

ANCHORAGE SCHOOL DISTRICT

ANCHORAGE, ALASKA

ASD MEMORANDUM #248 (98-99) March 22, 1999

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: RUSSIAN JACK BUILDING INSURANCE SETTLEMENT

PERTINENT FACTS:

Meetings were held on February 17, 1999 and on March 2, 1999 at the Facilities/Maintenance building for insurance settlement of the cost to repair Russian Jack Elementary. Attendees of the meetings included Ray Amsden, Design Planner; Tom Bibeau, Risk Manager; Kathy Christy, Director, Facilities; Andy Shemchuck, General Adjuster, Factory Mutual System and representatives from USKH and Wick Construction. An agreement was reached for a gross amount of \$5,250,000 for repair, including code upgrades, of the fire damaged building. The insurance company has stated in writing that the total amount can be used for construction of a new building. The settlement for the building does not include restoration and/or replacement of equipment, furniture and supplies or extra expense; for example, the cost of repair and rental of the temporary locations for the students.

The settlement for the building damage portion of the fire loss is fair and reasonable and the Risk Manager was authorized to accept the amount on behalf of the District. The District received a \$2,000,000 advance payment from the insurance company on January 19, 1999. The District will receive a check for \$3,150,000, the balance due after deducting the \$2,000,000 advance payment and the \$100,000 policy deductible.

The Risk Manager will continue to work with the insurance company for settlement of the damaged contents and the extra expense portion of the loss.

BC/JS/tb

Prepared by: Tom Bibeau, Manager, Risk Management

Approved by: Janet Stokesbary, Chief Financial Officer