

Town Council Special Meeting
 Tuesday, June 19, 2018
 5:00 P.M. Town Hall

Edinburgh Town Council met in a special session on Tuesday, June 19, 2018 at 5:00 P.M. at the Town Hall, 107 South Holland Street, Edinburgh, Indiana.

President Kami Ervin called the meeting to order and led the Pledge of Allegiance.

Members answering roll call were: Councilman Jack Shepherd, Councilwoman Dawn Graham, Vice President Jerry Lollar, and President Kami Ervin. Also present were Town Attorney Dustin Huddleston, Town Manager Wade Watson, Director of Administration Mary Patterson, and Clerk-Treasurer Scott Finley. Councilman Jeff Simpson was absent.

President Ervin said next on the agenda was the town insurance renewal package. She asked Town Manager Wade Watson to explain.

Mr. Watson said he and Director of Administration Mary Patterson have worked many hours on this renewal since February gathering information and forwarding it to the agents. He wanted to start by saying that he and Ms. Patterson are not experts on insurance policies. For the next year he is going to recommend that we hire a consultant to review policies and give an unbiased opinion because this is simply too complex for the staff to understand completely. He would also like agents to submit three year quotes because of how time consuming this process can be. He passed out to the council a spreadsheet outlining quotes from four different carriers (appendix A).

Mr. Watson explained that Green Owens is our current carrier and submitted a quote again for this year. However, it was found that for the past two years the town has not had insurance coverage on the dam. The staff was told during meetings that the dam was covered but during this quote process it was found that it has been listed as an exclusion. They also are not covering the town in the event of a flood. These are two issues that the town has had large insurance claims on in the past.

Mr. Watson explained that Kevin Parks of Edinburgh Insurance was present and has submitted two quotes, one from Travelers and one from Trident. Edinburgh insurance did not submit a quote for workers compensation as they would be quoting IPEP which is who our current policy is through. Trident was the low quote at \$95,869.00, however they are a non-admitted carrier in the State of Indiana. His understanding is that non-admitted means they are not currently licensed to sell insurance in Indiana which means in the event of a bankruptcy state funds would not be there for assistance.

Mr. Watson said Larry Mayfield was also present from Zeller Insurance. He provided a quote from Bliss-McKnight. The town has had insurance with Bliss-McKnight and they only write for municipalities. Bliss-McKnight also provides numerous free training seminars for the town.

Discussion was held regarding how co-insurance works.

President Ervin asked about the risk of going with Trident.

Mr. Parks said in his opinion there is no risk. They are a large, A-rated company that trades on the New York Stock Exchange and does have other municipal policies.

Mark Ennis of Bliss McKnight was also present and gave a summary of training they offer for its clients.

Discussion was held regarding the accessibility of training and training for public safety.

Councilman Lollar asked how it was overlooked that the dam and flood were not covered in the current policy. He asked if the town attorney had reviewed the policy.

Mr. Watson said typically we do not have the attorney review the insurance documents. He said there is not an expert in insurance working for the town and the staff was told by the agent that those things were covered. He said he had contact with a representative from the company who said that was an error and it should be covered.

Mr. Lollar asked both representatives that were present if the dam was covered in their quotes.

Both agents said their policies covered the dam.

Mr. Mayfield said the dam is covered and Bliss McKnight paid out over \$1.6 million during the last litigation involving the dam. They also paid out in 2008 when the flood occurred. He said it bothers him

that he lost the town's business last time only to find out later that the town was not fully covered by the new carrier.

Ms. Patterson said when a new carrier wants to come in and quote they are given a copy of our current policy and they are told we want the same coverage at minimum. When Green Owens asked to quote they were given the then current policy which covered both the dam and flood. The town was told the plan was the same.

President Ervin said she would not be for going with Green Owens after this issue. She said she was present in a few of the insurance meetings and believed they could trust the agent to be sure we were fully covered.

Councilman Lollar said he has to blame ourselves a little for not catching this error. He said we need to make sure that what we are signing up for is what we are getting. He said he thinks the quote from Trident is closer to what the town would like to pay. He said regardless of who we chose he would recommend having the policy looked at in depth to make sure we are covered.

Councilwoman Graham said she does not agree that this was a mistake on the staffs part and would not be comfortable going with Green Owens.

Town Attorney Dustin Huddleston said the choice on the policy is up to the council but from a legal stand point every contract he drafts for the town requires the other party to carry insurance from a licensed, Indiana insurance company that is rated. He would not recommend doing any kind of business with a company not rated or licensed in Indiana. It can cause a lot of problems if you ever had to sue that company.

Councilman Shepherd said he understands how important it is to review the policy but also understands how the lack of coverage could have been missed. There has to be trust in your agent when dealing with such a complex process. He agrees that we need a consultant to look into the policies.

Councilman Lollar asked Mr. Watson was his recommendation was as Town Manager.

Mr. Watson said after Mr. Huddleston's comment he believes it comes down to either Bliss-McKnight or Travelers and his recommendation would be to go with the lower of the two, Bliss-McKnight for both workers compensation and the commercial insurance package.

Councilman Lollar made a motion to approve the commercial insurance package quote from Bliss-McKnight for \$152,571. Councilman Shepherd seconded. Motion carried.

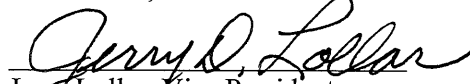
Councilwoman Graham made a motion to approve the workers compensation quote from Zeller Insurance for \$48,345. Councilman Lollar seconded. Motion carried.

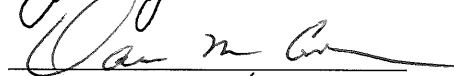
President Ervin said next on the agenda was the contract employing an attorney. She asked if there were any questions regarding the contract. Councilwoman Graham made a motion to approve the contract with Huddleston and Huddleston. Councilman Lollar seconded. Motion carried.

Being no further business or comments, Councilwoman Graham made a motion to adjourn the meeting. Councilman Lollar seconded. Motion carried.


EDINBURGH TOWN COUNCIL


Kami Ervin, President


Jerry Lollar, Vice President


Dawn Graham


Jack Shepherd


Jeff Simpson

ATTEST:


Scott Finley, Clerk-Treasurer