

Parker Wiseman, Mayor

THE CITY OF STARKVILLE

Mayor's Office
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February 20, 2015

Mrs. Lesa Hardin, City Clerk 101 East Lampkin Street Starkville, MS 39759

Re: Motion Veto

VIA HAND DELIVERY

Dear Mrs. Hardin:

Be advised that pursuant to MS Code section 21-3-15, this is formal notice that I veto the Motion presented by Lisa Wynn and seconded by Alderman Roy A'. Perkins, which was passed at the February 17, 2015 Recess Meeting of the Starkville Board of Aldermen the motion being:

A MOTION TO CHANGE THE AGENT OF RECORD FOR THE CITY OF STARKVILLE HEALTH INSURANCE.

Alderman Lisa Wynn offered a motion that the City of Starkville establish Debbie Jaudon of the Integrity Group as the agent of record for the City of Starkville health insurance effective March 1, 2015. Following a second by Alderman Roy A'. Perkins, the Board voted as follows:

Alderman Ben Carver voted: Yea
Alderman Lisa Wynn voted: Yea
Alderman David Little voted: Nay
Alderman Jason Walker voted: Nay
Alderman Scott Maynard voted: Recused
Alderman Roy A'. Perkins voted: Yea
Alderman Henry Vaughn, Sr. voted: Yea

After receiving a majority of the affirmative vote, the Mayor declared the motion carried on February 17, 2015.

Tim Cox has served as the City of Starkville's health insurance agent for eighteen years. During that time, he has managed the City's health insurance needs in an exemplary manner. The role of our health insurance agent is to provide the maximum possible health benefit to our employees at the lowest possible cost.

It is by Mr. Cox's efforts that the City of Starkville maintains excellent health benefits and low health insurance premiums. Our insurance coverage is self-funded. As such, it is the responsibility of the agent to set an appropriate reserve fund rate, reinsurance plan, and 3rd party claims administration agreement.

A self-funded insurance plan is a customized product. As the agent who created our self-funded insurance plan, Mr. Cox is the author of an insurance plan that is unique to the City of Starkville. He worked countless hours through the summer of 2014 to tediously analyze the medical history of our employment pool and set the lowest possible premium rate to maintain an adequate reserve fund.

Mr. Cox is not a salaried employee of the City. Nor, was he paid hourly for the work he did to create the City's insurance plan. Rather, Mr. Cox worked on the good faith principle that if the City accepted the plan he created, he would receive a monthly commission as the City's insurance agent for the entire year.

The Board order to change the City's health insurance agent of record would do nothing to alter the insurance plan Mr. Cox created. The City would still receive all of the benefits of the plan Mr. Cox created. Nevertheless, Mr. Cox would be deprived of the final seven monthly commission payments from the plan he created. Such an outcome is neither right nor fair.

I have no objection to the City soliciting proposals for health insurance coverage and agents in advance of the next fiscal year. However, I strongly object to changing agents with no bidding process in the middle of the year. Accordingly, I veto the Board order to change the agent of record for the City's health insurance.

Sincerely,

Parker Y. Wiseman

Mayor

City of Starkville, MS