



Hancock Park District

HANCOCK PARK DISTRICT BOARD OF PARK COMMISSIONERS Public Meeting Notice and Agenda

Date: Tuesday, May 12, 2015
Location: Richard S. "Doc" Phillips Discovery Center at Oakwoods Nature Preserve
Time: 3:30 p.m.

Roll Call

Approval of Minutes

1. Approval of Board Meeting Minutes dated April 14, 2015

Financial Status

1. Review of Financial Statement dated April 30, 2015

Old Business

1. Property & Liability Insurance

New Business

1. Request to approve Resolution 2015-6 Regarding Additional Appropriation within the Auditor's Certification and Park Commissioners to Appropriate in the General Fund
2. Request to approve Resolution 2015-7 Regarding Additional Appropriation within the Auditor's Certification and Park Commissioners to Appropriate in the General Fund

Discussion

1. Park District Report:
 - Director
 - Park Operations Manager
 - Naturalist
 - Marketing Manager

Public Input

1. Hancock Parks Foundation Board of Trustees Report:
 - President
2. Other

Adjournment

Next Meeting: Tuesday, June 9, 2015 at 3:30 p.m.

Park Tour

Immediately following the business meeting, the Board will tour Riverside Park, Arcadia Lions Club Park, and Fostoria City Park.

HANCOCK PARK DISTRICT
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HANCOCK PARK DISTRICT BOARD OF PARK COMMISSIONERS
Staff Report/Agenda Supplement
May 12, 2015

Property & Liability Insurance: On November 12, 2014 the Hancock Park District received two proposals for Property & Liability Insurance. The Public Entities Pool (PEP) of Ohio administered by York Risk Pooling, represented by USI Midwest, LLC proposed an annual premium of \$26,049.00. At the November 12, 2014 meeting of the Hancock Park District Board of Park Commissioners, the Ohio Government Risk Management Plan (Ohio Plan) administered by Hylant Administrative Services, represented by Hitchings Insurance Agency, Inc. proposed an annual premium (renewal) of \$32,851.00.

After the Board reviewed the Ohio Plan proposal and was briefed on the PEP proposal, it took the following action: Pay the six-month premium (Ohio Plan), analyze the proposal from USI Midwest, and invite proposals from other insurance companies.

INVITE PROPOSALS FROM OTHER INSURANCE COMPANIES

Three steps were taken to identify all of the public insurance pools in Ohio. First, an internet search identified very few public insurance pools. Second, the Ohio Department of Insurance was contacted. It had no information to share. Third, the attorney for Demotech, Inc. (a firm that specializes in providing a broad set of management consulting services related to financial stability analysis) identified four public insurance pools in Ohio: Ohio Plan, Public Entities Pool (PEP), Ohio Township Association Risk Management Authority (OTARMA), and County Risk Sharing Authority (CORSA).

- Ohio Plan membership includes 20 park districts + additional park and recreation departments according to an Ohio Plan representative.
- Public Entities Pool membership includes 34 park and recreation agencies (including 12 in Hancock County) according to a USI Midwest representative.
- Ohio Township Association Risk Management Authority's members consist solely of Ohio townships per the OTARMA website.
- County Risk Sharing Authority includes 65 counties and 20 county affiliated facilities. Hancock County is not a member and there are no park and recreation agencies included in the membership per the CORSAs website.

Based on the research above, there are two options for the Hancock Park District: Ohio Plan and Public Entities Pool. Actual cost for Property & Liability Insurance with the Ohio Plan since 2004/2005 is as follows: 2004/2005 = \$38,993 (Property Limit of \$3,351,314), 2005/2006 = \$39,896, 2006/2007 = \$34,480 (Advantage Plan Discount Introduced), 2007/2008 = \$29,752 (Park Ranger Program Discontinued), 2008/2009 = \$29,136, 2009/2010 = \$29,331, 2010/2011 = \$29,759, 2011/2012 = \$32,898, 2012/2013 = \$33,422, 2013/2014 = \$33,257, 2014/2015 = \$32,851 (Property Limit \$5,282,953).

