MR. McDONALD: I'll call the meeting to order and ask Ms. Cooks to call the roll.

MS. COOKS: Mr. Benjamin?

MR. BENJAMIN: Here.

MS. HOEFLING: Here.

MS. COOKS: Mr. McDonald?

MR. McDONALD: Here.

MAYOR LICASTRO: Thank you. Let me offer this as a preface. So we have in the packet -- we're back in open session. There were no votes or decisions made in executive session.

We went back in open session about two minutes ago. We're now in the Finance meeting, which has been opened by the Chair, the roll has been called.

And do you want to go through prior minutes before we start, ask for approval?

MR. McDONALD: Yeah, I'll ask for a motion to approve the prior minute meeting minutes. Motion.

MS. HOEFLING: Approve.

MR. BENJAMIN: This is last month. I was absent last month.

MS. BURKE-JONES: You couldn't approve the one before either.

MR. McDONALD: Somebody move it and I'll vote on it. If you weren't here, don't vote.

MS. HOEFLING: I was here. So move.

MR. McDONALD: Second.

MAYOR LICASTRO: Okay. I'm assuming you're all in favor?

MR. McDONALD: Yes.

MS. HOEFLING: Aye.

MR. BENJAMIN: One abstention.

MAYOR LICASTRO: Thank you. So it's been an interesting month. We got notification from Tokio Marine that they were dropping us as a client, which, of course, is never a good thing.

We reached out to Karen Bockelman and she's been with Custis Insurance. They've been our insurance agent for many, many years. And to her credit, she realized this was a big thing to process so she reached out to Wichert Insurance and we have Rich Studenic at Wichert Insurance that has come up what we think is the best option going forward.

They're going to give us some background on the process. We're not going to dwell on that. Basically in the last 12 years, our claims have exceeded a million dollars. Our premiums approach 700,000. So when you're an insurance company, you look at those numbers. They're there to make a profit. That's not profitable.

And when HCC dropped us, I think it sent shock waves through the industry, because they're usually the go-to when it comes to insuring public entities.

So I'll turn it over to one or both of you for a quick recap on where we are and how we got there.

MS. BOCKELMAN: Hi, I'm Karen Bockelman from Custis Insurance. Actually, I used to be a Custis. And we've been the insurance agent for the Village for probably 20 years maybe.

MAYOR LICASTRO: It predates me.

MS. BOCKELMAN: And we received notification from our current insurance company that due to the losses they were not going to renew. Since public entity business is a very specialized market. There are only probably in Ohio about half a dozen agents that do that. And then there's also fewer companies that actually insure public entities because of all the things you have besides just
buildings and your cars. You know, you have your
public officials and your law enforcement and all
sorts of things that go into writing a public
ten entity.

So I reached out to my standard markets.
And of the three that I usually work with, I got
two that were willing to look at it and the other
two told me no. Then I reached out to the
Wichert agency, which is an agency in Cuyahoga
Falls that is kind of like Custis Insurance, a
family business. I’ve known the Wicherts now --
the granddaughter is now part of that, her
father, who I’ve dealt with over the years. And
they’re very similar to Custis Insurance in the
way we treat our clients. We work hard to do the
best we can. We’re not just there to collect the
money and say, sorry, talk to the claims people.
We’re there to help.

So I reached out to them knowing that
they had markets that I didn’t have access to.
And they also had Rich, who’s a claims
specialist. It turns out Rich and I worked
together when he worked at another company and so
I reached out to them for guidance.

We talked about trying to do what is
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called an SIR, Self-Insured Retention, where
usually a company would put, say, $100,000
deductible on things, trying to find something
for the Village and got shut down with that.

Even went to pools, got shot down by two pools.
But between the Wichert agency and
myself we were able to come up with two quotes,
but they are not going to entail public officials
liability. They're just going to do the
buildings, property, auto, and law enforcement.

So it’s not a perfect solution, but it’s better
than nothing.

