



# CITY OF LIMA

*Sharetta Smith, Mayor*

50 Town Square  
Lima, Ohio 45801-4900  
Phone: 419-228-5462  
Fax: 419-221-5257  
[www.limaohio.gov](http://www.limaohio.gov)

October 1, 2025

The Honorable Members of the Lima City Council  
50 Town Square  
Lima, Ohio 45801

Dear Council Members,

I want to begin by expressing my appreciation for the work each of you does on behalf of our residents. Your commitment to representing the people of Lima is evident in the time, energy, and thought you put into the work.

After careful review and consultation with the City's administrative leadership, I must respectfully veto Ordinance 202-25. This decision is not made lightly. It reflects my responsibility as Mayor to protect the long-term financial stability of our City and to ensure that our residents continue to receive the essential services they depend upon.

Lima is facing uncertain and challenging financial conditions. We are already operating under a hiring freeze, experiencing declines in local tax revenues, and adjusting to the expiration of federal relief dollars. At the same time, we are preparing for reductions in state and federal program funding that support vital community needs. These realities require us to be cautious and disciplined with any new, ongoing financial obligations.

Ordinance 202-25, while well-intentioned, would create an open-ended entitlement that introduces unpredictable costs into our self-insured health system. Because these costs are tied to actual claims, not just fixed premiums, the potential liability to taxpayers is significant. Every dollar directed toward this new benefit would be a dollar unavailable for protecting public safety, maintaining infrastructure, or providing other essential services that residents rely upon every day.

Despite the fact that this legislation would not extend health coverage to other part-time employees, we are concerned that it will set a precedent of expectation by those employees. Our benefits framework has been carefully structured around fairness, sustainability, and fiscal responsibility. Extending benefits outside of this framework undermines the clarity and stability that are critical to both the workforce and the taxpayers who ultimately bear the costs.

The potential budgetary impact of Ordinance 202-25 is substantial:

- For single coverage, which costs approximately **\$9,250** annually from the City's General Fund, the annual potential impact could reach **\$74,000**.

- For a family plan, which costs approximately **\$25,500** annually, the potential annual impact could reach **\$204,000**.
- Because the City is self-insured, claims are paid directly through the health insurance fund with stop-loss coverage applying only after an individual reaches **\$110,000** in claims. As a result, the City could face exposure of up to **\$880,000** in claims liability.

This legislation also contains no guardrails on coverage. It extends medical benefits not only to members of Council but also to their spouses and dependents under a family plan. While it was noted in Council discussion that other communities provide similar benefits, many of those communities have placed limits that prevent benefits from being extended beyond the individual member. Without such safeguards, Lima would be committing to an unsustainable and open-ended obligation.

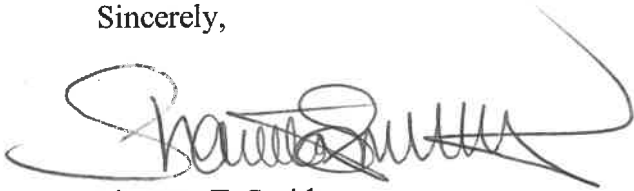
My highest priority as Mayor is safeguarding the services that allow Lima residents to live, work, and thrive. Ordinance 202-25, however, moves us away from that priority by committing the City to an uncertain, long-term expense that compromises our ability to meet future needs.

I remain committed to working with City Council in partnership, and I welcome continued dialogue about how we can responsibly strengthen our workforce and support those who serve the City, but I cannot in good conscience sign legislation that places our community's financial health and service delivery at risk.

For these reasons, I hereby veto Ordinance 202-25.

With respect and appreciation,

Sincerely,

A handwritten signature in dark ink, appearing to read 'Sharetta T. Smith', with a large, sweeping flourish extending from the end of the signature.

Sharetta T. Smith  
Mayor, City of Lima