

DRAFT

DESOTO COUNTY BOARD OF SUPERVISORS

BOARD MEETING MINUTES

JOHN M. M. CALDWELL, PRESIDENT, PRESIDING

May 20, 1997

A. CALL TO ORDER

The May 20, 1997, meeting of the DeSoto County Board of Supervisors was called to order by John M. M. Caldwell, Sr., Board President.

W. E. ASluggo@ Davis, the DeSoto County Chancery Clerk was present and did open the DeSoto County Board of Supervisors meeting in a regular session to hear any and all business to come before the Board. The following were present:

Jessie Medlin-----District 1
Eugene C. Thach-----District 2
James D. Pearson-----District 3, Absent
John Caldwell-----District 4
Tommy Lewis-----District 5
W. E. ASluggo@ Davis-----Chancery Clerk
Clovis Reed-----County Administrator
William H. Austin, Jr.-----Board Attorney

B. INVOCATION

The invocation was presented by Supervisor Eugene Thach.

C. OLD BUSINESS

1. Review of General Liability Proposals

County Administrator Clovis Reed presented insurance options for general liability insurance with advantages and disadvantages of each noted. The Board of Supervisors reviewed Mr. Reed=s notes and recommendation to change to coverage by Titan. The proposals were discussed at length with the following points made:

Supervisor Jessie Medllin:

1. there are differences of opinion concerning guaranteed and self insured programs.
2. after Maddan & Powell pointed out that there are fees that pass outside the \$120,000.00 Aself insurance@ portion of the policy, Supervisor Medlin asked how many extra fees the County has paid. Comptroller Dale Thompson said we paid \$3,100.00 one year and \$4,000.00 the next year;
3. he appreciates everyone=s participation in the proposal process.

Item C., Continued,

Supervisor John Caldwell -

1. he is concerned about changing insurance coverage;
2. he is concerned that Titan will not honor the coverage offered in the letter sent to the County dated Thursday, May 15, 1997, as the letter is not specific enough. Monroe Pointer said that a senior counselor from Titan wrote and sent the letter after having their legal consultants review same.
3. said if the Board of Supervisors choose a company based on the letter from Titan, he requests every line on either competing policy, that is beneficial to the County, be included in our coverage. Supervisor Thach said that is not possible, because the two other options are different types of policies. County Administrator Clovis Reed said the letter from Titan is based on Titan meeting or beating current coverage. Supervisor Caldwell said he agrees, but in essence, Titan signed a blank check and if the County chooses coverage based on that letter, and Titan realizes it may not be able to cover certain specific claims, the County=s only option is to go through the expense of suing Titan. Therefore, Supervisor Caldwell would rather the policy be awarded based on a policy and not a letter; Clovis Reed said the County can break the coverage if Titan does not do what they say they will do.

Supervisor Eugene Thach -

1. asked Maddan & Powell if their proposal covered all of the vehicles. Ric Stallings said yes;

Supervisor Tommy Lewis :

1. had the County Administrator explain how he arrived at the cost savings figure;
2. said comparing coverage between the self insured program and the guaranteed program is like comparing apples to oranges;
3. confirmed the premiums for the self insured policies include the Areserve@;
4. asked why Madden & Powell feel a fully insured policy is better. Madden & Powell said when accounting the realistic losses caused from extra expenses and hidden costs, the fully insured program was most economical for the last few years using the County=s actual figures;

County Administrator Clovis Reed:

1. said he has gone over all of the options in detail;
2. said in a guaranteed program you lose all of your premium. In a self insured program part of the premium is used for the policy;
3. said the County can only pay \$120,000 in the lost fund.
4. pointed out that a portion of the premium differences can be saved with the self-insured option, but the premiums are lost with the fully insured option.

Brown & Haynes Insurance Representatives, Jeff Estes, Buzzy Mize, and Rex Haynes:

1. contend Titan insurance coverage is not a good as the County=s coverage last year;
2. asked about Titan coverage for closed bridges. Monroe Pointer said that Titan accepts the County Bridge Report to determine which bridges are open in the County, and insures all open bridges;
3. asked if Titan will insure the landfill? Monroe Pointer said there was no exclusion for the landfill;

Item C., Continued,

4. asked if there were changes in both the other proposals after the 5:00 p.m. deadline? Maddan & Powell said they have not changed their proposal in two weeks, and Pointer Insurance said their price is the same as originally quoted;
5. said Maddam & Powell cannot get coverage from a non admitted carrier when an admitted carrier is available. Madden & Powell said that C & A is an admitted carrier;
6. pointed out the savings the County realized through the self insured program on the ambulances;
7. thanked the Board of Supervisors for their business and complimented Dale Thompson for her professionalism and knowledge of insurance issues.

Pointer Insurance Representative, Monroe Pointer:

1. said he has confirmed every question asked him with Titan to ensure his representation of this company is accurate;
2. said Titan will not hold the County responsible to continue coverage for three years or penalize the County for cancelling the policy after one year if the County chooses to do so. This statement was read back to Mr. Pointer and he confirmed the accuracy of the statement.

