

Council Meeting  
November 3, 2014

Members Present: Mayor Richard C. Barr, members Jody Greene, Chandler Hill, Buddy Duke, Greg Paige and Butch Fausett.

Others Present: John Flythe, Rhonda Rowe, Tim Tanner, Chad Castleberry, Wayne Giddens, and members of the public and press.

Invocation was given by Councilman Fausett.

Approval of Minutes: Councilman Hill made a motion to approve the minutes of October 20, 2014 as presented. Councilman Fausett seconded with all in favor.

Gas Engineer Bids: City Manager John Flythe advised the council that the low bid of Statewide Engineering presented at the last meeting for the natural gas line extension project met specifications. Councilman Duke then made a motion to accept the low bid. Councilman Paige seconded. All were in favor.

Ordinance #14-5: This ordinance, adopting a municipal court fee and fine schedule, was read for the second time. Councilman Duke made a motion to adopt the ordinance followed by a second from Councilman Fausett. The decision was unanimous.

Gas Dept. Bids (Odorization System): Bids were received for an odorization system and were as follows:

Odorization Solutions, Inc. -	\$28375.00
Harp & Associates	\$32631.25

Councilman Fausett made a motion to accept the low bid followed by a second from Councilman Hill. All were in favor.

Insurance Discussion: Billy Greene, representing Greene's Insurance Agency, addressed the council stating that he had received the renewal from Aetna on the city's group health insurance plan and it has an increase of 58% on premium costs, which equates to an approximately additional \$600,000. He stated that we needed to talk about why it is up and what we can do about it. He stated that he, along with his son Kemp, have teamed up with Harry Lowe of Benefits Mall, who is an insurance broker and also very familiar with the Affordable Care Act, to work on our group. He has also contacted J. L. Herring out of Savannah about a self-insured quote. Billy stated that our renewal rates are partially contributed to thirteen claimants who had costs this year that exceeded \$25,000 but he is talking to Aetna and is shopping our plan with carriers including Blue Cross/Blue Shield and United Healthcare. He stated that he is looking at a self-insured plan that is attractive and the preliminary numbers look much better. The self-insured plan would tie in with a gap plan that would help offset the deductible cost for employees.

He added that there had been talk about taking the dependents/spouses off the plan and put them in an individual policy, but we don't want to do that. You would have more problems than you could imagine. Additionally, you could get into problems with the Affordable Care Act. There are certain rules with that you have to play by as far as offering coverage. Before December 1<sup>st</sup>, he will have all his proposals to John. He stated there are only a certain number of companies that he or his competitors can go to for a quote. It has been his experience that if he requests a quote from a company, which generally takes about three weeks for them to work it up, and all of a sudden they get another submission from a different agent, their tendency is to put both requests down because they have to do the same work for the second quote they did for the original quote request. They are not going to just take the rate worked up for the first quote and give that to the second request. They have to go through the whole process again. He is asking the council to allow him to be the exclusive agent. It wouldn't bother him either way because the city sent it out everywhere last year and didn't get any other quotes. It's not an attractive account because of losses. He felt it would be better if the city made him the exclusive agent because he's going to get a better quote. The council took no action on this request. City Manager John Flythe questioned an earlier conversation wherein if we had to separate the spouses and dependents Billy thought they could go to Obamacare and maybe have one company to rate everybody, but tonight you're saying you don't think we have to go that route? Billy stated he was hoping we didn't have to go that route. Mr. Flythe then asked if there was a fine associated with this action? Billy replied the law reads you can elect not to offer a spouse coverage, but you cannot do that with a dependent. You don't have to write the dependents, but you have to offer it. The fines are more associated with a plan less than what Obamacare says you have to have. Mr. Flythe then confirmed that if you have an employee now that does not have spouse or dependent coverage, you still have to offer it them. Billy confirmed yes, you do have to offer it. Councilman Duke then clarified that you have to offer it and give them the option to turn it down. Billy agreed this was correct. Mr. Flythe questioned if we intend to offer Obamacare to both those employees who have dependent coverage now as well as those that don't have it now, do each have to be rated separately? Billy stated yes, it would have to be done individually. They would take each spouse or dependent, together if you have both a spouse and dependent, send a one page application and get a rate back from two or three companies. There's no pre-existing conditions exclusions, so it would be a guaranteed issue. Billy said it could be done but to him that would be a last resort as far as saving money. When we first looked at the renewal, we all panicked and wondered where in the world the increase was coming from. It's in the spouses and dependents. He stated he thought we could work it out to keep our group in-tact. Councilman Fausett asked if there were any stats available on any cities our size. Mr. Flythe stated we had some stats we could provide. We have talked to GMA and there are some numbers we can provide on that side of it also. He's hoping that Mr. Greene can come back in December and have us a policy comparable to what we now have. Billy stated that as of today, he's hoping he's got a "fish on the hook" with a plan. Councilman Paige questioned to Billy, so as not to be misled, he wanted to verify some of the large claims were surgeries. Billy verified yes, he was sure they were.

Greg Paige: Councilman Paige commended Chief Castleberry for using a local dealer to perform some work on the patrol vehicles. He felt that we needed to do this when we could and hopes to keep this trend going.

Executive Session: Councilman Hill made a motion to enter into executive session to discuss a real estate matter. Councilman Fausett seconded. All were in favor.

Following executive session, there was no further business and the meeting was adjourned.

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Rhonda P. Rowe, City Clerk

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Richard C. Barr, Mayor

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