

**FINANCE COMMITTEE MINUTES**

**OF DECEMBER 10, 2018**

Municipal Council of the City of Vermilion  
Municipal Complex, 685 Decatur Street, Vermilion, Ohio 44089

**In Attendance:**

**Vermilion City Council:**

*Steve Herron, President of Council; Monica Stark, Council at Large; John Gabriel, Ward One; Frank Loucka, Ward Two; Steve Holovacs, Ward Three; Barb Brady, Ward Four; Brian Holmes, Ward Five; Gwen Fisher, Certified Municipal Clerk*

**Administration:**

*Jim Forthofer, Mayor; Chris Howard, City Engineer; Amy Hendricks, Finance Director; Tony Valerius, Service Director*

**Call to Order:**

Brian Holmes, Chairman, RESOLVED THAT this Finance Committee comprised of the committee of the whole does now come to order.

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**TOPIC ONE: Insurance Renewal Update – Jerry Pearl (Ordinance 2018-74)**

Jerry Pearl of Allen-Thorley-De-Lloyd Insurance presented Council with a copy of Exhibit A that accompanies Ordinance 2018-74. He explained the city had losses in the past that dropped off, but the premium still went up as it was based on the rate. He said if you draw an analogy like a homeowner's policy and you buy more contents or another car; it's increasing the amount of exposure you have. He said the reporting of expenditures went up because of a bond the City had done, so the exposure went up and the rate went down, so they did get credit and the premium went up about 9%. On the equipment coverage the city added some new mowers and a new CAT Loader, so the exposure went up. The vehicles increased from 58 to 62 and they added one trailer, so again it's going up in exposure. They also added a couple of boats for the fire department. The premium is \$282,299.00. They are still going back and forth on some of the values, so this can fluctuate down a little bit. He said they have adequate coverage and some technology coverages.

B. Brady said they didn't add vehicles they replaced vehicles, so was this taken into consideration. J. Pearl said they work with the finance department and if vehicles are removed then they are taken off the list and the new ones are added. It was noted the value of new vehicles can also affect the premium compared to the lower valued vehicles.

J. Gabriel asked if the umbrella coverage is in line with a typical municipality. J. Pearl said they went to \$5,000,000 some time ago and it's still relevant, so the city has good coverage.

B. Brady asked if he could predict how much more it will be once they add the fire station and purchase the new ambulance garage. J. Pearl said they could run the rates if the city provides the values. J. Gabriel said they are sitting at \$180,000 for the ambulance garage and roughly \$3.7 million for the fire station, including property. J. Pearl said the ambulance garage would be another exposure for property and liability. J. Gabriel assumed Lifecare would carry renter's insurance on the contents, etc. He assumed there was a procedure for this and J. Pearl said Lifecare needs to name the City of Vermilion on their policy.

B. Brady asked J. Pearl if they looked at other companies and J. Pearl said they have been with Travelers and believed they had one more year left on the contract and noted that Allen-Thorley-De-Lloyd merged with Insurance Partners and it allows them to go out with three carriers.

(Clerk's note: Contract expires 12/31/2020). B. Brady asked if they need to continue with Travelers and J. Pearl said they don't but reminded the city that when the city had \$450,000 in losses, Travelers was with the city, so he would like to at least finish out their contract since they stuck with the City. He said a lot of municipalities can't get insurance.

B. Brady asked J. Pearl to see if the city would save money on their insurance rates if they put a metal roof on the proposed Fire Station.

TOPIC TWO: 2019 Budget Timeline

Amy Hendricks said the administration's plan for the remainder of 2018 is to meet with all members of the administrative team and department heads by the first week of January 2019 to review their needs for the 2019 budget, which will help them evaluate some of the needs. She hopes to have a rough draft for the January 14 Finance Committee, following a final round at the February meeting, so they can adopt the permanent appropriations at the first meeting in March. The final reading on the 2019 Temporary Appropriation Ordinance will be on December 17, and she will have some amendments for 2018 to finalize.

S. Herron thought it was great goal for the administration to have the budget in place by February 2019.

After no further discussion came before the committee, Chairman Holmes adjourned the meeting.

Next Meeting: January 14, 2019 @ 7:00pm

Gwen Fisher Certified Municipal Clerk