

# City of Bay Village

Council Minutes, Committee Session  
Conference Room

June 11, 2012  
7:30 p.m.

Paul A. Koomar, President of Council, presiding

Present: Clark, Koomar, Lieske, Miller, Pohlkamp, Tadych, Mayor Sutherland

Not Present: Mr. Young

Others

Present: Law Director Ebert, Finance Director Presley, Service Director Galli, Police Chief Wright, Fire Chief Lyons, Community Services Director Bock, Recreation Director Enovitch, Operations Manager Landers

President of Council Paul A. Koomar called the meeting to order at 7:30 p.m. in the Conference Room of Bay Village City Hall and the meeting was open to the public.

## **AUDIENCE**

The following members of the audience signed in this evening: Kent Silverberg, Warren Remein, Tara Wendell

## **FINANCE & CLAIMS COMMITTEE**

### **General Liability Insurance**

Finance Director Presley advised that the city's general liability and property insurance renewal is due June 15. The McGowan Companies has been the insurance provider for the city for many years, and Mr. Colin C. Dean, Managing Director was present to address the City Council. Mr. Presley prefaced Mr. Dean's comments by advising that there have been shrinking markets as far as the number of companies coming out to insure municipalities, there has been some consolidation of entities with very few new ones coming into play. The renewal for 2012 and 2013, Travelers Insurance, the city's current program, has offered renewal rates which are higher than last year's rates. Argonaut Insurance has offered coverage at approximately \$12,000 less but the coverage is different. Discussion tonight will include a ratification of the decision of Council which will be presented by ordinance on Monday, June 18, 2012.

Mr. Dean addressed the Council and administration, stating that the City of Bay Village has had some major issues with claims over the past few years. In this market place, which is generally firming, there is a hardening of rates, conditions and terms. For insurance companies, there has not been enough investment income to offset losses created by claims. This has resulted in increases in premium for most risks regardless of what the individual losses for that risk might be. If the risk has experienced more adverse loss situations, premiums are higher than average.

This is the case with the City of Bay Village. The premiums that have been secured are reflective of the market change, plus a reflection of the individual risk losses. Travelers Insurance has, even though they have suffered a quite dramatic loss, still offered renewal terms. Most carriers faced with this kind of loss experienced would not renew the policy. Mr. Dean does not believe that the increase, although large, is that bad with considering the market and the way the city's losses have trended the last few years.

A comparison quotation has been received from Argonaut Insurance Company, which is about \$11,000 less than the Travelers Insurance renewal offer. Mr. Dean stated that the cities of Westlake, Fairview Park and Rocky River have signed contracts with Argonaut Insurance. He is not sure that they would have given renewal terms as favorable as those given by Travelers Insurance. From a dollars and cents standpoint, Argonaut Insurance is cheaper, they have acted responsibly to the neighboring suburbs, but they have not been faced with a difficult risk. Bay Village now would be considered a fairly difficult risk for placement. Mr. Dean stated that as an agent he would look at the dollars and cents, and the opportunity to continue the relationship with the carrier that been decent to the city over the last few years. If it were his decision completely he would give close consideration to stay with Travelers Insurance Company. They haven't abandoned the city after some very adverse losses, they've done a remarkable job with claims, and the recommendation would be to stay with Travelers Insurance Company.

Mr. Koomar asked if the policies both companies are offering are identical.

Mr. Dean stated that they are very close. There was one loss with the city on the salt storage barn that was caused by unknown decay. That was covered under the Travelers contract. The collapse caused by unknown decay would not have been covered by Argonaut Insurance Company or any other insurers. Unknown decay is extremely rare, and will probably not occur in the City of Bay Village in the next ten or twenty years. It was an unusual situation caused by storing the salt in a concrete block and steel building. Peril or collapse is generally covered under most policies, but the peril of unknown decay is a specific enhancement to the Travelers contract.

General liability insurance is bodily injury or property damage. The general liability policy is going to covered liabilities such as falls, libel, slander, false arrest, and damages to third party property as a result of city negligence. It is a liability issue, but not something that Travelers might necessarily be better at than Argonaut. From a liability standpoint, most carriers are going to be pretty much the same.

The City of Westlake and the City of Rocky River have been with Argonaut Insurance for four years. Fairview Park has been with Argonaut Insurance for three years. Previously, Westlake and Rocky River were covered by Travelers Insurance, and Fairview Park was a combination of carriers. Deductible terms for both quotes are identical.

Mr. Clark asked about the credit rating for both companies. Travelers is A+15; Argonaut is A+12, both superior. Mr. Dean stated that there is no concern on his part on their ability to pay.

