

**VILLAGE OF SEVILLE**  
**JANUARY 23, 2013**  
**COUNCIL MINUTES**

The meeting was called to order at 6:31 PM by Mayor Gene Sulzener followed by the pledge of allegiance.

This was a special council meeting to discuss and then vote on ordinances 2012-54 and 2013-01.

Present-Mayor Gene Sulzener, Kathy Rhoads, Barbara Schwartz, Larry Landis, Rick Stallard, Leslie Miller

Mrs. Rhoads arrived at 6:36 PM

Absent- Roger Kilgore

Dan Buser and Kelly from Crain Langner were present at the meeting to answer any questions Council had concerning the procedures used or the recommendation of Crain-Langner.

The Mayor said that he had not had time to review the recommendation prior to the meeting.

The information was received from Crain-Langner on Tuesday, January 22<sup>nd</sup> at approximately 3:00 PM.

Mr. Landis had questions about the timing of the receipt of the recommendation letter from Crain-Langner. He asked why the letter had been sent to only Mrs. Schwartz and BOPA Trustee Kieran O'Rourke but not to the rest of the Council members. Mr. O'Rourke had sent the information to the Fiscal Officer approximately 1 hour and thirty minutes after he had received the information. Mr. Landis did not feel this was adequate time to fully read the recommendation.

Mr. Landis said that the cost of the Ohio Plan was \$46,470.00 and the PEP Plan was \$43,982.00. The rebate from PEP from was \$13,000.00 if the plan was dropped. The recommendation letter said there would be a \$17,721 saving if the Ohio Plan was used. Mr. Landis asked for further explanation from Crain-Langner on how they arrived at those numbers. Mr. Landis said that it seemed that the Village would have to spend almost \$3,000.00 more if the Ohio Plan was selected.

Mr. Buser explained that the money being returned from PEP was not an actual rebate but a return of an encumbered amount. The true cost for the PEP plan was less by \$3000.00 but that was attributable to an increase in coverage differences between the two plans. Almost \$2,000.00 of the difference was an increase in the liability coverage that Crain-Langner had recommended from the beginning of the process. An "Apples to Apples" comparison of the two plans was nearly impossible because of the coverage differences. Mr. Buser said that the coverage for the Ohio Plan was actually less than the PEP Plan. Mr. Landis said that the Ohio Plan did not offer Cyber Liability coverage whereas the PEP Plan offered the coverage. Crain-Langner did not believe that the coverage offered by PEP was not to the recommended level.

Mrs. Rhoads said that if Council chose the Ohio Plan, there would be an additional premium charge for "Nose Coverage". Kelly confirmed this.

There is no return of investment with the Ohio Plan. The Ohio Plan does offer a discount based on the length of time an entity is in the Plan.

Mr. O'Rourke was troubled by the offer from PEP for tail coverage for \$34,000.00 for coverage that was not available.

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Mrs. Miller voiced her concern over the timing of the recommendation letter. She asked if all of the bidders had met the deadline criteria. Kelly said that deadlines were extended to allow for the best options for the Village. Mrs. Miller expressed that it would have been better if everyone on Council had been given regular updates on the process.

Mrs. Schwartz said that because several Council members did not have a chance to review the recommendation letter, extending the deadline should be considered. This would allow everyone to review the recommendation. Mr. Buser said that he would be available to come back to a future Council meeting to further discuss the recommendation. The Mayor asked if everyone was comfortable to move forward at this meeting. There was no motion to extend the deadline.

Mrs. Miller asked "bottom line" why Seville should change carriers. Mr. O'Rourke said that one reason that Seville was not viable in the open market was because commercial markets were hesitant to quote because Seville had no way out and they had nothing to offer us. Seville will always be in the situation of not being viable in the market and get the wide range of options and prices that the Village deserves. Until Seville becomes an attractive risk to a large number of companies, Seville will never know what it can get with its' insurance buying dollars. This move, while not a one-time deal, will allow Seville to move to the Ohio Plan and an "Occurrence Based" policy and get the "prior acts" coverage the Ohio plan is offering at a low price plus the expanded coverages also being offered. From the beginning, the thought process was that the Village probably would not be changing insurers again for another three years. At the end of that period the current specs can be updated and the prior acts coverage that would make the Village less attractive to big commercial companies would no longer be a factor. This would attract more bids and better prices in the future. By being in a pool, the Village's ability to attract larger companies to bid on the insurance is hampered. PEP is such a pool. The money we would receive from PEP if the Village withdraws from the plan is approximately \$13,000 and would go directly into Village funds. Mr. O'Rourke stated that his research indicated that the Ohio Plan offered superior services in the areas of loss prevention, safety, and valuation services. The Board of Public Affairs operation is property intensive. The new E.Q. basin, substations, are examples and BOPA needs the better services offered through the Ohio Plan. Mr. O'Rourke agreed with the recommendation from Crain-Langner that the Ohio Plan was the best one for Seville. The prices were comparable and there were nine increases in coverage in the PEP plan, cyber coverage notwithstanding.