Maddan & Powell, Represented by Ric Stallings and Rick Powell :

1. said one advantage guaranteed coverage allowed was in the case of the ambulance, under Maddan & Powell=s coverage, the County would pay a \$2,500.00 deductible rather than the excess of \$25,000.00;
2. said there are no deductibles for liability claims;
3. the self insured program offers fees for the number of claims, plus other fees not associated with the cap.
4. said to avoid many of the extra fees associated with the current policy, the County has handled many claims on their own, passing outside the policy.
Dale Thompson confirmed that is true. Brown & Haynes said many of these claims were for windshields. Supervisor Medlin asked how much time is spent on these outside claims. Dale Thompson said that Rex Haynes handles the claims and sends the County an invoice.
5. said the letter from Titan guaranteeing rates is based on 38 autos. The County has 138 autos. Chancery Clerk Sluggo Davis asked if all 138 autos were covered under the Titan plan. Clovis Reed said they are all covered and the discrepancy was a typographical error;
6. explained it may not be good to lock in a three year rate, as this insurance is a soft market and insurance companies can get out of coverage quotes for a number of reasons.

Supervisor Eugene Thach made the motion to accept the recommendation of the County Administrator approving Titan as DeSoto County=s general liability insurance coverage through Pointer Insurance Agency. The **motion died** with a vote as follows:

Supervisor Jessie Medlin-----No
 Supervisor Eugene Thach-----Yes
 Supervisor James D. Pearson-----Absent
 Supervisor John Caldwell-----No
 Supervisor Tommy Lewis-----Yes

Item C., Continued,

Supervisor Eugene Thach made a motion and Supervisor John Caldwell seconded the motion to stay with the current company, Brown & Haynes, for one year and look at changing next year, and instruct the County Administrator to make sure enough attention is given to the issue to fully consider each coverage option. The **motion died** with a vote as follows:

Supervisor Jessie Medlin-----No
 Supervisor Eugene Thach-----Yes
 Supervisor James D. Pearson-----Absent
 Supervisor John Caldwell-----Yes
 Supervisor Tommy Lewis-----No

Supervisor Eugene Thach made the motion and to accept the proposal from Titan, based on them offering the proposed price for three years whether the County continues coverage or not, and based on the savings this option represents for the citizens of DeSoto County, acknowledging the letter that was sent to the County Administrator on Thursday, May 15, 1997. After one year, the County will go out for proposals and fully study each option and the benefits and shortfalls of each, so as to make the best decision for general liability coverage for the citizens of DeSoto County. Supervisor Tommy Lewis seconded the motion based on that being the lowest price. The **motion passed** by a vote as follows:

Supervisor Jessie Medlin-----Yes
 Supervisor Eugene Thach-----Yes
 Supervisor James D. Pearson-----Absent
 Supervisor John Caldwell-----No
 Supervisor Tommy Lewis-----Yes

D. OTHER ISSUES

1. Supervisor John Caldwell

a. Cost to Move Power Poles on Starlanding and Ranch Road

Supervisor John Caldwell said power poles are holding up crews for work on Starlanding Road and Entergy requires payment before they will move the poles. Supervisor Eugene Thach asked how many poles need to be moved. Supervisor John Caldwell said two poles need to be moved at a quoted price of \$3,000.00 each, but no invoice for the work has been sent. County Administrator Clovis Reed said that he talked with Entergy to obtain a schedule for the County to use to determine these costs, and was told that if the poles are on right of ways Entergy will not charge to move the pole, but if the poles are on private property, they will have to charge. Mr. Reed further explained that if a pole is on private property and we need to move the pole to a right of way, Entergy will charge to move the pole. Mr. Reed asked Entergy to provide a schedule to him for the County Engineer to use when estimating job costs. Supervisor Eugene Thach said Entergy should not be trying to make money to move the poles. Clovis Reed said he was assured they are only recouperating the cost to move the poles. Supervisor Jessie Medlin pointed out that Entergy does not have to pay to put up the poles in most cases. The Board Attorney, William Austin said that if there is no recorded easement, you should not have to pay, but if there is you will probably have to pay.

Item D.1.a., Continued,

Supervisor Tommy Lewis said Ranch Road should also be considered in this discussion.

Supervisor John Caldwell made the motion and Supervisor Eugene Thach seconded the motion to pay up to \$2,000.00 per pole on Starlanding Road and Ranch Road, and to have the County Administrator negotiate the final price for moving poles on Starlanding Road and Ranch Road up to \$2,000.00 per pole. The **motion passed** by a vote as follows:

Supervisor Jessie Medlin-----Yes
Supervisor Eugene Thach-----Yes
Supervisor James D. Pearson-----Absent
Supervisor John Caldwell-----Yes
Supervisor Tommy Lewis-----Yes

2. Supervisor Jessie Medlin

a. Cutting Hill at Highway 305

Supervisor Jessie Medlin notified the Board of Supervisors that there should be no charge for moving utilities, gas, or electricity to cut the hill down at Highway 305. However, the County may have to help Lewisburg move the water lines.

Supervisor Eugene Thach made the motion and Supervisor Tommy Lewis seconded the motion to adjourn until Monday, June 2, 1997, at 9:00. The **motion passed** by a vote as follows:

Supervisor Jessie Medlin-----Yes
Supervisor Eugene Thach-----Yes
Supervisor James D. Pearson-----Absent
Supervisor John Caldwell-----Yes
Supervisor Tommy Lewis-----Yes

THIS the 20th day of May, 1997, these minutes have been read and approved by the DeSoto County Board of Supervisors.

JOHN M. M. CALDWELL, President
DeSoto County Board of Supervisors