

Kenai Peninsula Borough

Central Emergency Services

MEMORANDUM

TO: Kelly Cooper, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *charlie pierce*

FROM: Roy Browning, CES Chief *RCB*
Brandi Harbaugh, Finance Director *BH*
John Hedges, Purchasing & Contracting Director *JH*
Sovala Kisena, Claims Manager *SK*

DATE: December 26, 2019

RE: Ordinance 2019-19-25, Appropriating Insurance Proceeds and Local Funds for the Purpose of Purchasing a Replacement Fire Truck Deemed a Total Loss (Mayor)

In November 2017, Central Emergency Service Area ("CES") fire truck #914 was involved in an accident while responding to an emergency. A claim for the damaged fire truck was opened by the borough with Alaska Municipal League-Joint Insurance Association. In the claim it was determined that the fire truck was a total loss.

An initial insurance payment of \$266,956.38, which had been reduced by the borough deductible and applicable costs, was received by the Borough. However, the policy has replacement cost coverage where the damaged fire truck can be replaced with a new fire truck less member deductible, vehicle deductible, and salvage costs. The reinsurer valued the replacement truck to be \$655,683.00 based on a quote from Hughes Fire Equipment Inc. The reinsurer will provide a supplemental payment of \$349,626.62 once the truck has been ordered.

CES is requesting funds be appropriated from the CES fund balance in the amount of \$133,417 and insurance proceeds in the amount of \$616,583.00, including proceeds received and to be received. This is to cover the total replacement cost of \$750,000 including replacement costs, administrative service fees and any change orders to the purchase. The CES Service Area Board at its regular meeting on November 21, 2019 unanimously supported the funding and purchase of the replacement fire truck.

Your consideration of this ordinance is appreciated.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No:	<u>443.27910</u>
Amount:	<u>\$ 400,373.38</u>
Acct. No:	<u>443.51610.20FTK.49999</u>
Amount:	<u>\$ 349,626.62</u>
By: <i>PP</i>	Date: <u>12/26/2019</u>