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Mr. Tadych noted Mr. Dean's comment about Bay Village having a significant claim history. He asked if there is something the city should be doing to reduce that claim history. Mr. Dean stated that most of the major claims have been involved with property: hail storm, garage fire and salt storage building. When insurance companies look at losses, they tend to look at small losses that may give rise to large claims. That has not been seen, but the city has been hit with large losses.

Mr. Koomar asked Mr. Dean about the two companies from his experience with claims. Mr. Dean stated that with large claims you look to try to institute policies and procedures for reporting, analysis or review to try to minimize those claims for the future. He stated that it is not like the City of Bay Village has been faced with a whole ream of small claims, but a series of fairly large claims. History of payment of claims has been the same with both companies. Travelers and Argonaut would meet their contractual obligations but an offering to renew and continue coverage may not be received. If Argonaut was on the account right now, and Travelers was offering a competing quotation, Argonaut would probably just drop the account. They have done that in the State of Ohio.

Mr. Pohlkamp stated that it seems from a strategic standpoint in the future we would be better off going to Travelers now because Argonaut could be used as a stalking horse that has not had to cover the front of our serious claims and would still be aggressive in price. Whereas, if we go with Argonaut now, the chances with our claim history having a stalking horse come in is not that good.

Mr. Clark asked if there were a major event or something happening at city hall similar to the other extraordinary events, would replacement proceeds be similar with both companies. Mr. Dean stated they would be similar and contracts would be replacement costs. There would be appraisals, review of loss and an estimate of loss. Both companies are bound by the contract they have in place; that determines how they are going to adjust loss. Both companies would approach claims essentially the same. The question is, though, would Argonaut offer terms after they had a major claim.

Mr. Tadych asked if the same comments could be applied to Travelers Insurance Company. Even though Travelers has increased premium significantly, in the future if we had another significant claim they could be bowing out of the picture. Mr. Dean stated that they could, but their experience with the city in the past five years indicates that they have absolutely been a very good partner. From an agency standpoint, there is a monetary value to the posture they take with the account. Everyone is raising prices right now, regardless of costs.

Mr. Koomar asked if the city has claims pending. Mr. Presley stated that the hail storm damage is pending and going into the process of arbitration. That process may take six months from the initiation date of May 1, 2012. Mr. Koomar asked if there are any thoughts of how the city would be treated in the process, whether we were currently insured with Travelers or not. Mr. Dean stated that he does not think it would make any difference if the city is insured with them or not. They have to meet their contractual obligation. That should not be a deciding factor in deciding on placement of the policy.

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Mr. Dean stated that if the city chooses to go with Argonaut Insurance and they cancel the policy after a year, he is not sure if Travelers would offer a renewal quotation.

Mr. Dean stated that his recommendation would be to stay with Travelers Insurance Company. They have treated the city well, they know the risk, and they haven't abandoned Bay Village.

Mr. Koomar polled the members of the Finance Committee for their comments.

Mr. Tadych stated that next year looks dismal financially when you take into account all the cuts from the state.

Mr. Koomar stated that you must take into consideration the long term prospects as well, not just one year.

Mr. Clark stated that his biggest concerns are that if we do drop Travelers now, they may not be back at the table next year. You also can't help but think the arbitration that we are in right now works a little bit better if we are still with them.

Mr. Tadych asked if there are other insurance companies out there. Mr. Dean stated that there are not a lot of companies out there. There is another company coming into Ohio, the Britt program. They are not quite ready to transact business but they may be around next year. There are a couple of others, but they are not really marketable. Scottsdale is extremely high priced and you must go to different companies to fill out the policy, which is not economically favorable. It is really a very limited number of companies out there.

Mr. Clark asked Mr. Dean if the major claims that the city has had all occurred in the last six to seven years. Mr. Dean stated that they occurred in the last five years.

Mr. Koomar asked if the city were to stay with Travelers for the next 12 months and the claim history was decent, would Argonaut come back to the table with a bid next year. Mr. Dean stated that his company does a lot of business with Travelers and with Argonaut. He believes they can get Argonaut to come back to the table, as of this moment in time, depending on what happens in the insurance marketplace. The Britt program might be able to be brought on board as well. If the city has a good year for the next twelve months, it will be in a better position to get some tweaking on the rate and get terms from Argonaut, Travelers, and possibly the Britt program.

Mr. Presley stated that his biggest concern would be having another adverse year after going with Argonaut, resulting in Argonaut canceling and Travelers not coming to the table.

