

## Service Committee Minutes

Honorable Council  
City of Newark, Ohio  
September 8, 2020

The Service Committee met via Zoom streaming live to YouTube on Tuesday, September 8, 2020 with these members in attendance:

Jeff Rath - Chair  
Jeff Harris – Vice Chair  
Ryan Bubb  
Spencer Barker  
Jeremy Blake

We wish to report:

1. Consider **Resolution No. 20-66** A RESOLUTION AUTHORIZING THE CITY OF NEWARK, OH TO ENTER INTO A MARKETING AGREEMENT WITH UTILITY SERVICE PARTNERS PRIVATE LABEL, INC. (“USP”) D/B/A SERVICE LINE WARRANTIES OF AMERICA (“SLWA”) (COMPANY) FOR ADVERTISEMENT TO THE CITY’S RESIDENTS OF WARRANTY PLANS FOR REPAIRS OF EXTERNAL WATER LINES, EXTERNAL SEWER LINES, IN-HOME PLUMBING ON RESIDENTIAL PROPERTY

**Mr Roger Loomis** – This is a program that we’ve been thinking about for several years. We’ve reviewed different programs that are out there. Basically the City would negotiate a bargaining agreement with this company and they would do all the marketing. We wouldn’t do anything or send anything out, we just allow them to offer this program for people to insure their water and sewer lines and in-home plumbing if they want to. We aren’t really even allowing them to work within the city, they can already work within the city if they want to, we’re just endorsing them. You can buy this plan today if you would like to there’s no restriction on it or that we have to endorse it. We’ve talked to a number of other cities that are happy with this program that they’re endorsing. They seem like a good company, they’re endorsed by Ohio Waterworks Association. They would do all of the marketing and billing for the program. If you have this insurance you would call Home Serve and they would hire local contractors to come out and do the work.

**Mr. Rath** – If we give this company our endorsement does it prevent other companies from offering the same services within the city?

**Mr. Loomis** – No, other companies could come in and market their product as well, we would just be endorsing this specific company.

**Mr. Rath** – If I sign up for this insurance, much like auto insurance, if I have a wreck I am able to take it to the auto body shop I choose. With this insurance am I able to choose my own plumber or must I use their plumber of choice?

**Mr. Loomis** – It’s my understanding they would have plumbers that they contract with and you would use one of their contracted plumbers. I can verify that.

**Mr. Blake** – Can you talk about the table that has the 50 cents per contract and the unlimited calls?

**Mr. Loomis** – Here are some options we have. There are some good things and bad things about it. If we endorse this we could put a 50 cent fee on there that would come back to the city. What a number of cities have been doing is they take that and use it to help out low income people who can't afford to fix their water line. It would go into a fund that may be administered by Community Development or something similar. I'm not advocating that we charge the extra 50 cents, I would leave it up to you guys, but it would benefit some members of the community who cannot afford to fix their water lines. It is an option. There are no restrictions we could use that money any way we wanted.

**Mr. Rath** – You're talking about creating a fund where that 50 cents would go and then be used for people who couldn't afford to fix their water lines.

**Mr. Loomis** – Yes

**Mr. Marmie** – Why are we endorsing this company versus companies that already have that under their homeowner policy and how is this going to be advertised.

**Mr. Loomis** – I don't believe anyone has that type of coverage on their homeowner's policies.

**Mr. Marmie** – State Farm does.

**Mr. Loomis** – We aren't saying anyone has to use this company, they can use whoever they want. We would just be endorsing this particular company. I've never known of anyone here in Newark that has used their insurance to replace their water lines, that would be interesting to see.

**Mr. Rath** – Mr. Marmie, do you know if that's something standard amongst your competitors?

**Mr. Marmie** – It's something new to the industry that's just coming out and most of the companies are starting to put it on their homeowner's policies because it was never covered between the house and the road, so it's a way to make sure they're adequately covered for that protection too.

**Mr. Loomis** – This wouldn't restrict State Farm or any other company from doing that as well. We would just be endorsing this one.

**Mr. Rath** – We would just be saying that we know this a good and reputable company and we are okay with them.

**Mr. Loomis** – Yes and they would do direct marketing to the customers just as any other company could do.

**Mr. Marmie** – My concern is if there are any issues, could it come back on the city because we endorsed this company?

**Mr. Loomis** – The Law Director would need to weigh in on that. Caroline looked it over and didn't seem to think there would be any issues and other cities have done it without issue.

**Law Director Doug Sassen** – This wouldn't create any liability exposure by endorsing this.

**Mr. Bubb** – Just real quickly Roger, what’s your reason for wanting to endorse this?

**Mr. Loomis** – We have a number of people who end up with very expensive repairs to their water and sewer lines, they don’t really know that you can get insurance for those kind of things and this is just a way for us to promote than you can get insurance to take care of these costly repairs that can end up in the thousands of dollars.