Working with Ohio Plan representatives and Hitchings's Insurance has been good. Both agencies have been highly responsive to claims, requests, and inquiries regarding risk management.

ANALYZE THE PROPOSAL FROM USI MIDWEST

Hancock Park District staff checked three references provided by USI Midwest plus an additional reference (Miami County Park District):

- Ohio Parks & Recreation Association executive director, Woody Woodward said: “While we are not eligible to use the PEP program, we have endorsed the program and have heard from many of our members who speak very, very highly of the service.”
- Wood County Park District director, Neil Munger said: “We have had PEP as long as I have been working for the Park District (24 years) and we have had nothing but great experiences in working with them. From great service with any claims we have had to excellent benefits such as working with risk management experts that help us provide safe parks, I have been very pleased with PEP. Unfortunately, as I said we have never had another insurance provider so I can’t provide any information as far as comparison. For what it’s worth, our experience with PEP has never given me reason to look elsewhere.”
- Park District director, Todd Younkin said: “We have actually had great success after switching to PEP. We saved over 30% and we were able to keep our agent with our previous local carrier. He acts as our agent with no additional costs. I do know other park districts have used PEP with not as much success. It was actually more expensive for them. One was Miami County Park District.”
- Per a telephone conversation with Scott Myers, director of the Miami County Park District on March 3, 2015:

Miami County Park District was with PEP for 20 years. Cost increased rather dramatically over time ultimately reaching the upper \$50,000 mark. Three years ago Miami County Park District switched from PEP to the Ohio Plan. Ohio Plan quoted the insurance cost at \$38,000 and it has not increased since that time. Upon hearing that Miami County Park District was shopping around, PEP came back with a new price for insurance in the \$40,000 range, a decrease of around \$15,000. Miami County Park District’s experience with PEP was good; no issues other than from a fiscal point of view. The experience with the Ohio Plan has been good.

After reviewing the Hancock Park District Insurance Comparison between the Ohio Plan and PEP based on current coverage (provided by USI Midwest) and after correcting errors within the comparison by cross-checking the comparison with Ohio Plan and PEP proposals, the PEP proposal (based simply on its face value) offers approximately \$145,997 more insurance coverage. All items in the comparison related to the Ohio Plan were found in the Ohio Plan proposal. That was not the case with items in the comparison related to the PEP proposal. Errors occurred in both columns affecting the comparison between the Ohio Plan and PEP.

On Monday, April 20, 2015 Hancock Park District staff met with a Hitching's Insurance representative to discuss the differences between the two companies and related subject matter. While there was an obvious bias, an objective look at documentation identified a few key differences:

- A. The Ohio Plan (while operating as a public pool) is administered like a traditional insurance company. It does not require a contract.
- B. As a public pool, PEP does require a contract. The contract states, "The Pool shall not be considered an insurance company. The Pool's activities and operations do not constitute doing an insurance business."
- C. The PEP contract (and other information from the proposal) indicates the possibility that the Hancock Park District will have to pay for insurance above and beyond the annual premium:

". . . who have agreed to make the initial contributions . . ."

"To pay when due all annual contributions or other contributions, due or required, to the Budgetary Fund or Cumulative Reserve Fund pursuant to this Contract."
- D. In the event of cancellation from the Ohio Plan, any claim that occurred while insured will be honored by the company even if the Hancock Park District is no longer insured. The PEP contract states, "Effective 12:01 a.m. on the date of withdrawal, payments for all claims and claims expenses shall thereafter become the sole responsibility of the withdrawing Member without regard to whether a claim occurred or was reported prior to the withdrawal of the Member's participation in the Pool."

Documentation included the following items:

- Public Entities Pool of Ohio Financial Report with Required Supplemental Schedules December 31, 2012 (i.e. Independent Auditor's Report)
- Intergovernmental Contract for the Administration of the Public Entities Pool of Ohio
- Wood County Park District Wood County Regular Audit for the years ended December 31, 2006 and 2007
- City of Fostoria Seneca County Audit Report for the year ended December 31, 2006
- Ohio Plan Risk Management, Inc. Columbus, Ohio Financial Statements December 31, 2013 and 2012

Recommendation: Remain a member of the Ohio Plan. The PEP contract is not recommended. Contract review by the Hancock Park District's attorney would most likely raise additional questions, concerns, and issues. And while PEP's annual premium is lower than the current premium with the Ohio Plan, it is not worth the risk that after becoming a member of PEP the overall insurance cost increases and perhaps exceeds that of the Ohio Plan or to have pending claims not insured in the event the Hancock Park District withdraws its membership (see Hancock Park District Insurance Comparison and Intergovernmental Contract for the Administration of the Public Entities Pool of Ohio).

