

**MINUTES  
BOARD OF COMMISSIONERS**

The City of Jesup Board of Commissioners held a special called meeting Friday, June 3, 2016, at 9:00 a .m., in the Council Chamber. Mayor David Earl Keith called the meeting to order. Roll call was as follows:

Mayor, David Earl Keith	Present
Commissioner, Shirlene Armstrong	Present
Commissioner, Don A. Darden	Present
Commissioner, Nick Harris	Present
Commissioner, Bill Harvey	Present
Commissioner, Ray House	Present
Commissioner, Bobby Townsend	Absent
City Attorney, Mike Conner	Present
City Manager, Mike Deal	Present
Police Chief, Glenn Takaki	Present

The Lord's Prayer was led by City Attorney Conner.

The Pledge of Allegiance was led by Police Chief Takaki.

Mayor Keith asked everyone to continue to keep Commissioner Townsend in their prayers.

A Public Hearing was held on the proposed 2016-17 Budget.

Commissioner Harris apologized and stated the proposed Budget needed to be changed to include a \$58,000 USDA Grant just awarded to the City. The grant will be used to replace the roof and purchase cooling fans for the Farmers Market.

Commissioner House thanked everyone involved, and stated this was a great Budget.

Commissioner Darden stated he was glad Council was able to do something for the employees this year to help stop losing them.

No one present opposed the proposed Budget.

Commissioner Darden made motion seconded by Commissioner House to approve the 1<sup>st</sup> Reading of the 2016-17 Budget Ordinance.

All Council present voted yes.

Mike Maloy, with McGinty-Gordon Associates, reported he contacted Group Resources about finding a solution to the Insurance claims they are denying, but Group Resources is not accepting any responsibility for not reimbursing the City.

City Manager Deal explained he and Mike Maloy felt sure this claim would be paid, but later determined neither Group Resources or the reinsurer, Bardon, was not going to pay the claim without the City taking legal recourse.

Commissioner Harris asked Mr. Maloy could the City get out of the contract with Group Resources by the renewal date of July 1, 2016, without any penalties.

Mr. Maloy stated the contract asks for a 60-day notice without cause, but the City has cause.

City Attorney Conner asked Mr. Maloy what would be the downside of giving Group Resources a 60-day notice.

Mr. Maloy stated if Group Resources paid the run-out, the City could give them a 60-day notice and sign a new contract with Healthgram to be effective on July 1, 2016.

Commissioner House asked Council to consider doing away with the City health insurance, and giving the employees a \$500 per month raise to help purchase their own insurance thru the Market.

Mr. Maloy reported if the City did away with its Health Insurance Plan, it would cost the City \$2,000 per full-time employee per year. Commissioner House noted the City would still save about \$90,000 per year in administration fees.

Mr. Maloy reviewed different health insurance quotes he obtained thru the Market, but stated those plans were not nearly as good as the City's plan.

Mr. Maloy noted a lot of municipalities use their Health Insurance Plan as a tool to help retain employees. Commissioner House stated that has been his argument too for the past twenty years until the Market became available.

Commissioner House later suggested the City continue with Group Resources, sue them, start putting something together today, and allow the City employees to go to the Market.

Mr. Maloy explained if the City so chose, they would begin paying the new third party administrator, Healthgram, on July 1, 2016, and continue to pay administrative fees only to Group Resources through August, 2016, for processing old insurance claims and paying the run-out.

Commissioner Harvey stated he doesn't like to vote on anything when he doesn't understand all the insurance language, and needs someone to explain everything to him.

Mr. Maloy stated he and Shaun O'Quinn would be glad to come and explain everything to Council.

Mayor Keith told Mr. Maloy that City Manager Deal would get with him to schedule a Worksession.

Commissioner House made motion seconded by Commissioner Harris to instruct Mr. Maloy to send a 60-day notice to Group Resources to terminate the contract and start with the new third party administrator, Healthgram, effective July 1, 2016. Group Resources will pay the run-out on the prior claims.

All Council present voted yes.

Commissioner House made motion seconded by Commissioner Darden to allow City Attorney Conner to begin legal action against Group Resources at the appropriate time.

All Council present voted yes.

Meeting Adjourned,

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Rose Marcus-Jackson  
City Clerk-Treasurer