**Mr. Bubb** – They can do this now without the city endorsement. Is the company going to be using the city seal?

**Mr. Loomis** – Once in a while mailers will go out and we get calls asking if it’s a scam, this is just a way to let people know that it’s a reputable company.

**Mr. Harris** – If you have Columbia Gas, if you look on your bill , there is a 3 or 4 dollar charge on there and that’s an insurance charge so if you have a faulty line on your property Columbia Gas will come out and replace all your lines for free. This seems similar to that.

**Mr. Loomis** – It’s similar. We looked at the city taking over the responsibility, one city we talked to pays the insurance and charges it on the bills similar to that. This seemed to be the easiest solution to take care of people and give thm an option to be covered.

**Motion to send to full council by Mr. Bubb, second by Mr. Harris**

**Mr. Loomis** – Just real quickly, the representative for this company did send me an email and say you would have to use the plumber in their local network.

**Mr. Rath** – I’d be interested in finding out what their local network is. I’d like to know that information before I vote on this in full council.

**Mr. Loomis** – Until we endorse it they’re probably not going to have a list of plumbers.

**Mr. Rath** – My biggest concern is that I don’t like legislating a monopoly. So, if we endorse this and they sell everyone insurance and then they only work with one plumbing company, I would be opposed to that.

**Mr. Marmie** – I just want to put in my two cents. I know the Law Director says the city will have no liability, but I know in the line of business that I work in, whenever you refer exclusively the implication is that’s the company you want someone to go with, even though the Law Director says there is no liability, I know there’s been litigation out there before in the case of giving endorsement to only one company and I will not be in favor of this for that reason.

**Mr. Blake** – I just wanted to point out that within the language of implementation, they will use the city logo within their materials.

**Mr. Rath** – Mr. Loomis if you can get an idea of who they’re going to be working with I would like to have that information. I can’t imagine they’re going into this without that knowledge especially if they’re already selling this. If we can get a list of those companies I would be happy with that. It sounds like we still have some questions.

**Motion to send to full council passed 5-0**

2. Consider **Resolution No. 20-68** A RESOLUTION AUTHORIZING AND DIRECTING THE DIRECTOR OF PUBLIC SERVICE OF THE CITY OF NEWARK, OHIO TO ADVERTISE FOR BIDS AND ENTER INTO A CONTRACT FOR THE REBUILDING OF TWO BELT PRESS DEWATERING SYSTEMS AT THE WASTEWATER TREATMENT PLANT.

**Mr. Loomis** – These are two pieces of equipment we have at the water plant. They were rebuilt about 16 years ago and generally are about a 15 year life. There are several companies involved that do this rebuild process so we will have to bid it out. It's an estimated \$215k each for the cost. It's a machine that runs under high pressure and has high hours on it, so the bearings and rollers do tend to break. We would like to advertise for bids and enter into an initial contract for rebuilds. This will be funded from equipment replacement waste water funds. There is about \$700k-\$800k in that account right now.

**Motion to send to full council by Mr. Barker, second by Mr. Bubb, motion passed 5-0**

3. Consider **Resolution No. 20-70** A RESOLUTION AUTHORIZING THE GRANTING OF AN EASEMENT OVER CERTAIN REAL PROPERTY NOW OWNED BY THE CITY OF NEWARK, OHIO

**Mr. Rath** – I will speak to this on behalf of Mr. Brian Morehead. This is for the sale of a property at 401 Buena Vista Street. A driveway access was put in back in the 1990's and never got an easement. This is to facilitate the sale of this property. It has been about a 4 month process. They are trying to expedite this, but I don't see where it qualifies for that in this case.

**Director Sassen** – I disagree. These folks have been inconvenienced by this road relocation project that the city conducted back in the early 1990's. They're trying to sell their property and have a closing date set before the end of the month. They need this easement granted before the closing company can issue closing documents. The only way for this to be expedited is with the emergency clause. I think it clearly fits within the definition of Article 4.06 of the charter if seven members of council agree. I would make the recommendation that someone in committee tonight make the motion to add the emergency clause to this piece of legislation.

**Motion to add the emergency clause by Mr. Barker, second by Mr. Bubb, motion passed 5-0**

**Mr. Rath** – Mr. Sassen, should we have had a motion first to send to council?

**Director Sassen** – Technically no, but violations of parliamentary procedures are not fatal, so we can move forward with a motion to adopt as amended.

**Motion to send to full council as amended by Mr. Barker, second by Mr. Bubb, Motion passed 5-0**