Request to approve Resolution 2015-6 Regarding Additional Appropriation within the Auditor's Certification and Park Commissioners to Appropriate in the General Fund: There are eight parks (i.e. river parks) in particular located along the Blanchard River Greenway beginning with Eastpoint Area at Bright Road and ending with River Landings at Fox Street that support outdoor recreation. The average age of these parks is 27 years. Maximizing their potential requires an upgrade that affords modern facilities, colorful amenities, and access for all. Upgrading and modernizing river parks are objectives outlined in the Hancock Park District's Capital Improvement Plan and Strategic and Comprehensive Plan.

Three river park upgrades are scheduled for 2015: Eastpoint Area, Hancock Park District Administrative Offices, and Waterfalls Area – all located along East Main Cross Street. The first major step toward this upgrade is the removal and replacement of picnic tables and benches, including the installation of concrete walkways, pads, patio (Hancock Park District Administrative Offices), and a concrete edge at the boat ramp at Eastpoint Area.

The project is scheduled to begin as early as July and will take 5 to 10 days to complete. The cost is \$30,300.00 (see Resolution 2015-6).

Following the installation of concrete pads and walkways, the second major step toward this upgrade will involve the purchase of site amenities, including picnic tables, benches, trash receptacles, recycle centers, message centers, and bike racks. New standard park entrance signs have already been purchased. The Hancock Parks Foundation Board of Trustees approved a grant in the amount of \$23,338.00 for the purchase of site amenities and signs.

The third major step toward this upgrade involves seal coating and striping the parking areas. A Request for Quote will be sent to area contractors later in the year (see Eastpoint Area Schematic, Waterfalls Area Schematic, and Hancock Park District Administrative Offices Schematic).

Request to approve Resolution 2015-7 Regarding Additional Appropriation within the Auditor's Certification and Park Commissioners to Appropriate in the General Fund: As part of the engineering and design for the Parking Lot Paving Project at Aeraland Recreation Area (as recommended by Van Horn Hoover & Associates and Hancock Park District), a proposal has been received from Professional Service Industries, Inc. for Limited Pavement Survey & Subsurface Exploration (including geotechnical engineering services). The results of this work (outlined below) will be used to do a pavement design based on the existing stone on the site.

Pavement Survey: This study will include limited pavement cores and hand augers through the existing pavement to identify the general construction cross section of the parking area and to explore the soils beneath the pavement. Six soil test borings are anticipated.

Pavement Evaluation: Limited soil cores and/or hand augers through the surface pavement followed by penetration testing with a Dynamic Cone Penetrometer at six locations to test and sample the pavement and underlying subgrade conditions. Geotechnical Subsurface Exploration is needed to provide subgrade and aggregate base preparation recommendations (e.g. site preparation as needed to support pavement, materials encountered in the borings which may interfere with construction progress or structure performance, etc.).

Project Approach: The subsurface exploration program will consist of six borings in the parking and drive areas to depths of seven feet each below the existing surface grades. The borings will be sampled continuously from a depth of about one to seven feet. The subsurface exploration program will also consist of coring and/or hand auguring at six locations. Hand augers will be performed to an approximate depth of about one to two feet into the underlying subgrade. Dynamic Cone Penetrometer tests will also be performed within the test locations to a minimum depth of 12 inches below the subgrade.

The parking area is covered with a cinder type material of unknown thickness and there is no specific knowledge of the type or condition of the underlying soil. The analysis will determine if any or all of the existing stone can be used in the pavement section.

This project will take 20 days to complete. The cost is \$5,434.00 (see Resolution 2015-7).