Mr. Landis had a question on item 4 of the recommendation and the policy for sewer back-up liability. Mr. O'Rourke explained that the sewer back-up liability was third party coverage. BOPA has not had a claim but the increased amount. The "failure to supply" was for water or electricity was recommended by Crain-Langner. The Ohio Plan had a \$500,000 limit for this while the PEP plan had no provision for "failure to supply". The Ohio Plan is approximately twice the size of PEP. They have more experience dealing with utilities and the infrastructure in a village like Seville.

The option to have larger companies would enhance the Villages loss assessment program because the larger companies can provide services the PEP does not and they are included in the premium.

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PEP does provide some loss assessment programs but not at the levels a larger company provides.

Village events such as the Easter Egg Hunt would be covered by either plan. Mrs. Miller said that was nice to have PEP which was in town Seville rather than the Ohio Plan which was out of Wooster.

Mr. Buser said that even if the prices were the same he would recommend the Ohio Plan because of the flexibility and the greater control it offers in future years.

The "prior acts" coverage offered by the Ohio Plan goes back in time for acts that the Village is unaware of. This coverage would not be needed if the Village selects PEP. We have to have this coverage if the Village selects the Ohio Plan. While not always needed, there are instances where "prior acts" coverage is essential.

Mrs. Schwartz noted that it had been previously recommended by the Government Committee that Council accept the recommendation of Crain-Langner. Crain-Langner was hired for their expertise since no one on Council had the expertise to undertake an insurance audit like this.

The Ohio Plan is providing the increased coverages recommended by Crain-Langner, for a slightly higher price than PEP quoted. The higher price is offset by the other advantages of being in the Ohio Plan. Crain-Langner recommended the Ohio Plan.

Mrs. Miller pointed out that she would prefer a local agent.

The Village would be able to work with either company to select the attorney used in the case of a law suit.

The ordinance should be amended to read "to enter into an agreement for obtaining risk transfer coverage from PEP, a self-insured pool authorized by the Ohio Revised Code".

Mr. Landis moved to amended ordinance 2012-54 as noted. The motion was seconded by Mrs. Miller. The motion passed unanimously.

Mrs. Miller moved to remove ordinance 2012-54 from the table. The motion was seconded by Mrs. Rhoads. The motion passed unanimously.

**ORDINANCE NO. 2012-54**

**AN ORDINANCE OF THE VILLAGE OF SEVILLE, MEDINA COUNTY, OHIO, AUTHORIZING THE MAYOR AND THE FISCAL OFFICER TO ENTER INTO AN AGREEMENT FOR OBTAINING PROPERTY AND LIABILITY RISK TRANSFER COVERAGE FROM A SELF INSURED POOL AUTHORIZED BY OHIO REVISED CODE.**

Mr. Landis moved to add emergency language to ordinance 2012-54. The motion was seconded by Mr. Stallard. The motion passed unanimously.

Mr. Landis moved to suspend the three reading rule for ordinance 2012-54. The motion was seconded by Mrs. Rhoads. The motion passed unanimously.

Mr. Landis moved to adopt ordinance 2012-54 as amended using the PEP Plan. The motion was seconded by Mrs. Rhoads. Voting for the motion were Mr. Stallard, Mrs. Miller, Mrs. Rhoads, and Mr. Landis. Mrs. Schwartz voted against the motion.

**ORDINANCE NO. 2013-01**

**AN ORDINANCE OF THE VILLAGE OF SEVILLE, MEDINA COUNTY, OHIO, AUTHORIZING THE MAYOR AND FISCAL OFFICER TO ENTER INTO A CONTRACT WITH TIME WARNER CABLE FOR THE PROVISION OF TELEPHONE AND INTERNET SERVICES FOR THE STREET AND PARKS**

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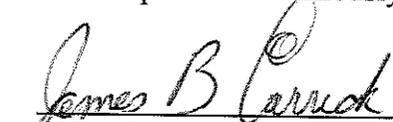
DEPARTMENT AND DECLARING AN EMERGENCY.

Mr. Landis moved to add emergency language to ordinance 2013-01. The motion was seconded by Mrs. Rhoads. The motion passed unanimously.

Mr. Landis moved to suspend the three reading rule for ordinance 2013-01. The motion was seconded by Mrs. Miller. The motion passed unanimously.

Mrs. Miller moved to adopt ordinance 2013-01. The motion was seconded by Mrs. Rhoads. The motion passed unanimously.

Mrs. Schwartz made a motion to adjourn. The motion was seconded by Mrs. Rhoads. The motion passed unanimously. The meeting adjourned at 7:52 PM.

  
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JAMES CARRICK  
FISCAL OFFICER

  
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GENE SULZENER  
MAYOR