

MINUTES  
FINANCE COMMITTEE MEETING  
6:15 P.M., FEBRUARY 21, 2023  
AV ROOM #308, CITY HALL

Joseph Jenkins, Chairperson, called the meeting of the Charleston City Council Committee on Finance to order at 6:15 p.m., February 21, 2023.

A silent roll was taken by the Clerk and a quorum was established. The following committee members were present:

Joseph Jenkins, Chair  
Brent Burton, Vice Chair  
Becky Ceperley  
Mary Beth Hoover  
Larry Moore  
Chad Robinson  
Shawn Taylor

Absent:  
None

Other Councilmembers present:  
Frank Annie  
Emmett Pepper  
Bruce King  
Shannon Snodgrass  
Beth Kerns  
Chelsea Steelhammer  
Jennifer Pharr

I. DISCUSSION:

a. Approval of Previous Minutes - Councilmember Burton asked for unanimous consent to dispense with the reading of the minutes for the February 6, 2023 meeting and that they be approved as distributed. There were no objections, and the minutes were approved.

II. RESOLUTIONS:

- a. Resolution No. 768-23 – Authorizing the Mayor or City Manager, subject to final review by the City Attorney, to enter into contracts with the West Virginia Counties Group Self Insurance Risk Pool, Inc., DBA West Virginia Communities Risk Pool, at a price of \$1,048,032 for the City’s Risk Management and Property, Casualty, and Cyber Insurance coverage and including all Third Party Administrator (TPA) Services for those lines of coverage for the period March 31, 2023 through March 31, 2024, in accordance with the costs referred to as Coverage Option 2 in Exhibit A except for the proposal for Workers’ Compensation coverage. Underinsured motorists coverage is specifically rejected. Uninsured motorists coverage with statutory minimum limits of \$25,000/\$50,000/\$25,000 is accepted only.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized, subject to final review by the City Attorney, to enter into contracts with the West Virginia Counties Group Self Insurance Risk Pool, Inc., DBA West Virginia Communities Risk Pool, at a price of \$1,048,032 for the City’s Risk Management and Property, Casualty, and Cyber Insurance coverage and including all Third Party Administrator (TPA) Services for those lines of coverage for the period March 31, 2023 through March 31, 2024, in accordance with the costs referred to as Coverage Option 2 in Exhibit A except for the proposal for Workers’ Compensation coverage. Underinsured motorists coverage is specifically rejected. Uninsured motorists coverage with statutory minimum limits of \$25,000/\$50,000/\$25,000 is accepted only.

Councilmember Burton abstained from voting and left the room.

Finance Director and Acting City Manager, Andy Wood, added that the resolution recommends the renewal of the City’s Property, Casualty, and Cyber Insurance coverage with the West Virginia Counties Group Self Insurance Risk Pool. The premium is approximately \$36,000 lower than the expiring policy. Wood added that Workers’ Compensation Coverage will be renewed at the next meeting as they are still exploring the options.

Councilmember Taylor asked why the premium decreased. A representative from WV Corp replied that the City’s loss experience was very favorable last year, so they were able to offer a 2.5% reduction across all lines. Councilmember Taylor confirmed that the Uninsured Motorist Policy is consistent with last year.

From the audience, Councilmember Snodgrass asked if the consultant, from USI, brought a recommendation to the City. Wood replied that they presented a Commercial Insurance Policy from Travelers. Councilmember Jenkins added that the consultant represents Travelers. He added that the consultant has brought to them a favorable Workers’ Comp policy, which they are evaluating.

Councilmember Jenkins added that WV Corp comes in with the best value and coverage.

From the audience, Councilmember King commented that if the City was paying for a consultant, why would they not take their recommendation. They should be putting the City's best interest first over any company they represent. Councilmember Jenkins replied that he agreed, but didn't think that was followed.

From the audience, Councilmember Kerns stated that with WV being out of state, the City would not get any benefits from having a local company, such as B&O taxes. The representative from WV Corp replied that they are not an out of state entity, and is a West Virginia company, headquartered on Washington Street. They represent 275 WV localities.

Councilmember Ceperley moved to approve the Resolution. With members present recorded thereon as voting in the majority as affirmative, with one abstention from Burton, Chairperson Jenkins declared Resolution No. 768-23 approved. 13:22

Councilmember Burton reentered the room.

- b. Resolution No. 769-23 – Authorizing the Mayor or City Manager to purchase 41 sets of bunker gear for the Fire Department from Red Hot Fire Equipment, for a unit cost of \$2,349.00 each and the total amount of \$96,309.00 pursuant to a competitively sourced multi-state contract.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to enter into a contract with Red Hot Fire Equipment in the amount of \$96,309.00 for the purchase of 41 sets of bunker gear for the Fire Department pursuant to a competitively sourced multi-state contract.

