

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date:	October 7, 2024
Action Required:	Approve Appropriation of Reimbursement
Presenter:	Michael Goddard, Facilities Development Manager
Staff Contacts:	Michael Goddard, Facilities Development Manager Chris Cullinan, Director of Finance
Title:	Resolution to appropriate insurance claim reimbursement for The Avon Fuel Station Replacement Project - \$65,000 (2nd reading)

Background

On 7/7/2022, an accident took place at the City school bus parking lot located at 1505 Avon Street, Ext. The accident involved a runaway school bus that rolled and struck the fuel island and gas pumps located next to the parking lot, causing significant damage. The fuel station was deemed inoperable and taken out of service.

As per the Virginia Administrative Code, Chapter 590, Petroleum Underground Storage Tank (UST) Financial Responsibility Requirements Regulation, Chapter, annual insurance coverage was required and maintained. The City filed for an insurance claim and has received a total of \$105,000 in reimbursements. There are (2) separate payments; one in the amount of \$40,000 and the other for \$65,000. The first payment has already been received and appropriated. This resolution to appropriate is for the remaining \$65,000.

The insurance reimbursements are being used to supplement reconstruction of the fuel station. Please note that the fuel station located at the Avon lot had already been slated for scheduled replacement with above ground storage tanks (AST) and was in the process of being bid out to general contractors by the Public Works department when this accident took place.

Discussion

Appropriation of the \$65,000 insurance reimbursement are needed to replenish a portion of the Facilities Capital Projects Lump Sum Account due to the increased costs for project related expenses. The scope of work for the entire project includes:

- Phase 1 - Demo the existing canopy structure, removal of the underground storage tanks, and a portable generator connection;
- Phase 2 - Construct a new fuel station with above ground tanks; and
- Phase 3 - Install (2) new sliding security gates with access control.

The following is a breakdown of Capital Projects Lump Sum Account (P-00980):

- | | |
|-------------------------------------|--|
| • Original Project Budget: | \$1,493,996.95 |
| • Insurance reimbursement # 1 | \$ 40,000.00 (was appropriated June 2023) |
| • Insurance reimbursement #2 | <u>\$ 65,000.00</u> (current appropriation) |

\$ 1,598,996.95

Alignment with City Council's Vision and Strategic Plan

This request supports the City Council's "Green City" vision. It contributes to Goal 3 and 5 of the Strategic Plan, a beautiful and sustainable natural and built environment and a well-managed and responsive organization, and objectives 3.2 provide reliable and high-quality infrastructure, 3.4 be responsible stewards of natural resources, 5.1 integrate effective business practices and strong fiscal policies.

Community Engagement

N/A

Budgetary Impact

Funds have been expensed from the Facilities Capital Projects Lump Sum Account (P-00980) and the reimbursement is intended to replenish the project budget for a portion of those expenses.

Recommendation

Staff recommends approval and appropriation of the reimbursement funds.

Alternatives

If reimbursement funds are not appropriated, the Facilities Capital Projects Lump Sum Account (P-00980) will reflect a deficient balance.

Attachments

1. Appropriation-Avon Fuel Station Replacement