

**CITY OF CARUTHERSVILLE****June 27, 2016**

Be it remembered the Council of the City of Caruthersville met in special session on Monday, June 27, 2016 at 5:00 p.m. in the Council room of the Municipal Building at which time and place the following were present:

Mike McGraw (Absent)	Mayor
Takella Motton	City Clerk
Lawrence Dorroh	City Counselor
Tony Jones	Sergeant at Arms
Cheek	Councilperson
Hood	Councilperson
Merideth	Councilperson
Harmon	Councilperson
Rodgers	Councilperson
Duckworth	Councilperson
Bullington	Councilperson
Cartee	Councilperson

The number of members necessary to consider a quorum being present, the Mayor Pro Temp called the meeting to order and announced the meeting was in session for the transaction of business.

The first order of business was discussion of the insurance bid, and the Mayor Pro Temp gave the floor to Councilperson Cheek and Counselor Dorroh. Councilperson Cheek stated that he had questions about the bid as to how it was termed in the paper. He talked with the Counselor extensively about the matter, and came to the conclusion that there wasn't an opportunity to choose a different agent of record if the Council chose to do so. Councilperson Cheek made a motion to reject both bids of Bernard Insurance and SEMO Insurance, second by Councilperson Merideth, followed by discussion.

Counselor Dorroh stated that there were several options as how the situation could be handled. He stated that Dustin Price should have the opportunity to comment on the disadvantages that he may have encountered because of the language of the Bid Notice. Counselor made mention that he had contacted the other two parties that picked up bid packets, but didn't submit their bids. Baker, Welman, and Brown stated that the language in the paper about the No Agent of Record to be accepted had no bearing on their decision to submit their bid. They could not get a carrier to accept coverage for the City. Mark Gibbins, Ellington Insurance indicated that he was not aware of the language until after the bid had taken place. The language didn't impact his decision to submit a bid either.

Counselor Dorroh stated that the language in the Bid Notice was problematic, because of the history of the acceptance of the same carrier with a change of a different Agent of Record. Counselor Dorroh stated that he struggled with the language of the advertisement placed in the bid packet and paper in regards to No Agent of Record will be accepted. If it had been no change of Agent of Record, it would be blatant. Counselor talked with MEM and they concurred the language really didn't mean anything. Counselor stated given the history it appears to be to limit the ability to change the Agent of Record. If not for the history of Bernard Insurance's same carrier be chosen with a different Agent of

Record being selected for the Property and Liability Insurance; you could look at the language as being to leveling the playing field as to what ever bid was accepted the carrier and the Agent of Record would be the same. Counselor stated that there was an appearance of impropriety, which puts the Council in a difficult position. If they chose Bernard Insurance it would be accepting what was stated in the Bid Specifications, No Agent of Record being accepted. Mayor Pro Temp Harmon asked if there was time to rebid if both bids were rejected. Counselor stated that there was no time with the insurance due June 30, 2016. Counselor Dorroh stated that he had spoken with MEM, and that the City would have to make application for a new Agent of Record. Dustin Price stated that he had made application with MEM with the whole process, and has additional risk control placements that they can supply to the City that they do for other agencies that would help with the rate. Dustin stated that there wouldn't be any gaps in coverage and it would be effective the following morning.

Councilperson Cartee asked if any Council, Committee, or legal were instrumental with the wording in the bid, or knew it was going into the paper. Counselor Dorroh stated that the Mayor had indicated to him that he had talked to him about the language, which he has no recollection of. Counselor stated with respect to the SEMO bid, there were some issues. There was no bid form completed, nothing in respect to E&O coverage for the agency, and was substantially higher than Bernard Insurance. Counselor asked Dustin Price if there were any other carriers that he contacted; he stated there's a limited amount of carriers that will write a policy for Police and Fire. Counselor Dorroh stated with the limitations within the market there were be an exaggerated conflict of interest in regards to the limit put on the Agent of Record in the Bid Notice. Councilperson Bullington asked if the quote would be the same for MEM if a different agent is chosen. Dustin Price stated that it would be the same quote given by Bernard Insurance.

It was established that if a bid had been taken, there could not have been a change in the Agent of Record. The only time that an Agent of Record can be changed is between 90 days and the renewal date, or before the bid takes place. Councilperson Hood questioned how the terminology was interpreted, and how could a decision be made on one's interpretation. Councilperson Cartee stated that it was personal to him since every time insurance comes up, he's been told by two separate parties that it's a Conflict of Interest for him to vote. He stated that the bank owns an insurance company and that he draws a salary from the bank, he does not own the bank. Councilperson Cartee made reference that the Mayor chose the wording in the bid to insure that his wife didn't lose business, which is a more conflict of interest than him drawing a salary from a different holding company that owns a different company.

With no further discussion, Mayor Pro Temp Harmon called for the vote to reject both bids which were as follows:

Cheek	Yes	Hood	Yes
Merideth	Yes	Rodgers	Yes
Duckworth	Yes	Bullington	Yes
Cartee	Abstain		

Councilperson Cheek motion to make a change of Agent of Record to SEMO Insurance, second by Councilperson Merideth, which resulted in the following vote:

Cheek	Yes	Hood	Abstain
Merideth	Yes	Rodgers	Abstain
Duckworth	Yes	Bullington	Yes
Cartee	Abstain		

Councilperson Cheek motion to keep Missouri Employers Mutual as the carrier and not to exceed \$108,000, second by Councilperson Merideth, which resulted in the following vote:

Cheek	Yes	Hood	Yes
Merideth	Yes	Rodgers	Yes
Duckworth	Yes	Bullington	Yes
Cartee	Abstain		

Councilperson Bullington stated that the sidewalk grant was very involved, and she had contacted A2H and Waters Engineering. Either party could write the grant, or Waters cautioned against the grant because it could end up costing more money if you weren't careful. Christie Mercer had stated that with 12<sup>th</sup> and 13<sup>th</sup> St. already having sidewalks, the City probably wouldn't be eligible. The scoring matrix would be in favor towards the ones that didn't have sidewalks. Christie Mercer is looking into some other options for the sidewalks.

Terry Rushing stated that he was going to include in the 2016-2017 budget a John Deere 35T Compact Excavator for \$57,676. This piece of equipment would serve the Street department and Water department.

Mayor Pro Temp told the gentlemen in the audience that a Special Meeting was being conducted and that the agenda had to be adhered to. He told the gentlemen that they could come to the meeting Tuesday, July 5, 2016 if they wanted to voice any concerns.

With no further business to come before the Council, Councilperson Merideth motion to adjourn, second by Councilperson Duckworth, with all in favor.

ATTEST:

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Mayor Pro Temp

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City Clerk