



WAYNE COUNTY COMMISSIONERS

Ron Amstutz ★ Ann M. Obrecht ★ Sue A. Smail

Testimony for HB 291

October 20th, 2017

Chair Anielski, Vice-Chair Hambley, and Ranking Member Holmes, my name is Patrick Herron and I am the County Administrator for Wayne County. I have been the County Administrator for over 23 years and have during that time have had a great deal of experience working with the Bonds required by both Elected Officials and County employees.

It is correct and justified that our citizens should be provided some form of protection in case any County Employee or official should violate the public trust placed in them and cause the loss of County funds either through theft or inappropriate actions.

Currently the method to provide this protection within the Ohio Revised Code is for the provision of surety bonds. While this has served the State well, it is getting out of date. For instance the section of code that identifies the bond required by the County Commissioners, Section 305.04, was effective on October 1 1953. I think everyone can agree that a process that is 64 years old may need to be revisited.

The reasons we are asking for your favorable support of House Bill 291 are as follows;

- 1) Wayne County pays on average \$4,080.00 each year to obtain the 33 bonds we are required to have. I have supplied you with a list of all these bonds
- 2) Beyond the actual cost of the bonds is the amount of time spent on obtaining these bonds. Some bonds are renewed every year, and others every time the positions are up for Election. Some of the time spent involve the following
 - a. Determining what bonds are required and the limits needed
 - b. Contacting the Bonding companies and ordering the bonds
 - c. Making sure each bond has the required information, signatures and Oath of office
 - d. Verifying that the bonds have been approved as required and filed with the appropriate office
 - e. When an employee or elected official leaves mid-year or mid-term, making sure we get new bonds for the replacements.
 - f. While the attached chart may make it look like this process is easy, every time we have a change in staff, we have to retrain all of this process.
- 3) An interesting point is while the code lists the requirements for the bonds, and where they have to be kept, there is no code requirement indicating who is responsible to make sure the bonds are actually submitted and approved. When I started no one took ownership of this program so we had many expired bonds, and no one was aware. The Wayne County Commissioners took ownership of the process and make sure the bonds are current and meet code requirements
- 4) Frankly the dollar limits required by the code are insufficient in today's world. The Commissioners have a bond requirement for \$5,000 which will not even begin to pay for the costs of almost any loss.

- 5) Because the limits are so low, we, as would any prudent political subdivision, carry additional insurance to cover the risks that are more likely to occur. The annual cost for us to carry 1 million dollars of Employee Theft coverage is \$7095 which covers almost a thousand employees and as mentioned before, we are paying \$4,080 to cover just 33 employees for a very limited amount of coverage. To put this in perspective to cover employees by bonds we are paying \$123.64 per year for each person covered by a bond and only getting a few thousand dollars of coverage, while we only pay about \$7.10 per year per person to cover all of our employees for a million dollars.

Thank you for the opportunity to present this information to you. I appreciate your attention to this issue on our behalf. While it may not appear to be a great deal of money, if you multiply this by all the Counties, Cities, Villages, and Townships that have to pay for these bonds, it can add up to a great deal of money. Also, with H.B. 291 being optional if for some reason a political subdivision wants to keep doing the bonds as they are, they have that option. Every opportunity we get to save a few dollars can really add up to save our citizens a considerable amount of money over time. Thank you again

Sincerely



Patrick C. Herron
Wayne County Administrator