Wood added that the resolution nis to purchase 21 sets for the new hires and 20 replacements.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the majority as affirmative, Chairperson Jenkins declared Resolution No. 769-23 approved.

- c. Resolution No. 770-23 – Authorizing the Mayor to execute the attached Termination of Lease and Settlement Agreement between the City of Charleston and CRA Communications, LLC, successor in interest to Charles Ryan Associates, LLC.

Whereas, Parties entered into a lease agreement dated November 7, 2011, which is attached hereto as Exhibit B, pertaining to the use of office space located in Suite 301 of 601 Morris Street, Charleston, WV; and

Whereas, the term of the lease was for fifteen (15) years, with an expiration date of December 31, 2027, with early termination options contained therein; and

Whereas, the Tenant has made timely payments under the terms of the lease and has requested that the Landlord grant a termination of the lease at an end date of April 30, 2023, in exchange for a one-time payment of \$90,042.47 to buy out the remainder of the term of the lease; and

Whereas, Tenant has agreed to vacate the premises on or before 11:59 p.m. on April 30, 2023, and City has agreed to accept \$90,042.47 as a buy out of the remainder of the term of the Lease.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is authorized to execute the attached Termination of Lease and Settlement Agreement between the City of Charleston and CRA Communications, LLC, successor in interest to Charles Ryan Associates, LLC.

Wood added that the resolution allows for the ruminantion of the lease agreement that the City has with Charles Ryan Associates. The tenant provided notice that they intended to terminate the lease because that had found a smaller location to better fit their needs.

From the audience, Councilmember Snodgrass asked what was the cost of the City to build the office space to the renter's request. Wood replied that it was just over \$200,000. Councilmember Snodgrass confirmed that the City has recouped those costs over the 12 years that they have leased the space.

Councilmember Robinson confirmed with Wood that the yoga studio in the same building in current on their lease.

Wood added that there is already some interest in leasing that space.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the majority as affirmative, Chairperson Jenkins declared Resolution No. 770-23 approved.

- d. Resolution No. 771-23 – Whereas, When Charleston’s City Hall was built in 1922, it was designed to house all City operations. On opening day, City Hall had a fully-equipped fire station, police station, municipal court, as well as all of the general administrative departments of city government. Over time, Charleston’s population, budget, and service offerings changed, resulting in a general expansion of government;

Whereas, City Hall continues to serve as the City’s primary police station, but the architecture of the building, as well as its age, create substantial obstacles to efficient police operations. While largely under one roof, the police department is physically segmented within the building;

Whereas, The municipal courtroom and its access points are inconvenient to citizens and court staff alike. Moreover, entry points have substantial ADA challenges. The Municipal Court Clerk’s Office is housed on the first floor of City Hall’s main entrance, which is not where the courtroom is located, straining operations during court proceedings;

Whereas, The administrative headquarters for the Charleston Fire Department is located within an active fire station, Station No. 2. Having the headquarters located within a fire station is often distracting to the conduct of administrative business of the department. Additionally, the Charleston Fire Department routinely conducts intensive fire training, but the department is currently without a permanent facility to conduct its training operations; and

Whereas, Both the police and fire departments maintain separate physical training (PT) facilities and equipment, located in different parts of the city. The City’s Administration desires to create a single PT facility for both police and fire employees;

Whereas, the City publicly advertised a request for Expressions of Interest for qualified architecture and design firms to submit a proposal for evaluation by the City, and

Whereas, after a thorough and thoughtful review process, the proposal scoring committee recommend that Silling Architects, with partner Architects Design Group, be selected to perform the pre-design services related to the development of a new public safety center.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to enter into a contract with Silling Architects in the amount of \$242,000.00 for pre-design planning services related to a new public safety facility for the Police Department, Fire Department administration, and Municipal Court functions of the City. Services include spatial needs assessments, staffing studies, site analysis, conceptual planning, community engagement, estimates of development budgets, and grant identification according to the attached Exhibit A.

Wood added that the resolution authorizes a study a pre-design services for the Public Safety Center for the operations of the Municipal Court, Fire Department and Police Department. The City received 5 responses from the Request of Interest, and interviewed 3 firms by a Committee made of from Engineering, Planning and the Administration staff. The Committee has recommended Silling Architects. The project has a 6-month timeline.

Councilmember Robinson asked if the \$242,000 is with reimbursable expenses. A representative from Silling Architects confirmed yes. They are primarily to cover travel and printing costs.

Wood added that there was initially \$1 million from ARPA that Council approved, and an additional was allocated for the project (in any stage) in December 2022.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the majority as affirmative, Chairperson Jenkins declared Resolution No. 771-23 approved.

