

- 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 black 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