London City Council

Personnel, Budget and Finance Committee - Meeting Minutes

20 S. Walnut Street, London, Ohio 43140

August 7, 2023 at 6:00pm

Call to Order by Councilman Peters at 6:00pm

Roll Call – Present –Chair Councilman Peters, Councilman Stahl, Councilman Eades

City Officials/guests in attendance: Sue Mosier – Treasurer, Rex Castle – Safety Service Director, Kenna Combs – Auditor, Glenn Nicol – Police Chief, Kris Miller – Council Clerk, Tommy Boyd, Michael Norman

Minutes – Approval of July, 2023 minutes, approved by 3 voice votes

Auditor's Update

- July books are closed
- Overall (MTD) – Revenue $ 1,968,070.85
  Expenses $ 1,392,344.82
  Overall (YTD) – Revenue $ 13,460,982.13
  Expenses $ 12,293,931.93

Kenna Combs - Noted that expenses were slightly higher than desired, but that they could be managed. Identified a few expense lines to watch closely, including insurance, salaries, and fire pensions. Noted that fire salaries were running slightly high, but low for part-time salaries. Mentioned that the health insurance line was very low, but that fire pensions were running high.

Councilman Eades and Kenna studied line item questions regarding salaries, moving money if needed, equipment maintenance, and LETF fund.

Department heads update:

Taxation: Mayor Closser - Mentioned that tax collection was running over 3% for General Fund and 5% for year.

Treasurer: Sue Mosier – I've mentioned a couple of months ago, but I work well with the Auditor's office, Kenna, Kathy, and Kim. Everything is done timely. We have a good office group.

Street Dept – Kenna Combs - Contract for Water Superintendent is going to be billed monthly. I'm not sure how much money will have to move down, but it can't be paid out of salaries.

Councilman Eades - We have money for that position that's not being filled by a city employee. How do we move it down and pay this contract?

Kenna Combs - We can move money down to operating possibly from salaries.

Councilman Eades - But we don't need to do that yet?

Kenna Combs - No, because we can pay it from the below the line if we need to and then move it. There's money from the below line.

Police Department: Chief Nicol – Just found out today that the insurance for one cruiser that was totaled was offered 25,000. So, I haven't been able to get over the adjuster and argue with them because they don't consider the upfitting cost that we have about 10 grand that we absorb when we try and build that into a new car. July 3rd West High Street accident.

Councilman Eades - Is there a reason why we didn't go through our insurance and subrogate back on them?

Rex Castle - We were advised by our agent to do it directly with the company. Only come to them if we run them into any kind of issues.

Chief Nicols – We are down 4 cars. Noted that they were waiting on the two that they had ordered. Waiting on parts to equip the cars, they were hoping to get two of them back this week.

Old business:

- Selling Parcel 31-02617.003

Rex Castle noted that part of the parcel has tile and is under county ditch maintenance, and that the open ditch is city property. Reported that the Law Director said they could put a minimum bid on the parcel, and that it would be responsible to land on the road back if sold.

Councilman Peters asked if there was any chance to treat the parcel like an alley

Rex Castle responded that it would have to be subdivided and recorded in the county level, and that it would have to be surveyed, which would be too expensive. Noted that the main thing is the buyer wants to add the parcel to their property, and that they could sell it to their neighbors if they wanted to.

Councilman Eades – Does that parcel save/cost money to the city?

Rex Castle – It's costing the city for mowing and maintaining that ditch line. Doesn't bring current or future value to the city.

Councilman Peters suggested a minimum bid of $3,000, which was agreed to

Councilman Eades moved to advertise for bids to sell the property with a minimum bid of $3,000, 2nd Councilman Stahl. Sponsored by Greg Eades

New business:

- Insurance Quotes – Rex Castle
    - We viewed a couple of insurance companies. After reviewing one of them, they were set up in a self-insured, a whole insurance and I think we would look at the city's potential risk if we switched to something like that. They don't continue to cover the claim where other insurance is secured. Price wasn't that much difference in the end. We decided to stay with the company's insurance company.

Councilman Eades – I would have liked to be part of that process. So, the questions I'm going to ask, did you have them review all of your property and make sure that those properly insured?

Rex Castle – Yes, both of them insured the same way. You tell them how much you want to insure for, they make sure your policy costs on the value of that. For example; medic units which cost's way more then what we paid for them to replace them now. We increased the value of what they were with our current insurer.

Councilman Eades – They will honor a stated value? If a medic costs $400,000 and there's a claim that it's four years old, they're going to give you $400,000 or they're going to depreciate those?

Rex Castle – It'll pay up to that amount. If you insure that much. Right now, we don't think we can afford to insure that much money. Because it makes the premium quite a bit higher.

Councilman Eades – What about the buildings the city owns?

Rex Castle - Buildings are a third estimated values up to our policy threshold. So, one claim, collectively had so many million dollars of coverage for multiple claims, but if one becomes a big one, they'll cover up to that amount.

Councilman Eades - So there's an occurrence limit and a yearly limit. So, if the occurrence limit is a million dollars per occurrence, that's the most they would pay for any one occurrence. If you have multiple claims in a year, they can pay three million dollars. So, this building, if you had to replace this building and build it today. It's the thing that you have to be worried about, what would it cost to build this building today?

Rex Castle - I would have to get those policies in front of me, but I'm pretty sure the insurance would cover that. Last time we were doing it with a first three year, that was done prior to me being here. Whatever reason this year came in, one year. So, we could do this process in the next year. We've seen a lot of changes in the insurance industry since we've been paying for those.

Councilman Eades - What are the premiums, comparatively speaking, how much of those go up?

Kenna Combs - $50,000 compared to last year.

Councilman Eades - We'll have to work that into the next budget?

- Federal Grant Award
    - Rex Castle - We're working on this but we haven't received a formal reply, we've received a verbal, but not the formal written reply. 12 – 18 months once offered.

    - Mayor Closser – We just need to wait for the written award so we don't have any false information. This will be something for next year.

Next meeting 9/11/2023 at 6:00pm

Adjourn at 6:46pm