

(Published on the *McPherson City Website* \_\_\_\_\_ July 7 , 2021, once)

**ORDINANCE NO. 3361**

**AN ORDINANCE OF THE CITY OF MCPHERSON, KANSAS  
CREATING AN INSURANCE RECOVERY FUND WITHIN THE  
TREASURY OF THE CITY FOR FUNDS TO BE RECEIVED AND  
EXPENDED FOR INSURANCE PROCEEDS AND EXPENSES RELATED  
TO VARIOUS INSURANCE CLAIMS**

**WHEREAS**, it is difficult for the City of McPherson, Kansas (the "City") to budget money annually to cover costs to pay for various unknown insurance losses that might occur throughout the year;

**WHEREAS**, the City sees it is in its best interest to establish a fund to both receive and expend dollars for insured or uninsured losses that may occur during the year through the various departments in the City. Establishment of such funds allows the City to better segregate insurance losses and limit the impact on individual department budgets related to unexpected losses and recovery efforts associated with the loss; and

**WHEREAS**, KSA 12-2615 allows for establishment by local governments of an insurance risk fund to receive and expend funds related to uninsured risks including but not limited to receiving risk management reserve funds from any source including fund transfers from the General Fund or other funds impacted specifically by the loss.

**NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF MCPHERSON, KANSAS:**

**Section 1.** There is hereby created within the treasury of the City a special funds to be called the "Insurance Recovery Fund" into which shall be deposited moneys intended to be used to pay for recovery efforts related to both insured and uninsured unexpected losses. The fund would be used for receipting various funding sources associated with unexpected losses including but not limited to insurance proceeds, FEMA Funding or other like federal or state financial loss assistance, and other city treasury funded contributions which might be required to cover deductibles or uninsured commitments related to the unplanned losses. The "Insurance Recovery Fund" shall be considered non-budgeted funds of the city treasury. Expenses for loss recovery projects shall not exceed revenues for each uninsured or insured loss. Relevant individual losses will be assigned sub-accounts by the city finance department as needed. The governing body will have ultimate authority over what loss and recovery events will be included into the respective fund and to grant authority to expend such funds. The "Insurance Recovery Fund" shall be authorized for transfers both into and out of other funds in the city treasury when deemed appropriate and allowed by Kansas Statute.

**Section 2.** The city treasurer is hereby instructed to invest all funds deposited in such special fund in investments authorized by law, and to add investment earnings to such fund pending expenditure.


**Section 3.** This ordinance shall take effect from and after its passage by a majority of the governing body, signature by the mayor and publication once in the official city newspaper, as provided by law.

**PASSED** by the city commission and signed by the Mayor this 6<sup>th</sup> day of July, 2021.

**CITY OF MCPHERSON, KANSAS**

  
\_\_\_\_\_  
Mayor



  
\_\_\_\_\_  
City Clerk

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