



MEETING OF NOVEMBER 7, 2023

TO: Mayor Jordan and City Council
THRU: Susan Norton, Chief of Staff
FROM: Tim Nyander, Utilities Director
DATE:
SUBJECT: Budget Adjustment - Misty Simpson Water Damage Claim

RECOMMENDATION:

Staff recommends approval of a budget adjustment in the amount of \$80,039.00 to move funds into the water damage claims account to cover the cost of the Misty Simpson water damage claim at 2425 E. Sharon St.

BACKGROUND:

On September 20, 2021, the City of Fayetteville experienced a large 36-inch diameter water main break on N. Makeig Ct. Misty Simpson owns the home located at 2425 E. Sharon St. This large water main break caused substantial amounts of flooding and damage to the neighborhood and to the Simpson residence. Misty Simpson's insurance company denied her claim, so she immediately filed a damage claim with the City after the incident.

DISCUSSION:

The Misty Simpson water damage claim was previously brought to City Council but was tabled. The claim request was greater than the previous \$50,000.00 damage claim cap, and the City later revised the City Code to state that for water main breaks on lines 36" and larger that cause damage to property would have a new damage claim cap of \$100,000.00.

Now that an ordinance has been passed (on Sept. 19) to raise the payout limits to \$100,000, this item went back to City Council for consideration. The City has already paid \$19,961.77 to Misty Simpson for this damage claim. City Council has approved paying the claimant the full \$100,000 allowable by City Code (minus what has already been paid). The council amended the resolution to include the new, larger amount of \$80,038.23.

BUDGET/STAFF IMPACT:

A budget adjustment is attached to move funds from the Lake Sequoyah Dredging project to the water damage claims account to fund the new larger amount for the damage claim payment.

ATTACHMENTS: SRF (#3), BA (#4)

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