

CITY OF HUBER HEIGHTS  
STATE OF OHIO

ORDINANCE NO. 2020-O-2417

TO AMEND CHAPTER 179 “FUNDS” OF TITLE SEVEN, “FINANCE” OF PART ONE “ADMINISTRATIVE CODE” OF THE CODIFIED ORDINANCES OF THE CITY OF HUBER HEIGHTS BY AMENDING SECTION 179.05 FIRE INSURANCE TRUST FUND.

WHEREAS, Section 179.05 of the Huber Heights Code provides that in the event of any loss by fire within the City. when the amount of such loss agreed to between the named insured or insureds and the company or companies insuring such loss equals or exceeds 60 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; and

WHEREAS, Huber Heights Code Section 179.05 currently indicates that in accordance with Ohio R.C. 715.26(C) the amount to be transferred is \$1,000.00 for each \$20,000.00 (and for each fraction of that amount), and

WHEREAS, the amount stated in Ohio R. C. is actually 715.26(C) is \$2,000 for each \$15,000.00; and

WHEREAS, the City desires to make section 179.05 consistent with the amount stated in the referenced Ohio Revised Code section; and

WHEREAS, Huber Heights Code section 179.05 currently indicates that any funds that are required to be released by the City are to go to the named insured, however, often times the name insured desires for the funds to go to a third party such as a buyer of the home and the City desires to provide such opportunity in its ordinances.

NOW, THEREFORE, BE IT ORDAINED by the City Council of Huber Heights, Ohio that:

Section 1. Section 179.05 of Chapter 179 Funds, of Title 6 of Part 1 “Administrative Code” is hereby amended to read as follows:

**179.05 - Fire Insurance Trust Fund.**

(a) There is hereby created a Fire Insurance Trust Fund which shall be maintained separately from all other City Funds and as a Trust Fund for the purposes hereinafter enumerated. For the purposes specified in Ohio R.C. 3929.86, the Director of Finance shall be the officer to administer this Fire Insurance Trust Fund.

(b) In the event of any loss by fire within the City occurring after the effective date of this section when the amount of such loss agreed to between the named insured or insureds and the company or companies insuring such loss equals or exceeds 60 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 this City ~~\$1,000.00~~ **\$2,000.00** for each ~~\$20,000.00~~ **\$15,000.00** (and for each fraction of that amount) of a claim. In the event such a fire and such a loss occurs, and if at the time of a proof of loss agreed to between the named insured or insureds and the insurance company or companies, the named insured or insureds and the insurance company or companies 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 to the Finance Director 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.

(c) 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 to be used solely as security against the total cost of removing, repairing, or securing 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 designee shall contact the named insured or insureds, certify that the proceeds have been received by the City and notify them that the Fund will be paid to the named insured or insureds after the following procedures have been followed:

- (1) The removing, repairing or securing of the building or other structure shall have been completed and the required proof thereof received by the Director of Finance;
- (2) If the City has incurred any costs for removing, repairing or securing the building or other structure, such costs shall be paid from the funds (or, if already paid by the City, the City shall be reimbursed for such payments) before the remaining money, if any, is transferred to the named insured or insureds.
- (3) Nothing in this section shall be construed to limit the ability of the City to recover any deficiency under Ohio R.C. 715.261. Further, 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 named insured or insureds if some other reasonable disposition of the damaged property has been negotiated.

(d) 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.

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, **or to such other party as directed by the named insured or insureds**, provided that the City has not commenced to remove, repair or secure the building or other structure.

Section 3. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and of any of its Committees that resulted in such formal action were in meetings open to the public and in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

Section 4. This Ordinance shall go into effect as provided by law and the Charter of the City of Huber Heights.

Passed by Council on the 10th day of February, 2020;  
 8  Yeas;  0  Nays.

Effective Date: March 11, 2020

AUTHENTICATION:

\_\_\_\_\_  
Clerk of Council

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date