



## CITY OF SUMMERVILLE SPECIAL CALLED MEETING FEBRUARY 19, 2014



**CALLED TO ORDER:** Mayor Harvey called the meeting to order stating the purpose of this Special Called Meeting is to discuss and decide on the city's general liability insurance.

**ROLL CALL:** Mayor Harry Harvey called roll. Mayor Pro Tem Lloyd "Buddy" Windle, Council Members David Ford, Dale Housch, Joe Money, Jr. and Zachary Martin were present. Also present was City Manager Russell Thompson and City Attorney Albert Palmour.

**INVOCATION:** Mayor Harry Harvey gave the invocation.

**PLEDGE OF ALLEGIANCE:** Council Member David Ford led the pledge of allegiance.

**AGENDA:** Mayor Harvey asked if there were any changes requested concerning the agenda. With no changes requested Council Member David Ford made a motion to approve the agenda as presented. The motion was seconded by Council Member Dale Housch and carried unanimously.

**WELCOME:** Mayor Harvey welcomed all visitors. Mayor Harvey requested all visitors to sign in listing their name, address, and reason for attending the meeting. Mayor Harvey stated further that an opportunity will be given at the end of the meeting for visitors to speak.

**ANNOUNCEMENTS:** Mayor Harvey asked if there are any announcements. Mayor Harvey stated that the City Manager has a couple of items he would like to report to Council. City Manager Thompson gave the following announcements:

The Mayor and Council are invited to a screening of *Paradise Gardens* to be held in Atlanta at 7 pm on Friday, May 9<sup>th</sup>. City Manager Thompson asked elected officials to let him know if they will attend.

The on-line registration for the annual Georgia Municipal Association convention begins at 9 am on Tuesday, March 4<sup>th</sup>. Any elected official intending to attend the convention needs to have classes and hotel requests turned in no later than Monday, March 3<sup>rd</sup>. City Manager Thompson explained that classes and hotels fill up in about 15 minutes from initiation of the on-line registration. City Manager Thompson stated that he will get a GMA Annual Convention Planning sheets for anyone that needs one.

**GENERAL LIABILITY INSURANCE:** Mayor Harvey stated that the meeting is to discuss and make a decision concerning the city's general liability insurance. Mayor Harvey stated that he would defer to the city manager, city attorney, and our insurance broker to explain the details of the two options.

City Manager Russell Thompson explained that there are two bids for consideration for the city's liability insurance. City Manager Thompson explained that the current coverage is through Argonaut Great Central. City Manager Thompson stated that the other bid is from the Georgia Municipal Association functioning as GIRMA. City Manager Thompson stated that there is a March 1<sup>st</sup> deadline for a decision concerning the coverage. City Manager Thompson stated that he would turn the meeting over to Butch Eleam for further explanation.

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Butch Eleam explained that Council has been given a comparison sheet showing coverage provided by each company noting that the property, buildings and content coverage the two companies were bidding on has increased by about 6 million dollars. Butch explained that there may be some reduction in coverage requirements based on a collaborative effort of him, city staff members, and city engineers. Butch explained that for the purpose of deciding which entity should be awarded the policy it is important to be sure each quote is for equal items.

Butch stated that one important aspect of any consideration to change carriers has to do with claims coverage. Butch explained that if the city decides to go with a different company than the current Argonaut insurance company there could be complications. Butch explained that if a claim was filed against an incident that occurred during the time Argonaut was the insurance company a new insurance carrier would not pay that claim. Butch explained that there is insurance called "tail coverage" which covers a transition period for one, two, or three years. City Attorney Albert Palmour stated that he is unaware of any potential claims and a one year tail coverage policy would cover most situations noting that the statute of limitations is two years. Attorney Palmour stated that it is his opinion that purchasing a three year tail coverage policy is not necessary since it would be one year above the statute of limitations. City Attorney Palmour stated that there is a \$10,000 deductible on these types of claims.

Butch explained that currently there is a one million dollar general liability policy and a 1 million dollar umbrella policy with Argonaut. Butch explained that the second policy would not be needed with the GIRMA coverage. Mayor Harvey asked if GIRMA could provide the one million dollar general liability and two million dollar liability coverage for the natural gas system. Butch responded that he could talk with GIRMA and see if that is possible. Council Member Dale Housch asked if the tail coverage would be in addition to the \$136,082 listed for one million dollar coverage with GIRMA. Butch responded stating that the tail coverage would be in addition to the one million dollar liability coverage. Butch explained that with Argonaut's one million dollar general liability coverage there is a three million dollar aggregate; GIRMA has no aggregate limitation for their one million dollar liability coverage. Butch explained that GIRMA's bid for coverage is \$136,082 and ARGONAUT's bid is \$157,010. Butch explained further that the policy provided through GIRMA has better coverage; no aggregate on general liability, five million aggregate for public officials, and no aggregate for law enforcement. GIRMA also has five million dollars coverage for failure to supply which is not covered by the current Argonaut policy. Butch stated he was able to negotiate both company's original bid with a reduction to GIRMA of \$5,000 and Argonaut reducing their bid by \$7,000. Butch stated that he likes the Argonaut folks noting that they have been very helpful with claims but also likes GMA. Butch stated that with the GMA/GIRMA they also provide the service of property appraisals. Council Member Dale Housch stated that the figures indicate that adding the two million dollar option and a two year tail policy is still a little less than the one million dollar coverage with Argonaut. Mayor Harvey stated that the GMA/GIRMA costs less and provides better coverage. Mayor Harvey stated that he thinks that the city should go with 1 million dollar general liability with GIRMA and check on getting two million dollars liability on the gas system and also carry a two year tail coverage policy with GMA/GIRMA. Council Member David Ford stated that he concurs and so moves. Council Member Ford's motion was seconded by Council Member Joe Money, Jr. which carried unanimously.

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**PUBLIC COMMENTS:** Mayor Harvey asked if there are any questions or comments from the public. There were none.

**ADJOURN:** Mayor Pro Tem Lloyd "Buddy" Windle made a motion to adjourn. The motion was seconded by Council Member Zachary Martin and carried unanimously.

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**HARRY HARVEY – MAYOR**

Attest:

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**JILL DURHAM – CITY CLERK, G.C.M.C.**