



**BOARD OF SELECTMEN
Minutes**

May 18, 2017

6:00pm – Special Meeting

Broadcast Studio
423 Webbs Mills Road

Resolution: We, the Raymond Board of Selectmen, recognize our individual and collective responsibilities as leaders and representatives of our community. To this end, we pledge to conduct ourselves in a manner befitting these roles and duties. We pledge and encourage others to “Be the Influence” and to recognize that decisions matter.

Selectmen in attendance: Joe Bruno, Samuel Gifford, and Rolf Olsen

Selectmen absent: Teresa Sadak, and Lawrence Taylor

Town Staff in attendance:

Don Willard – Town Manager
Cathy Ricker – Finance Director
Sue Look – Town Clerk

- 1) **Called to order** at 6:00pm by Chairman Bruno.

- 2) **New Business**
 - a) Consideration of Bids for Property and Casualty Insurance

Company Name	Address	Present at Opening	Proposal without MEMIC
Maine Municipal Association	60 Community Dr Augusta ME 04332	No	\$54,257
Cross Insurance Co	745 Roosevelt Trl PO Box 1383 Windham ME 04062	No	\$50,362
Kyes Insurance	171 Maine St PO Box 311 Farmington ME 04938	John D Bogar, CEO	\$37,521

Finance Director Ricker – We had 3 complete bids that were submitted for consideration (see above). We analyzed the bids and based on coverage Cross and Kyes were pretty identical. Kyes had a few lower deductibles. Kyes clearly won on cost. We are ignoring Workmen’s Comp and are taking it out of the equation right now.

Chairman Bruno – Does the MMA bid include the membership fee?

Finance Director Ricker – No.

Chairman Bruno – So if we award to Kyes, we would sign over the agent of record for Workmen’s Comp to Kyes?

Finance Director Ricker – That would be my indication. You could leave it with them, but I don’t see the point.

Chairman Bruno – You want to deal with 1 agent. If I remember Workman’s Comp was about \$24,500...

Finance Director Ricker – I had it down at \$25,400 actually. We will have an audit for Workman’s Comp and for Auto, so I think we should leave it in there.

Chairman Bruno – Let’s say we leave it in there at \$26,000. Kyes came it at \$37,521 for a total of \$63,521.

Finance Director Ricker – That is a decrease of \$18,483. We may owe about \$2,000 on the Auto Audit from this year, we will owe that next year. I would recommend that we decrease it \$16,483 to account for the Auto Audit.

Chairman Bruno – I am just thinking about how much we can lower some of the articles for Town Meeting.

Selectman Olsen – Instead of carrying it over that way, I would take the \$2,000 out of Undesignated so we go into the next year clean, not owing from this year.

Town Manager Willard – I don’t want to complicate things, but I am going to suggest that we come up with a list for Town Meeting where the Select Board can make a motion to reduce the budget amount based on no MMA membership and awarding the bid to Kyes.

Finance Director Ricker – I should also get the Health Insurance quote any day.

Selectman Olsen – You won’t get that until closer to January.

Finance Director Ricker – No, we are going to do a stub period from July to December. I also looked at the carryover for next year and it is probably going to be about \$56,000 as opposed to \$20,000 (which is what we put in the budget).

Motion to accept the bid presented by Kyes by Selectman Olsen. Seconded by Selectman Gifford.

Chairman Bruno – Thank you Cathy for all the work you did, it is a substantial savings. Also, thank you Kyes for your bid.

Flint Christy – President of Kyes Insurance

Selectman Olsen – My question looks at stability. What we saw in this process is that we were paying a figure that is 40% higher. How do you approach getting better pricing?

Mr Christy – We typically look at your loss history in January to begin with since this is your most telling portion of your policy that will change premium. The rates don’t tend to fluctuate much from year to year. For this quote I can tell you that the Auto piece from the other carriers was very high with the other markets. That is because they have to deal with the auto industry in general, auto losses are through the roof right now. Because Trident is doing specifically government entities, they understand that they don’t have the same exposures that a traveler would have or one of those companies who insure all commercial vehicles. So their rates are much more competitive. We typically see (with minimal loss activity) a 2-3% change from year to

year and some of that is built into the inflation on the property that is done each year. Accounts that aren't doing we are 4-5% and difficult accounts are 6-10%. Out of our 46 towns this year we only had 4 that took a 6-10% rate increase, none that took higher than 10%. The majority were around 3%. As long as I have been there that has been the standard.

Unanimously approved.

Town Manager Willard – Another discussion that we had is that we should probably set a policy on the frequency of going out to bid. The form of the RFP used in this process worked well. We are thinking every couple of years unless you want to do something more frequent than that.

Selectman Olsen – I certainly wouldn't want to do it every year. You try to create a relationship with people and if you are on tender-hooks each year, but clearly between 2 and 3 years is a good think because things change out there. It keeps us on our toes, it keeps you on your toes.

Mr Christy – If you would like my opinion on that, what I see typically is 5, but some towns will do 3. Farmington does 3 automatically. The more standard is 5 because it is a tremendous amount of work.

Chairman Bruno – You have the format in place now. It is a matter of plugging in numbers. I like the 3 year.

Selectman Gifford – I like the 3 year, but I think we should review it as the 3rd year approaches, rather than just say automatically we are going to do it.

Town Manager Willard – So we will go out to bid again in 3 years.

3) Adjournment

Motion to adjourn at 6:14pm by Selectmen Olsen. Seconded by Selectmen Gifford.

Unanimous approved.

Respectfully submitted,

Susan L Look, Town Clerk