

ORDINANCE NO. 17-17

CITY OF CENTERVILLE, OHIO

SPONSORED BY COUNCILMEMBER John Beale ON THE 21st DAY OF August, 2017.

AN ORDINANCE TO AMEND SECTION 240.03, FIRE INSURANCE TRUST FUND; DISTRIBUTION OF FIRE INSURANCE PROCEEDS, OF THE CENTERVILLE MUNICIPAL CODE TO INCREASE THE DEMOLITION PROCEEDS DEPOSIT.

WHEREAS, Section 240.03 of the Centerville Municipal Code creates a Fire Insurance Trust Fund for the City of Centerville as a Trust Fund for demolition of properties destroy by fire; and

WHEREAS, said Fund was established pursuant to Ohio Revised Code Section 3929.86; and

WHEREAS, said Fund is for the purpose of having funds available to the City to demolish a property as allowed and as set forth in Section 240.03; and

WHEREAS, the costs of demolition have increased since this section was originally adopted by the City.

NOW, THEREFORE, THE MUNICIPALITY OF CENTERVILLE HEREBY ORDAINS:

Section 1. That the following amendment to Section 240.03 of the Centerville Municipal Code is hereby enacted as follows with new language to be added in *italics* and text to be deleted in ~~strikeout~~ as provided in Section 5.02 of the Centerville Charter:

240.03 FIRE INSURANCE TRUST FUND; DISTRIBUTION OF FIRE INSURANCE PROCEEDS.

- (a) There is hereby created a Fire Insurance Trust Fund which shall be maintained separately from all other City funds as a Trust Fund for the purposes hereinafter set forth.
- (b) For the purposes specified in Ohio R.C. 3929.86, the Director of Finance is hereby designated as the officer to administer said Fire Insurance Trust Fund.

- (c) In the event of any loss by fire within the City occurring after the effective date of this section, when the amount of said loss agreed to between the named insured or insureds and the company or companies insuring said loss equals or exceeds sixty percent of the aggregate limits of liability on all fire policies covering the building or structure insured, the insurance company or companies, in accordance with Ohio R.C. 715.26(F), shall transfer from the insurance proceeds to the Director of Finance of the City, in the aggregate, one thousand, *five Hundred and no/100* dollars (~~\$1,500.00~~ *1,000*) for each twenty thousand dollars (\$20,000), and each fraction of that amount, of a claim, or if, at the time of a proof of loss agreed to named insured or insureds have submitted a contractor's signed estimate of the costs of removing, repairing or securing the building or other structure, the insurance company or companies shall transfer from the insurance proceeds the amount specified in the estimate.

Such transfer of proceeds shall be on a pro rata basis by all companies insuring the building or other structure.

The named insured or insureds may submit a contractor's signed estimate of the costs of removing, repairing or securing the building or other structure after the transfer, and the Director of Finance shall return the amount of the fund in excess of the estimate to the named insured or insureds, provided that the City has not commenced to remove, repair or secure the building or other structure.

- (d) Upon receipt of proceeds by the City, as authorized by this section and Ohio R.C. 3929.86, the Director of Finance shall place the proceeds in the Fire Insurance Trust Fund, which proceeds shall be used solely as security against the total cost of removing, repairing or securing the building or other structure incurred by the City pursuant to Ohio R.C. 715.261.

When transferring the funds as required by this section, an insurance company shall provide the Director of Finance with the name and address of the named insured or insureds, whereupon the Director of Finance or his or her designee shall contact the named insured or insureds, certify that the proceeds have been received by the City and notify them that the following procedures will be followed: The funds shall be returned to the named insured or insureds when the removal, repair or securing of the building or other structure has been completed and the required proof received by the Director of Finance. If the City has incurred any costs for removal, repair or securing of the building or other structure, such costs shall be paid from the fund and if excess funds remain, the City shall transfer the remaining funds to the named insured or insureds. Nothing in this section shall be construed to limit the ability of the City to recover any deficiency under Ohio R.C. 715.261.


Nothing in this section shall be construed to prohibit the City and the named insured or insureds from entering into an agreement that permits the transfer of

funds to the named insured or insureds if some other reasonable disposition of the damaged property has been negotiated.

- (e) In accordance with the provisions of Ohio R.C. 3929.86, the Clerk of Council is hereby directed to file a certified copy of this section with the Superintendent of Insurance of the State of Ohio.


Section 2. This ordinance shall be effective from and after the earliest date allowed by law.

PASSED THIS 21st day of August, 2017.



Mayor of the City of
Centerville, Ohio

ATTEST:



Clerk of Council
City of Centerville, Ohio

CERTIFICATE

The undersigned, Clerk of Council of the City of Centerville, Ohio, hereby certifies the foregoing to be a true and correct copy of Ordinance No. 17-17, passed by the Council of the City of Centerville, Ohio on the 21st day of August, 2017.



Clerk of the Council

Approved as to form, consistency with the Charter
and Constitutional Provisions.
Department of Law
Scott A. Liberman
Municipal Attorney