Mr. Pohlkamp recommended staying with Travelers Insurance. Agreement was expressed by Mr. Clark, Mr. Tadych, and Mrs. Lieske. Mr. Clark noted that the cost is one percent of the General Fund budget for the year. If the field clears next year, we might be in a different position.

Mr. Dean was thanked for his presence and review this evening.

## ANNOUNCEMENTS

**Mayor Sutherland** stated that at the last meeting there was discussion about inviting the Cleveland Water Department in to give an update as to exactly what is going on with the automatic meter reading transition. The representative from the Cleveland Water Department informed the Mayor that they have seventy communities and are very short staffed. They are doing a series of community meetings. They have one in Strongsville on June 15. They are looking to do another in the west shore area. In the meantime, they have provided packets of information, which the Mayor distributed to Council. Repeaters will be placed on poles throughout the city so that the meter readers can gather information. Meters will be connected to Endpoints on the exteriors of the homes. Workers will have to gain access to homes with indoor meters initially to make sure the meter is connected to the system. As soon as another informational meeting is scheduled, the Mayor will let Council know and the residents will be informed. The members of Council thanked the Mayor for the information provided. Mr. Tadych stated that he will be able to report first hand since one of the residents in his ward is scheduled for the work.

Mayor Sutherland commented that with this project and the Gas Company project there there is a lot of investment in infrastructure work going on in the city. Mr. Koomar noted that the Gas Company has done a nice job working with the residents. The only comments have been with the reseeding required, but the Gas Company has been very prompt in taking care of it. The Mayor suggested that any concerns be forwarded to her administrative assistant who will follow through with the Gas Company. Mr. Tadych asked if they are going to go through the entire city. Mayor Sutherland stated that some of the areas on the western end may have PVC pipe. They seem to be working in the older areas to replace the copper pipe with PVC. Mr. Tadych stated that they have stopped at Huntmere Road, and don't seem to be going east toward Rocky River. The Mayor stated that they are making their decisions based on the pressure on the street. They do advise the Mayor's office several months ahead of time of the direction they will be working and where they will construct. They contact the neighbors and hold an informational meeting. Mr. Koomar noted that the meeting held in January was attended by the entire construction crew. Another planning cycle may be coming at the end of the year.

Mr. Warren Remein, resident and member of the Bay Village Green Team, stated that he is present to speak relative to the solar energy ordinance that is proposed for adoption. Mr. Remein advised that his background is architectural design and construction. They were glad to see the Capstone Baldwin-Wallace students work on the solar ordinance, but there has been some miscommunication. There is a large body of information that Mr. Remein received only last evening. He asked that the city table the ordinance until there can be a dialogue between the residents and the Green Team and any others interested, to really take a look at this ordinance. Mr. Remein commented further that the solar ordinance is good as far as it goes, but it really doesn't address sustainability in a general format or framework. There may be an opportunity missed to address sustainability as a core value of the city. Cities that do not adopt a sustainable forum are going to be the same as companies that don't adopt green practices. It is going to cost them more; property values or capital assets will go down in value. There needs to be further dialogue between the city, the Green Team, and other residents. Mr. Remein stated that there are

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specific issues that he can speak to at greater length. There are standards that are referenced that have no place in a zoning ordinance or a building ordinance. There are editorial issues. He noted that the Capstone students did a remarkable job with a very large body of information to digest.

Mr. Koomar advised that Clete Miller is the Chair of the Planning and Zoning Committee. Mr. Miller and Mr. Remein have communicated through email. Mr. Koomar suggested that Mr. Miller and Building Director Dan Galli confer and get back to Council as far as the next step in pursuing this effort.

Mayor Sutherland introduced Chris Alvarado from the Cuyahoga County Planning Commission who has been advising the Baldwin-Wallace students. The Cuyahoga County Planning Commission has been working on the city's sustainability master plan.

Mr. Alvarado stated that in mid-April the Baldwin-Wallace students did send emails to the Green Team updating them on what they were doing. They were working with the understanding that the communication that was taking place was adequate. It wasn't until recently that Mr. Alvarado learned that there were specific concerns by Mr. Remein. Mr. Alvarado stated that he has been reading the concerns Mr. Remein sent on April 19, 2012 about some of the language in the ordinance. Mr. Alvarado stated that the language is consistent with many of the ordinances that have been enacted in northeast Ohio. Much of it is based off of solar ordinances that the Chagrin River Watershed Partners for their member communities. Mr. Alvarado stated that he would be happy to re-review the ordinance and answer some of the specific questions. There is a commitment on the part of the Cuyahoga County Planning Commission to keep working with the Green Team and Bay Village Government to get this to a point that meets the needs of residents who want to install these panels.