MR. McDONALD: Does everybody understand
what public officials liability is?

MS. BURKE-JONES: Yes.

MAYOR LICASTRO: So the policies were --
the policy we're looking at tonight does not have
public officials liability, which is a key
component, but it's not there and it won't be
there until we have enough years of a better loss
run that we're more insurable. Why don't we have
Rich.

MS. BOCKELMAN: This is where Rich comes
in.

MR. STUDENIC: Thank you. As you all
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first met Rich, but Rich is -- Rich is beyond
that. 10 of our neighbors have what’s called a
Northeast Ohio Regional Municipal Pool, Insurance
Pool. And when I was in Solon, Solon was one of
those 10 communities.

And in those 10 communities, Rich ran
the pool, at least as far as the claims, not only
the claims management, but the claims defense of
those pools. And as Law Director of Solon, I was
part of the defense of the claims against the
City of Solon and the other nine law directors of
the other nine communities if they were qualified
to do so, they did the same thing.

And that pool, that pool itself would be
my eventual endgame for the Village, because that
pool is very well run. And the premiums you pay
are much less than what you’ll be seeing here
today, but we don’t qualify just like we don’t
qualify for these other pools.

You all should -- and some of our
employees staff should be checking your personal
insurance policies to make sure that you have
coverage for what you do as a council member,
because if there is a suit, there may be an issue
where you may need your personal coverage to come
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1  into play.

We are going to try to create a good
risk environment. We have current lawsuits which
are pending. And we’ve had collision claims with
our vehicles, which will cause a $2,500
deductible, I believe, Rich, on the policy that
we have selected.

MR. STUDENIC: It is being increased to
that.

MR. MATTY: We’re being increased to
$2,500. I know the Chief is putting in some
practices for the -- better practices for the
police division so we don’t keep incurring our
cost, at least as it relates to property damages
on those vehicles. I believe one of the things
he mentioned to me was we’re going to be changing
from black cars to white cars.

MAYOR LICASTRO: You’ve already seen
that.

MR. MATTY: So that they’re more
noticeable. Again, so that Council knows, these
totaled cars are not our police officers' problems. They’re not cautioned by our police
officers. They’re caused by people who are
either drunk, high or don’t pay attention on the
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freeway when our police officers are out there
trying to protect the public.

The last police officer who got hit and
his car demolished was actually blocking two
lanes, which were covered with water because the
drain was clogged. And he got plowed into. He
wasn’t even -- he wasn’t arresting anybody. He
wasn’t charging anybody for speeding. He wasn’t
even doing speed detection. He was there
protecting the public. And now he is injured
and, of course, the car was demolished.

So I asked Rich if he could get involved
with Karen because of his background. And
Wichert is an agency that insures many other
communities. And they have their defense teams
built and their defense teams service those
communities. We will see some of that.

Hopefully we won’t have to see some of that, but
if we get litigation that’s involved in anything
other than public officials or employment law,
Rich will be the one supervising that. Rich has
staff, but I’ve never had a claim that I can’t
reach Rich on. And even if staff -- he delegates
some of the work to staff, he knows every claim
that he’s working on for every city that he
represents and I think that’s important for us.
So that’s my background with Rich.

MAYOR LICASTRO: So realize what we have
in front of you, we'll discuss in open meeting
for Council is about the best we can get right
now. It is the best we can get right now. The
cover letter, which we sent to you as a matter of
public record, went through the different paths
they tried to take to get us the best coverage we
have. What we have in front of you is what we’re
recommending.

Karen has also been very cooperative
passing the torch to Wichert, who will be primary
for us as our insurance agent. Going forward,
Karen will be involved in an arrangement they
have between the two companies. So a lot of
information. Any questions? And you do need to
look at your personal policy. Everyone has an
umbrella on their homeowners. Council people
aren’t paid. If you need to increase that,
that’s a problem and I can’t really help that.
But you have to look at how you’re covered. Talk
to your agent and make sure you’re covered just
in case.