- e. Resolution No. 772-23 – Authorizing the Mayor to execute the attached Lease Addendum to the lease between the City of Charleston and Shaner SPE Associates Limited Partnership forgiving the amount of \$84,061.30 in lease payments that were not noticed, invoiced, or paid.

Whereas, by Lease dated December 18, 1973, assigned and amended multiple times, and most recently by Lease Amendment dated October 21, 2014, the parties amended certain terms of the Lease, including providing for additional five-year terms of the Lease and escalating lease payments based on the consumer price index, all of which are incorporated into the Lease;

Whereas, In March 2020, the COVID-19 pandemic significantly impacted all sectors of the national economy, with hospitality being hit particularly hard. Hotels like the Lessee’s suffered considerable losses and low occupancy rates. Parties inadvertently failed to provide specific notice of the monthly payment increase triggered by the previous lease amendment, which led to Lessee paying the unadjusted monthly payment for calendar years 2020, 2021, and 2022. The total rent payment shortfall was \$168,122.61.

Beginning in 2023, Lessee has paid the correct monthly lease payment and will pay the correct payment moving forward. In consideration of the COVID-19 pandemic impact, the Lessee’s considerable investment in its hotel, and the lack of clear communication between the parties regarding the automatic increase, the City Council authorizes an abatement of the shortfall as set forth in the Addendum.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is authorized to execute the attached Lease Addendum of the lease between the City of Charleston and Shaner SPE Associates Limited Partnership.

Wood added that Shaner SPE Associates Limited Partnership owns the Holiday Inn Express by the Convention Center. The City owns the parcel that includes most of that parking lot, and has had a lease with that hotel group since 1973, having been most recently amended in 2014. This included an escalation clause that started in 2020. As the City was reviewing for the 2022 financial audit, it was discovered that neither party caught that escalation. Once contacted, the hotel group corrected their payments going forward, and requested that the under-payment Of \$168,000 be halved.

From the audience, Councilmember Snodgrass stated that she didn’t see in the lease where the City was required to invoice the hotel group. City Attorney, Kevin Baker, stated that the lease does not require an invoice. Once it was discovered, they asked the City for the partial deduction due to, in part, the fact that they lost money during the pandemic years. Councilmember Snodgrass asked who in the City was responsible to ensure that the lease was paid accordingly.

Wood replied that the payments go to the Parking System. The City was not invoicing them, but they are now. Additionally, a system has been put into place to catch future lease increases.

From the audience, Councilmember Pepper asked why there was an escalation in the lease. Wood replied that it was based on a calculation of CPI in the 2014 agreement.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the majority as affirmative, Chairperson Jenkins declared Resolution No. 772-23 approved.

- f. Resolution No. 773-23 – Authorizing the Mayor or City Manager to enter into a lease agreement with Komax for the leasing of copier for various City departments, at an equipment cost not to exceed \$5,500 per month for 60-months plus the cost of printing per page as set forth on the attached exhibit.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to enter into a lease agreement with Komax for the leasing of copier for various City departments, at an equipment cost not to exceed \$5,500 per month for 60-months plus the cost of printing per page as set forth on the attached exhibit.

Wood added that the resolution is for a lease agreement for copiers for various offices throughout the City.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the majority as affirmative, Chairperson Jenkins declared Resolution No. 773-23 approved.

- g. Resolution No. 774-23 – Authorizing the Mayor or City Manager to contract with Hartford for medical and prescription drug coverage for the post-65 Medicare eligible retiree health plan at a set cost per member per month for the plan year starting July 1, 2023.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor or City Manager is authorized to contract with Hartford for medical and prescription drug coverage for the post-65 Medicare eligible retiree health plan at a set cost per member per month for the plan year starting July 1, 2023.

Wood added that the City maintains a self-funded health plan for eligible retirees for secondary coverage. The health benefits consultant has recommended the City use a fully insured provider to reduce the City's costs and associated risk. The plan has a fixed cost with renewal escalation caps. The overall savings are anticipated to be \$624,000 based on current claims. The medical and prescription benefits would remain the same.

Councilmember Taylor confirmed with Wood that this was a supplemental plan to their Medicare choice for both prescription and medical.

From the audience, Councilmember Annie asked if the insurance was recalculated every year, and is there an envelope of percentage it can't go above for the following year. Wood replied that the plan has an 18-month rate cap, and the cap on renewals is 5%.

Councilmember Burton moved to approve the Resolution. With members present recorded thereon as voting unanimously in the majority as affirmative, Chairperson Jenkins declared Resolution No. 774-23 approved.

Councilmember Burton motioned to adjourn the meeting.  
Meeting adjourned.