council approve the resolution authorizing the City Administrator to utilize existing fund balance monies from the 2008-09 insurance recovery from Refuse Packer #4297 to pay off the remaining SunTrust lease obligation associated with this equipment in the amount of \$34,287.86 and to purchase replacement equipment in the amount of \$99,507.03 for a total appropriation of \$133,794.89. The surplus of the insurance recovery in the amount of \$36,630.86 will remain in fund balance.

### FISCAL IMPACTS

In June 2009 the City's Risk Management Division received an insurance recovery for Refuse Packer #4297 in the amount of \$170,425.75. The monies were placed in the General Purpose Fund (1010) and were transferred to fund balance in July 2009. Approval of this resolution will authorize the transfer from General Purpose Fund (1010) to Equipment Fund (4100) a total amount of \$133,794.89. These monies will then be appropriated into Equipment Fund (4100), Equipment Services Administration Org (30541), Vehicle Replacement Account (57612); Project 2002 Lease Purchase (C218810) and Fleet Management and Maintenance Program (IN01). This is a one-time appropriation which pre-dates the process adopted by Council in May 2010. The surplus of the recovery, \$36,630.86, will remain in fund balance.

### BACKGROUND

In November 12, 2008, a fire started at the right rear engine compartment beneath the body of a Public Works Agency Refuse Packer (Equipment No. 4297), and spread to the cab. The Refuse Packer was deemed a total loss by the City of Oakland's insurance carrier. The City received

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insurance recoveries of \$170,425.75. The funds were intended to pay off the remainder of the lease and purchase a replacement vehicle.

### **KEY ISSUES AND IMPACTS**

The process for receiving and expending insurance claim recoveries is contained in Oakland Charter Section 806, which provides that all monies received by the City shall be deposited in the City Treasury, and no monies shall be disbursed from the treasury without the approval of the City Administrator or of another officer duly authorized by the City Administrator. Section 806 further provides that no expenditure of City funds shall be made except for the purposes and in the manner specified by an appropriation of Council.

Without the Refuse Packer, the Public Works Agency lost the use of a piece of equipment that was vital and integral to our Keep Oakland Clean and Beautiful program. Funds were received from the City's property insurer to recover/replace the lost equipment. To date, PWA has not replaced the equipment, detrimentally impacting the ability of KOCB to deliver the community service provided by this lost equipment. To improve efficiency and ensure service delivery is not longer impacted by the loss of the equipment, PWA requests that it be allowed to utilize the funds recovered for the specific purpose of replacing the lost equipment, thereby improving our service delivery.

### **SUSTAINABLE OPPORTUNITIES**

There are no sustainable economic, environmental, or social equity opportunities associated with this report.

### **DISABILITY AND SENIOR CITIZEN ACCESS**

There are no disability and senior citizen access issues relevant to this report.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff requests that Council authorize the City Administrator to approve the resolution authorizing the expenditure of insurance claims recoveries for Refuse Packer #4297 for paying off the remainder of the SunTrust lease in the amount of \$34,287.86 and for the purchase of a replacement vehicle in the amount of \$ 99,507.03 for a total appropriation of \$133,794.89.

Respectfully submitted,

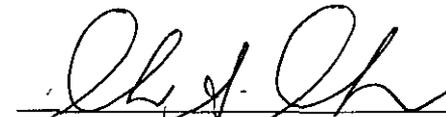
  
\_\_\_\_\_  
Vitaly B. Troyan, P.E.  
Interim Public Works Agency Director

Reviewed by:  
Bruce Saunders, Assistant Director  
Department of Infrastructure and Operations

Prepared by:  
Napoleon Campbell, Acting Equipment Services Manager  
Equipment Services Division

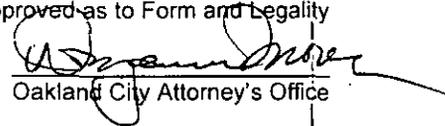
Attachment: Resolution

APPROVED AND FORWARDED TO THE  
FINANCE & MANAGEMENT COMMITTEE:

  
\_\_\_\_\_  
Office of the City Administrator

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

Approved as to Form and Legality

  
Oakland City Attorney's Office

## **OAKLAND CITY COUNCIL**

**RESOLUTION No. \_\_\_\_\_ C.M.S.**

INTRODUCED BY COUNCILMEMBER \_\_\_\_\_

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**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO APPROPRIATE INSURANCE CLAIM RECOVERY MONIES IN THE AMOUNT OF ONE HUNDRED THIRTY THREE THOUSAND, SEVEN HUNDRED NINETY FOUR DOLLARS AND EIGHTY NINE CENTS (\$133,794.89) RECEIVED FOR DAMAGE TO PUBLIC WORKS AGENCY REFUSE PACKER EQUIPMENT NO. 4297 TO BE USED FOR REPLACEMENT OF THE EQUIPMENT AND PAYMENT IN FULL OF THE BALANCE REMAINING ON THE LEASE**

**WHEREAS**, the City Council authorized an Equipment Master Lease-Purchase Agreement in May 2002 (Resolution No. 77101) under which the Public Works Agency purchased a refuse packer (Equipment No. 4297);

**WHEREAS**, in November 12, 2008 a fire destroyed the refuse packer (Equipment No. 4297) and the City of Oakland received insurance claim recoveries of \$133,794.89 for fire-damaged equipment; and

**WHEREAS**, the City of Oakland's insurance carrier provides monies for the replacement of lost or damaged vehicles; and

**WHEREAS**, the City is obligated under the 2002 Equipment Master Lease-Purchase Agreement to pay SunTrust the balance of the lease which is \$34,287.86, and to replace the damaged equipment purchased under the lease; and

**WHEREAS**, the City has received a quote in the amount of \$99,507.03 for the replacement of the damaged equipment with a like-use refuse packer vehicle; and

**WHEREAS**, Oakland Charter Section 806 provides that all monies received by the City shall be deposited in the City Treasury, and no monies shall be disbursed from the treasury without the approval of the City Administrator or of another officer duly authorized by the City Administrator; and

**WHEREAS**, Oakland Charter Section 806 further provides that no expenditure of City funds shall be made except for the purposes and in the manner specified by an appropriation of the Council; now, therefore, be it

**RESOLVED:** That the Council authorizes the City Administrator to authorize and appropriate a transfer from General Purpose Fund (1010), Fund Balance to Equipment Fund (4100) and appropriate revenue and expenditures in Equipment Services Administration Org (30541), Operation Transfer In-Other (49212) and expenditures Vehicle Replacement Account (57612), Project 2002 Lease Purchase (C218810), Fleet Management and Maintenance Program (IN01) in the amount of \$133,794.89; and be it

**FURTHER RESOLVED:** That the funds will be used to pay off the balance of 2002 Equipment Master Lease-Purchase Agreement and for the acquisition of a like-use refuse packer replacement vehicle to replace fire-damaged equipment purchased under the lease (Equipment No. 4297), provided that the funds are properly supported by accounting evidence; and be it

**FURTHER RESOLVED:** That the surplus of the recoveries in the amount of \$36,630.86 remain in Fund Balance where it presently resides.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES – BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES –

ABSENT –

ABSTENTION –

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council  
of the City of Oakland, California