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1 understand that the lawsuits that are pending, the
2 Corning Drive lawsuit is still pending and the
3 Smith lawsuit is still pending in court. Those
4 lawsuits stay with the insurance company that did
5 not renew us and stay with the defense teams that
6 are appointed on those. So Rich will not have
7 anything to do with those two pieces of
8 litigation which are still pending.
9 MAYOR LICASTRO: By the way, early on it
10 didn't look like we would get collision on our
11 police cars, so we've come a long way.
12 Any questions for Rich?
13 MS. BURKE-JONES: Maybe not. I was
14 going to ask about employment practice. So we're
15 not going to have any employment practice
16 insurance either, is that the situation?
17 MR. STUDENIC: That is correct, yes.
18 MAYOR LICASTRO: So if we have a
19 wrongful firing, we're not covered.
20 MS. BURKE-JONES: Right. I understand.
21 That's what I was just checking.
22 MAYOR LICASTRO: I mean, these are
23 significant insurances that serve a pressing
24 need. I mean, we've had, you know, people leave
25 that we thought were done properly, opinions

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1 differ. But for another year, hopefully not two,
2 if we stay clean, hopefully someone will step to
3 the floor and cover us for those.
4 MR. STUDENIC: Our goal moving forward
5 would be for each year to approach the carrier,
6 the current carrier and say how about now? They
7 haven't had any. Will you give us this coverage
8 or will you give us this? And maybe get back to
9 where you have a complete insurance program.
10 MS. BURKE-JONES: So what type of --
11 what have you looked at in communities that have
12 been in situations such as ours since you have
13 the history, what type of exposure have we really
14 opened ourselves up to?
15 MR. STUDENIC: That's a very -- that's a
16 difficult question.
17 MS. BURKE-JONES: And all you can do is
18 anecdotal answer to me right now.
19 MAYOR LICASTRO: It's all over the map.
20 It's too complicated to answer.
21 MR. STUDENIC: It is. It all depends on
22 the claims that come in. Hopefully (indicating)
23 on wood, you don't have any and then your
24 exposure is zero.
25 MR. BENJAMIN: But, Rich, this is

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1 important to know, because if we have to pay out
2 of our own pockets to insure ourselves with
3 liabilities, additional liability insurance, we
4 need to know how much we're supposed to cover.
5 What's our exposure? Is it 500,000? Is it a
6 million?
7 MR. STUDENIC: What I can tell you is
8 historical for 12 years. When I look at your
9 12-year loss run, I can see that you on average
10 will have every other year an employment practice
11 claim that will be in the area, just on average,
12 of about $250,000. Now, if there's no claims,
13 that number goes down. On average, you will have
14 a public officials claim maybe every three years.
15 And statistically, that's 47,000 and some change.
16 Now, that I just looked at, your 12-year
17 loss history. So I'm just going off of your
18 historical loss runs. And as the Mayor said,
19 every community is different. And it's not
20 uncommon to see communities go through a string
21 of bad luck where you do total three or four
22 police cars, not because your officers are out
23 there driving poorly, it's because they get hit
24 by uninsured motorists. There's nothing you can
25 do on your way home to stop you from getting hit

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1 by somebody who decides to run a red light.
2 Okay. I mean, you can do all the defensive
3 driving that you're taught in driver's school and
4 all those good things, but it's hard to avoid.
5 So that's the hard part.
6 MAYOR LICASTRO: What you need to do is
7 talk to your agent. Tell them the circumstances,
8 tell them the exposure and get feedback from them
9 on what kind of policy. It might be covered
10 under your homeowners. Almost everyone has a
11 million dollar umbrella as part of their
12 homeowners insurance, but will that cover this
13 nuance? I'm not certain. I'm having that
14 discussion with my agent.
15 MR. MATTY: Keith, part of the problem is
16 this: Part of the problem we have a litigious
17 community. Part of the costs that Rich is
18 talking about, we incur them even in the cases
19 that are dismissed without merit. That dog park
20 case, which was dismissed by the trial court and
21 then an appeal attempted and that was dismissed,
22 our insurance company paid our insurance counsel
23 $17,000. And there was no merit to the case.
24 In the Falzone case in the Federal
25 Court, District Court case, we didn't pay a cent
1 to Mr. Falzone. We were granted summary judgment in that case. We had fees and we had insurance counsel fees, because we had five people over at Village sued individually. So any time you have a case, the insurance company has costs and defense and then they also put a reserve on the case. And those are factors that he has to submit to other insurance carriers when he goes out.

