

**Town of Montville Town Council
Special Meeting Minutes of Thursday, April 28, 2011
Montville Town Hall – Town Council Chambers
6:00 p.m.**

1. Call to Order

Chairperson Jacobson called the special meeting to order at 6:00 p.m.

2. Pledge of Allegiance followed by a moment of silence in honor and support of our troops.

3. Roll Call

Present were Councilors Beetham, Caron, Hillman and Jacobson. Absent were Councilors Buebendorf, McFee and Murphy. Also present was Mayor Jaskiewicz and Finance Director Terry Hart.

4. Special Recognitions or Presentations

a. Presentation regarding Broker of Record services provided by H.D. Segur Insurance for liability, auto, property pool and Workers Compensation insurance.

Motion made by Councilor Caron, seconded by Councilor Hillman.

Ms. Terry Hart, Finance Director introduced Mr. Scott Sundberg from H.D. Segur, Inc., a partner of the firm, stating he has given a presentation to the Mayor, Finance staff and Ms. Lamoureux from the Board of Education and she suggested he present to the Town Council some of the options available to the town for a Broker of Record for LAP and Workers Compensation insurance.

Mr. Sundberg, a partner in the H.D. Segur Insurance, Inc. stated he has met with the Town and the Board of Education forty five days ago regarding services his company provides. He stated his company is the largest writer and insurance advisor to municipalities in the State of Connecticut with seventy towns with connected Board of Education and specialty groups. His group acts as the insurance advisor and broker for all the municipalities, Boards of Education and special groups. He provides the professional services which include advising the town on LAP and workers compensation and specialty coverage which includes public official's liability and police professional. The agency has been in business since 1890 and he has been with the agency for twenty five years. The agency specializes in public sector in his division and provides a great deal of leverage to municipalities to ensure they get the best possible pricing in a marketplace where there is very limited markets right now in the State of Connecticut due to statutory concerns of the insurance companies that are doing business. He is able to put the town in a premium cost matrix and identified significant savings for the town. He discussed loss control and risk management and review of policies, audits, and claim decisions that could potentially put the town in a better place financially. There are many things his company can do to review coverage to make improvements on what the town currently has. The Town is currently unrepresented by a Broker of Record firm and his team is comprised of public entity specialists in marketing, risk management, loss control, claim management and customer service. H.D. Segur has over forty years of public entity programs experience and has the experience, expertise and marketplace leverage in the areas of public entity risk management and insurance. They offer municipal and Board of Education clients the highest levels of professional service and access to the most competitive pricing alternatives. They are one of the largest independent agencies in the State of Connecticut and are the insurance and/or risk management agent/broker of record and/or consultant for approximately seventy public entity accounts. His initial effort would be to develop a complete understanding of the

public entity exposures and provide short and long term cost effective measures to handle exposures, the work would be accomplished through the use of visits to all the properties owned by the public entity and budgets would be reviewed and a questionnaire completed on each location. There will be meetings set up with department heads to gather information and review the five areas of coverage. Once exposures have been identified a review of coverage is made and recommendations made with regard to coverage gaps, coverage options and reducing costs. He discussed the underwriting services to be provided, claim department services and loss control services. He stated his company is one of Connecticut's leading agencies because they deliver exceptional value to their clients and have a long tradition of success. They strive to develop long term relationships with their clients based on professionalism, experience, integrity, service and value and he is willing to provide these services upfront for the town with no charges up front until the town has determined the company has done a good job and want to work with them. Councilor Hillman inquired regarding the cost of services per year and Mr. Sundberg stated he gave an estimate of forty thousand dollars per year based on what the premium size is as it gives an indication of the work level involved. His company takes no commissions and no over rides or other payments other than what is given to them by their clients. He made a pledge that if he can not improve on the towns current situation the town will get a great deal of service out of H.D. Segur prior to the July 1, 2011 effective date for start of service and if at any point during this time frame the town feels he has not delivered on what the expectations were from a price or a service standpoint the contract will be unilaterally canceled. He is confident he and his company will deliver what they are promising and are willing to spend money to determine the best outcome for the Town of Montville. He is a partner of the agency and has the ability to offer this to the town. Councilor Hillman stated the forty thousand dollars is not the cost of the initial investigation, but it would be the yearly cost if the town wanted to continue with services from his company. Mr. Sundberg stated his company will spend in excess of forty thousand dollars of direct expense in the first year of service just for the people that are involved in inspection of buildings and valuation of buildings and he is willing to take that risk based on his involvement with other communities over the years he is confident the town will get significant payback with his services.

Ms. Hart stated the town received figures from CIRMA last year in the amount of 1.2 million, when she contacted them for figures for the 2012 fiscal year the town was given a reduction from 1.2 million to one million fifty two thousand dollars. After contacting CIRMA to advise them the town would be considering a Broker of Record and requesting their best offer they came down significantly with a combination of workers compensation and LAP of nine hundred and forty six thousand five hundred and sixty eight dollars.

Chairperson Jacobson inquired if the forty thousand dollars reflects costs for services for the Board of Education and the Town and Mr. Sundberg stated it includes both the Town and the Board of Education services, the services include a commitment of a full time loss control engineer that is OSHA certified and has an MBA, there are claims people that get involved in claims that are uninsured. He is confident enough to say that he is willing to work for free if he does not deliver on what he is selling. He will work as the Town's insurance risk management department, to include procuring the insurance policies and securing the best possible price in the marketplace based on representation and working as the risk manager in conjunction with the carrier to improve the current situation of the town. He explained he does not work on a commission basis for any insurance carrier so the policy comes to the town less the commission. He is privatizing the town's risk management. Councilor Hillman inquired if the Council will get a copy of the identified exposures and the service plan and Mr. Sundberg he will present the risk management document for review. He concluded by stating the town will be very impressed with his services.

Councilor Beetham inquired regarding how the company determines their fee and Mr. Sundberg stated fees are based on how much time will be involved in the project.

Councilor Beetham stated any services over ten thousand dollars needs to go out to bid unless it is in the best interest of the town to waive the bid and he inquired if the firm would bid the project if it goes out to bid. There are a handful of companies that do this type of service but the difference is that if H.D. Segur does not deliver the savings and it is not a budget neutral situation for the town they do not have to pay, there are no upfront costs or fees whatsoever, if the Mayor says H.D. Segur did not deliver on the price and it is not budget positive the company will walk away and the town will have benchmarked costs at not cost and they will have used one hundred years of experience of an agency with more insurance premiums than anyone else in New England and this is a great deal for the town to take advantage of for free, if the town is not happy the services are terminated, there is no contract signed until the town says H.D. Segur delivered and the town saved money. The contract states the services can be unilaterally canceled at any time.

The Council thanked Mr. Sundberg for his presentation.

5. Remarks from the Public regarding items on the agenda with a three minute limit.

Chairperson Jacobson asked three times if there was anyone from the public who would like to speak.

6. Executive Session – none.

7. Remarks from the Councilors

Councilor Beetham discussed a Government Prayer Day next Thursday at the Montville Union Baptist Church at 6:30 p.m. where Mayor Jaskiewicz will present a proclamation from the State and they have requested the Town Council Chairperson to speak and he will get the flyer out to everyone when he gets it.

8. Remarks from the Mayor – none.

9. Adjournment.

Motion made by Councilor Beetham, seconded by Councilor Hillman to adjourn the special meeting at 6:33 p.m. Discussion, none, voice vote, 4-0, all in favor, motion carried.

Respectfully Submitted by:

Audrey Ulmer, Recording Secretary for the Town of Montville