

**CITY OF CALHOUN
SPECIAL CALLED CITY COUNCIL MEETING
DEPOT COMMUNITY ROOM
109 SOUTH KING STREET
DECEMBER 7, 2004, 4:00 P.M.**

MINUTES

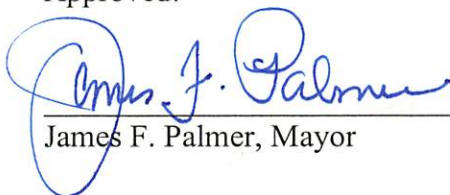
**PRESENT: James F. Palmer, Mayor
Lorene Potts, Mayor Pro Tem
Ray M. Denmon, Councilman
George R. Crowley, Councilman
David Hammond, Councilman**

ALSO: Cathy Harrison, City Administrator


1. Mayor Palmer called the meeting to order and welcomed everyone in attendance.
2. Mayor Palmer explained the purpose of the special meeting was to review property and liability insurance proposals for the city and city school systems, and to accept a company for the next twelve months or more.
3. Mayor Palmer stated that since the officials of the Georgia Municipal Association had traveled from Atlanta and might need to leave early, he will allow their proposal to be provided first.
 - a. George Van Leuven, the GMA representative for GIRMA, which was formed in 1987 and today has 355 cities in the program, explained that the pool provides property and liability insurance and currently has a reserve of \$16 million for the pool. He stated the rates are based upon experience and claims, and also consider the exposure for the pool. He stated it is necessary for any new city coming into the program to complete two program years. Should the city sign up for the program, it would need to remain in the program through April 30, 2007.
 - b. Scott Thomason of Willis Insurance, who provides the day-to-day operations for GIRMA, reviewed the limits of liability, the deductibles, and the proposed rates for both the city and the city school system. He stated his company had quoted on the business last year, but there has been a substantial increase in the value of the properties and the number of vehicles requiring coverage. Therefore, the price is approximately \$100,000.00 more this year than they were at the last quote. He stated the documents referred to the annual contribution that was being proposed for the first two year period, and these rates would be good for that two-year period, except that experience and claims could increase the premiums. The documents indicated the cost for the city for general liability, law enforcement liability, public officials liability, automobile liability and physical damage, and property and equipment coverage, totaled \$457,070.00. Similar coverage for the school system totaled \$130,842.00.
 - c. The Council members asked several questions regarding deductibles and limits of liability.
4. Next, Mayor Palmer asked Jim Mathews to present his proposal.

- a. Mr. Mathews stated he had two proposals, one utilizing St. Paul Insurance and Zurich as partners for all the coverages, and the second utilizing St. Paul, Zurich and Arch Insurance to provide the general liability. He stated the general liability through St. Paul this year breaks out the coverage for employment claims and provides separate limits, and that cost on premiums increased approximately \$13,000.00. However, the Arch would combine it with the general liability and the limits would be at \$1 million and \$2 million aggregate. He stated the deductibles are primarily at the level they were during the previous year.
 - b. In response to a question by Councilman Hammond regarding the aggregate coverage for police liability, Mathews stated he would investigate the possibility of increasing that exposure and would notify the city shortly.
 - c. Jim Mathews stated this would be traditional insurance. The city would not be a part of a pool and would not have the possibility of assessments that are a possible characteristic of pools. However, he stated the GIRMA pool operated by GMA is one of the two best pools in the State of Georgia and that should not occur with that organization.
 - d. Mathews stated he was available to respond to any additional questions the group might have.
5. Mayor Palmer asked if he was reading the information correctly in which the quote for St. Paul and Zurich would be \$365,985.00 for the city and \$102,431.00 for the schools, with a total package of \$468,416.00. The second quote would be St. Paul, Zurich and Arch for a total package of \$454,468.00. Mr. Mathews confirmed these figures. He stated the schools would be handled through Utica Mutual, and while their rates did increase from last year, their value of real property was up 130%, which was the reason for the largest share of the increase for the school system.
 6. Mayor Palmer asked the GIRMA representatives if he understood their package rate to be \$587,912.00 on an annualized premium, with the city required to stay in the program through April 30, 2007. That was confirmed.
 7. Mayor Palmer asked if there were any additional questions or comments by either group or if there were additional questions from the Council. There were none.
 8. Councilman Hammond made a motion to approve the St. Paul, Zurich package for the city and Utica Mutual for the schools for a total package of \$468,416.00. The motion was seconded by Mayor Pro Tem Potts, with Councilman Hammond, Mayor Pro Tem Potts, Councilman Denmon and Councilman Crowley voting affirmatively, motion carried.
 9. Councilman Hammond made a motion to adjourn, second by Mayor Pro Tem Potts, with Councilman Hammond, Mayor Pro Tem Potts, Councilman Denmon, and Councilman Crowley voting affirmatively, motion carried.

Approved:


James F. Palmer, Mayor

Submitted:


Cathy Harrison, City Administrator