So we can't stop people from filing cases. If they have merit, that's one thing. If they need to be settled, it's not our call, it's the insurance company's call. And we have to either consent or take over that case and bear the risk if we get hit with a jury trial judgment. So those are difficult decisions, but the best we can do is do our job, our employees do their job, and hope that we don't have any of these unforeseen accidents by people that are uninsured or underinsured.

And you also have an issue of our employees when they get hit and severely injured by an underinsured or a noninsured, well, our insurance comes into play because there's no insurance to help those people. And you can't

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MS. HOEFLING: Aye.
MR. BENJAMIN: Aye.
MAYOR LICASTRO: Thank you, Rich. Thank you, Karen.
MR. MATTY: Mr. McDonald, is it necessary for Mr. Rich to stay for the general Council meeting?
MR. MCDONALD: I don't think so.
MAYOR LICASTRO: Thank you for your hard work. We appreciate it.
MR. MCDONALD: Tracy, would you introduce Ordinance 4141 for passage, please.
MAYOR LICASTRO: For discussion.
MR. MCDONALD: I'm sorry, for recommendation.
MS. HOEFLING: So recommend passage of Ordinance 4141, pay claims, in the amount of $83,722.65.
MAYOR LICASTRO: Any question? Anything specific on this?
MS. HOEFLING: No.
MR. BENJAMIN: No, no questions.
MS. BURKE-JONES: I'll just -- I can ask now or I can ask at Council meeting. Okay.
Good. And I'm probably asking you --

MAYOR LICASTRO: Any question? Anything else?
MR. MCDONALD: Tracy, would you introduce Ordinance 4141 for passage, please.
MAYOR LICASTRO: For discussion.
MR. MCDONALD: I'm sorry, for recommendation.
MS. HOEFLING: So recommend passage of Ordinance 4141, pay claims, in the amount of $83,722.65.
MAYOR LICASTRO: Any question? Anything specific on this?
MS. HOEFLING: No.
MR. BENJAMIN: No, no questions.
MS. BURKE-JONES: I'll just -- I can ask now or I can ask at Council meeting. Okay.
Good. And I'm probably asking you --

MAYOR LICASTRO: Thank you for your hard work. We appreciate it.
MR. MCDONALD: Tracy, would you introduce Ordinance 4141 for passage, please.
MAYOR LICASTRO: For discussion.
MR. MCDONALD: I'm sorry, for recommendation.
MS. HOEFLING: So recommend passage of Ordinance 4141, pay claims, in the amount of $83,722.65.
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MS. HOEFLING: No.
MR. BENJAMIN: No, no questions.
MS. BURKE-JONES: I'll just -- I can ask now or I can ask at Council meeting. Okay.
Good. And I'm probably asking you --

MAYOR LICASTRO: Thank you for your hard work. We appreciate it.
MR. MCDONALD: Tracy, would you introduce Ordinance 4141 for passage, please.
MAYOR LICASTRO: For discussion.
MR. MCDONALD: I'm sorry, for recommendation.
MS. HOEFLING: So recommend passage of Ordinance 4141, pay claims, in the amount of $83,722.65.
MAYOR LICASTRO: Any question? Anything specific on this?
MS. HOEFLING: No.
MR. BENJAMIN: No, no questions.
MS. BURKE-JONES: That's not what I'm asking. I'm sure that it is. And the excitement of this type, these type of services is always great. It only gets down to the contract. And we'll be asking what percentage of the services for this phase. Were there any requirements for approvals at this point in time?