Mr. Tadych asked if the Building Department issued a permit for solar panels recently for a home in Ward 1. He stated that the home is well-filled with solar panels. He asked if there was guidance in permitting this construction. Mr. Galli stated that the manufacturer's recommendations were followed, and he believes it was done by special permit. Mr. Miller asked if the resident went to the Board of Zoning Appeals for a permit. Mr. Tadych stated that he does not believe they did go to the Board of Zoning Appeals.

Mr. Clark asked if there is a timing urgency to pass this legislation. Mr. Miller stated that there is nothing urgent about the ordinance. It is something that the Planning, Zoning, Public Grounds and Buildings Committee worked on with the students and conveyed to them that they would get the ordinance moving in June.

Mr. Koomar stated that in the next 30 days, after the beginning of summer recess, Council may have a special meeting to take care of pending items. If the committee is moving forward on the ordinance, there will be an opportunity for consideration.

Mr. Pohlkamp stated that when the committee first looked at this it was a combination of solar and wind energy systems. The committee decided that it was not realistic to attack both technologies in that window of time, and thought the process would be more effective overall if

the technologies were studied one at a time. They concentrated on solar energy first because there is a much better chance of Bay Village residents taking advantage of solar power at present. There are a lot of communities trying to pass similar legislation. While we are not in a hurry to get this done, it would be nice to get this completed within the next couple of months. Mr. Pohlkamp suggested that another Planning and Zoning Committee Session might be of interest to anyone wishing to participate in further discussion. Mr. Alvarado stated that he would be happy to participate.

Mr. Miller stated that the ordinance will be dropped back to the committee at this time for further discussion.

### **ENVIRONMENT, SAFETY AND COMMUNITY SERVICES COMMITTEE**

**Mr. Clark** stated that the Environment, Safety and Community Services Committee has been assigned the concept of political signage and how many days prior to an election that signs can be posted, given the fact of absentee voting. The existing ordinance will be revisited. Mr. Ebert stated that he can have the ordinance prepared for the June 18 meeting of Council. Mr. Clark cautioned against making a rush decision, and he could hold a committee meeting for further deliberation.

Mr. Tadych noted that currently the sign regulations for political signage are minimal when compared to surrounding communities. He would not favor making it very broad, although he would like to add additional time for posting the signs. The Mayor stated that it is necessary to balance the time that people are permitted to send in their ballots with the time the signs are allowed to go up. If the signs are going up the day they get their absentee ballots, it is not cost effective for candidates. She suggested the possibility of allowing signage two weeks before the absentee ballot voting begins. The trend is to more absentee ballot voting.

Mr. Koomar suggested that an Environment, Safety and Community Services Committee meeting be scheduled and report back to Council after working with the Mayor and Law Director.

Mr. Clark reported that Ordinance No. 12-46 amending codified ordinance section 721.07 (a) and (b) regarding peddlers and solicitors has been placed on First Reading. There have been some changes in the calling hours as far as when solicitors can and cannot approach residents' homes. Mr. Clark stated that he has received some good feedback on the ordinance. Detective Mark Spaetzel has provided some good points and changes will be made to the ordinance. Mr. Tadych agreed with the idea of Mr. Clark to increase the permit fee for solicitation. Mr. Clark stated that the details are still to be worked out on the fee structure and the necessity of the solicitors to provide more background information before obtaining a permit.

### **PUBLIC IMPROVEMENTS, STREETS/SEWERS/DRAINAGE COMMITTEE**

**Mr. Pohlkamp** stated that his committee will schedule another Sunset area meeting regarding improvements to the area this summer, inviting residents in the area to the meeting.

Mr. Pohlkamp asked Mr. Galli if he had any further updates on any requests for proposals pending. Mr. Galli reported that bids will be opened for the Aerial Sewer Project on Friday, June 15, 2012. There is a meeting with a consultant and an electrical manufacturer regarding the Dover Center Road tennis courts on Wednesday, June 13 to discuss lighting options. Approval to advertise for bids will be sought in order to proceed with the Cahoon Road Sanitary Sewer Project, hoping to begin work in July.

#### **FINANCE AND CLAIMS (continued)**

**Mr. Presley** advised that he is working on the bond issuances for street improvements and vehicle replacements. It is hoped that the information will be provided to Council on Friday, June 15.

Mr. Clark stated that he spoke with Mr. Presley about the tax budget for 2013, which normally must be submitted by July 15, 2012. The city will file for an extension until September. The committee has discussed looking at projections for next year.

