



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Risk Management

CM: Sara Hensley

DATE: November 14, 2023

SUBJECT

Consider adoption of an ordinance of the City of Denton, approving an insurance claim payment from Affiliated FM Insurance Company for damage to property located at 601 East Hickory, and authorizing the City Manager, or her designee, to execute the same; and declaring an effective date.

BACKGROUND

AFM Global Insurance (AFM), the City's property insurance carrier has concluded reviewing our claim for water damage caused to the Jail and Evidence area of City Hall East, located at 601 East Hickory, which occurred on June 30, 2023.

The damage was the result of water release from a sewer back up. Cumulatively, the water impacted about 8,000 sq ft of the building. The total cost for water remediation and rebuild was \$489,345.55. The full and final repair invoices were submitted to AFM for reimbursement of the claim. The City's property insurance covers water damages after the city has met the \$200,000 deductible. Therefore, AFM has offered to pay the City of Denton \$289,345.55 for the claim related to the water loss.

Acceptance of this settlement does not bar the city from future recovery of supplemental damage.

RECOMMENDATION

Approve the insurance claim payment amount, authorize the City Manager, or her designee to execute the same; and declare an effective date.

ESTIMATED SCHEDULE OF PROJECT

Payment will be issued following Council approval.

FISCAL INFORMATION

The payment from AFM, once received, will be deposited into the Risk Retention Fund, 8600.8154.

EXHIBITS

- Exhibit 1 – Agenda Information Sheet
- Exhibit 2 – Payment Letter
- Exhibit 3 – Ordinance
- Exhibit 4 – Claim Summary
- Exhibit 5 – Claim Detail – Schedule B
- Exhibit 6 – BMS CAT Invoice – City Jail
- Exhibit 7 – BMS CAT Invoice – Jail & Courts

Respectfully submitted:
Megan Gilbreath, 940-349-8357
Director of Human Resources