MAYOR LICASTRO: No. He's going to stay under the cap of 31,000.

MS. BURKE-JONES: There's also 31,000 breaks down to. So there are certain aspects of the services that we kind of said yes, you're doing fine, keep on going, correct?

MAYOR LICASTRO: Our recommendation is they're doing fine. We're going to keep on going. Right now we don't have need any further approval by Council.

MS. BURKE-JONES: Okay. Just paying the fees are part of the approvals of what's going on forward.

MAYOR LICASTRO: That's a good question.

MS. BURKE-JONES: We obviously as councilmembers, we'll find out tonight exactly where it goes, and that it is going as we see, we want it to, the results are going the way we want it to.

MAYOR LICASTRO: To answer your question, so far so good.

MS. BURKE-JONES: Just paying the fees included in that or was that on top of?

MAYOR LICASTRO: The Village legal fees are part of the approvals of what's going on.

MS. BURKE-JONES: I'm sure the 2,400 --

MAYOR LICASTRO: We are making great progress.

MS. BURKE-JONES: Good.

MAYOR LICASTRO: We will eventually culminate and we think we'll be on the ballot initiative for Council to consider in August. We will be engaged way before then, as will as the Council.

MS. BURKE-JONES: I'm not questioning the 2,400. I'm not questioning the 2,400 --

MAYOR LICASTRO: To answer your question, so far so good.

MS. BURKE-JONES: Okay. And the Van Auden Akins amount, that's for what services?

MAYOR LICASTRO: So at your request, they're a participant in this process. I think John, there you are John. He's been at the meetings as well assisting and acting as a Village advocate.

JOHN: Thank you very much.

MS. BURKE-JONES: Fantastic.

JOHN: If you want to pays us a bigger one, it's eight and a half.

MS. BURKE-JONES: That's not a

MAYOR LICASTRO: It's just a recommendation motion. We'll do passage at Council.

MR. McDONALD: Motion to adjourn.

MR. BENJAMIN: So move. Oh, you have a public comment.

MAYOR LICASTRO: Your meeting, sir.

MR. McDONALD: Yes.

MS. MEADE: Just as a follow-up to a previous meeting, I had asked what the total cost of the sexual harassment with the police lawsuit was and I was told that they would have to get back to me and I never heard what the total cost was. So could John or Mr. Matty tell me?

MAYOR LICASTRO: I think the payout was 165,000.

MS. MEADE: I know the settlement was, I think, around there, but then were Village legal fees included in that or was that on top of?

MAYOR LICASTRO: I don't have those numbers handy.

MS. MEADE: I've been asking for a couple of months now.

MAYOR LICASTRO: Okay. So noted.

MS. MEADE: Can you tell me when I can get those numbers?

MAYOR LICASTRO: We will get back to you.

MS. MEADE: Can you tell me when, like within a week?

MAYOR LICASTRO: We will get back to you.

MS. MEADE: I don't understand the delay.

MAYOR LICASTRO: Are we adjourned?

MR. McDONALD: I think we are. We stand adjourned.

MR. BENJAMIN: So moved.

MS. HOEFLING: Second.

MR. McDONALD: All in favor?

MS. HOEFLING: Aye.

MR. BENJAMIN: Aye.

MR. HOEFLING: Aye.
MR. McDONALD: Aye.

(Meeting adjourned at 6:08 p.m.)

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CERTIFICATE

I, Nancy L. Molnar, do hereby certify that
as such Reporter I took down in Stenotypy all of
the proceedings had in the foregoing transcript;
that I have transcribed my said Stenotype notes
into typewritten form as appears in the foregoing
transcript; that said transcript is the complete
form of the proceedings had in said cause and
constitutes a true and correct transcript therein.

Nancy L. Molnar, Notary Public
within and for the State of Ohio