

FINANCE COMMITTEE MINUTES
of December 13, 2021

In Attendance: **Vermilion City Council:** *Steve Herron, President of Council; Monica Stark, Council at Large; Frank Loucka, Ward Two; Emily Skahen, Ward One; Steve Holovacs, Ward Three; Barb Brady, Ward Four; Brian Holmes, Ward Five*

Administration: *Jim Forthofer, Mayor; Susan Anderson, Law Director; Tony Valerius, Service Director; Chris Hartung, Police Chief; Chris Howard, Service Director*

Call to Order: Barb Brady, Chairwoman, RESOLVED THAT this Finance Committee comprised of the committee of the whole does now come to order.

TOPIC ONE: **City's Insurance Coverage (Ordinance 2021-86)**

Amy Hendricks welcomed Matt Arnold from Fitzgibbon Arnold. Matt Arnold said when they got involved last year they were asked to participate in a chance to present their agency and brokerage and how they do things. He said he was born and raised in Vermilion and graduated from Vermilion High School in 1990. His mom still lives in town and his dad passed this year. He said they were awarded the contract in 2021 and it is with Travelers and this year they initiated taking it out to market. They went to eight different carriers, and they asked Travelers to extend rates into February or March to give them more time to get some good options. One of the carriers he believes will be very competitive and will initiate a savings for the city with some strong coverages, and the other one may be around Travelers, and then they will go back to Travelers and tell them where they are at and tell them they have had the account for a long time, so what do you want to do to keep it. They have a wealth of carriers to go to and they have a very experienced staff and he is confident they will knock this number down a bit. When they came in they went to a flat fee, which is a way they handle public entities. A lot of times their cut is commission – it is hard to tell what it is, but it could be up to 15 points, so when they count this \$200,000 or \$300,000 it is quite a bit of money. Honestly, they don't put that much time in to deserve that amount of money, especially when it is public entity. He said they have 90% of the quote from Travelers, but they are still waiting on a few pieces, so it looks like they are up two or three percent. It will be interesting what they will do when they get some other figures.

B. Brady asked if they have noticed any place where the city is way out of bounds. M. Arnold said they did clean some things up over the year – there was an issue on the crime policy. He said Travelers is one of the best crime carriers out there. However, it was with a carrier outside of that, so they moved that into the program and actually saved some money. There are other areas – the city carries a \$5 million umbrella, and it is very expensive, so this is worth having a conversation about if this is where they need to be on this excess amount. They went through and scrubbed all the information and made a few smaller changes. B. Brady said she had suggested pushing the insurance out longer. M. Arnold said if they go through

February or March it will be helpful. B. Brady asked if they would go out to multiple carriers every year. M. Arnold said they try not to do it every single year – they find that the sweet spot is every three or four years, unless there is a bigger problem, or a new carrier comes into play. B. Brady asked if they would write this contract for a longer period than just the one year. A. Hendricks said the coverage will be the same, but rather than doing it every year, they will move to a three-year engagement with options of two one-year renewals, which was offered on the proposal request last year and this year, so it gives them a chance to stabilize the program and get a handle on it.

TOPIC TWO:LifeCare Services

Amy Hendricks and the Mayor met with the LifeCare team earlier this fall to discuss renewals and given their cost of operation it has gone up because of fuel and labor increases. They have been at the \$100,000 since 2019 when they took the services over, so they are proposing \$120,000 a year for those services, and then building in a three-year inflationary cost going forward to avoid bigger increases all in one lump sum. B. Brady asked if this increases it every year automatically. A. Hendricks said yes by three percent.

Mayor Forthofer said in the past four years he has only had one complaint about LifeCare from the public and has had zero complaints from their own first responders who were complaining rather bitterly about their predecessor. He has been very happy with the service LifeCare has given the city and he thought the first responders can attest to the same.

B. Brady asked what happens with the Brownhelm contract. A. Hendricks said they passed the ordinance for that including the increase in rates, so they are aware of that. B. Brady asked if the ambulance service gets the money from insurance companies when they transport. Is this an income stream for them. A. Hendricks said this is correct and it saves the city from having to manage this.

S. Herron asked if there was anything going on with LifeCare or its personnel that will impact the city's service negatively. Mayor Forthofer said they have had conversations with LifeCare, and they have assured the city there is nothing that will affect its operations as the company is fiscally sound. They are just going through an unfortunate series right now and the city has offered to help them cope with it anyway they can. However, they are a solid company and they have assured everything is going forward as normal.

B. Brady asked how the IT side is going – are those costs going up also. A. Hendricks said they are proposed to increase for the same types of reasons. This agreement is not up until October of 2022, so rather to try and get those last details in place, they have agreed to go closer to October to do the renewal, and to get them on a similar timeframe, so maybe they can go month to month for the last quarter of 2022 and proceed forward. B. Brady asked if the city is pretty stable with them. A. Hendricks said they have done a nice job for the city. They had a little bit of trouble keeping technicians staffed when the pandemic hit, but they actually

have been fortunate to add to their staff another person who has a lot of experience.

After no further discussion came before the committee, B. Brady adjourned the meeting.

Next Meeting: January 24, 2022 – 7:00 p.m. @ Vermilion Municipal Complex, 687 Decatur Street, Vermilion, Ohio

Transcribed by Gwen Fisher Certified Municipal Clerk