Mr. Presley provided Council with tablets and a docking station to enable them to receive their Council kits electronically to alleviate some of the paperwork. Mr. Presley offered a learning session with Bailey Communications to assist with integrating this system of transmittal. Mr. Presley stated that the tablets were achieved through paying for certain items and the reward points were redeemed over a long period of time. They were not purchased out of an operating budget.

Mr. Koomar stated that he would like to review this from an organization standpoint.

Mr. Miller commented that they may not get everything that comes through via email. He suggested using a Drop Box system for Council. The Mayor noted that the Drop Box is cloud based and it is not required to be saved to anything.

Mr. Koomar stated that he would like to meet with Mr. Presley to see how he is envisioning this from a flow standpoint and to make sure Mr. Presley is getting input from Council.

#### **PLANNING, ZONING, PUBLIC GROUNDS AND BUILDINGS COMMITTEE**

**Mr. Miller** advised that a meeting of the Planning, Zoning, Public Grounds and Buildings Committee will be held in the near future.

#### **RECREATION & PARKS IMPROVEMENT COMMITTEE-Lieske**

**Mrs. Lieske** had no report this evening.

Mr. Koomar stated that someone had gotten access to lights last evening in Cahoon Memorial Park. Recreation Director Enovitch sent out communications to refresh everyone's memory. The Mayor stated that Mr. Enovitch sent out an email to all the groups to remind them that the keys that they have been given for any of the city property, including the lights, are not

transferrable. Someone had a key last night, was able to get in and turn the lights on and there was a pick-up baseball game going on. Mr. Ebert stated that the police addressed the situation. The Mayor stated that they will continue to monitor.

Mr. Koomar stated that he was at the Family Aquatic Center for opening day on Saturday, June 9. Everything looked to be in good order and the pool had good management. Mr. Enovitch stated that there were 900 people at the pool on Saturday. Over \$7,000 was taken in at the concession stand last week.

### **SERVICES, UTILITIES & EQUIPMENT COMMITTEE-Tadych**

**Mr. Tadych** commented that when he was on vacation in the Florida area, he met a group at No Name Key that is determined not to have any electricity on the island. They are eager to talk to people about either wind or solar energy. He suggested that the committee get in touch with the people. They do not want any electricity on their island and are looking at solar energy as a means to accomplish this goal.

### **MISCELLANEOUS**

**Mr. Koomar** advised that he put together a tickler list of things that need to be taken care of prior to the summer recess. The sidewalk repair program is underway and the street resurfacing contract for 2012 was awarded on June 4, 2012 by Council. Chief Lyons discussed a pending fire truck purchase, stating that he has been researching several manufacturers. Information should be ready to present to Council the first week of September. Bay Days celebration has been approved. An extension for the filing of the 2013 Tax Budget will be taken care of by Mr. Presley administratively without the need for Council action. A Firefighters FEMA Grant Program will be presented prior to Council recess. Mr. Presley is preparing the bond issuance for 2012, and certification ordinances for unpaid tree removal, sidewalk repair, sewer rental, refuse collection and grass cutting charges will be prepared prior to Council recess. Resolutions for monthly fund transfers will be prepared for June and July prior to recess. A motion will be placed on the last meeting in June to recess meetings of Council for the months of July and August in accordance with Section 2.10 of the Bay Village City Charter. Mayor Sutherland will present a compensation ordinance for the June 18, 2012 Council meeting for a temporary fill-in that will be discussed this evening at Executive Session.

Mr. Tadych asked about the stairs at Columbia Road Park and the possible crosswalk for Lake Road at Columbia Road Park. Mayor Sutherland stated that \$5,000 for the necessary traffic study is not in the budget. Mr. Koomar asked Mr. Clark to review further. Mr. Galli stated that Council has authorized an advertisement for bid for the stair work at Columbia Park. Drawings are being prepared.

In compliance with Section 121.22 of the Ohio Revised Code, Mr. Pohlkamp **MOVED** to adjourn to Executive Session at 8:57 p.m. regarding, contracts labor contracts, personnel, and litigation.

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Roll Call Vote: Yeas- Clark, Koomar, Lieske, Miller, Pohlkamp, Tadych. Nays – None.  
**Motion carried 6-0.**

Council reconvened in an open meeting at 9:56 p.m. Present were: Clark, Koomar, Lieske, Pohlkamp, Miller, Tadych. Also present: Mayor Sutherland, Law Director Ebert, Fire Chief Lyons.

There being no further business to discuss, the meeting adjourned at 9:56 p.m.

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Paul A. Koomar, President of Council

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Joan Kemper, Clerk of Council