



*Susan Porteous, Chair  
John Howard  
Billy Jones, Council  
Ed Johnson, City Staff*

*Kelly Kelkenberg, Council  
John Monk  
Brandon Odum  
Ken Sakmar, City Staff*

**MINUTES  
FINANCE COMMITTEE  
CITY OF DULUTH, GA  
3167 Main Street  
Duluth, GA 30096**

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**MARCH 28, 2019**

**CITY HALL – MAIN STREE CONFERENCE ROOM**

**5:30 pm**

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Meeting called to order by Chairman Susan Porteous

Present: John Howard, John Monk, Brandon Odum, Council Member Kelly Kelkenberg, HR Manager Ed Johnson, Finance Manager Ken Sakmar, City Clerk Teresa Lynn, City Auditor Joel Black, City Auditor Josh Carroll, and MSI Consultant Matt Bidwell

Absent: Council Member Billy Jones

**I. APPROVAL OF MINUTES**

1. Approval of Minutes for March 20, 2018

A motion was made by John Monk, seconded by Brandon Odum to approve the minutes as presented.

All voted for.  
Motion carried.

**II. OLD BUSINESS**

**III. NEW BUSINESS**

1. 2018 ANNUAL FINANCIAL REPORT City Auditor Joel Black, Mauldin/Jenkins

City Auditor Joel Black with Mauldin and Jenkins presented the City's annual audit to the committee. The audit report includes the City as a whole, the Downtown Development Authority, and the Urban Redevelopment Agency. The auditor's issued an unqualified or clean opinion on the City's FY 2018 financial statements. The audit report included one finding related to revenue recognition and related receivables. Mr. Black noted that adjustments had been posted to correct the City's accounting records. Finance Manager Ken Sakmar explained the circumstances surrounding the audit adjustments. The report also included two management comments related to segregation of duties and cybersecurity. Mr. Black also discussed upcoming GASB pronouncements that could have an impact on the City's financial statements.

A motion was made by John Monk and seconded by Kelly Kelkenberg to accept the audit report as presented and to authorize the Chairman to present the audit report to the Council for consideration at the April 8<sup>th</sup> meeting of the Mayor and Council.

All voted for.  
Motion carried.

## 2. EMPLOYEE HEALTH INSURANCE – Matt Bidwell, MSI Benefits Group

Matt Bidwell with MSI Benefits Group discussed with the committee the results of the bids for the annual renewal of the City's health and dental insurance. Mr. Bidwell explained that due to the City's recent higher than normal claims history since switching to CIGNA in June of 2018, CIGNA quoted an 11.79% increase in premiums for the renewal. Mr. Bidwell also obtained a quote from the City's previous provider, Blue Cross Blue Shield of Georgia (BSBCGA) for a 9.09% premium renewal increase. Mr. Bidwell explained to the committee that although switching from CIGNA to BSBCGA would save the City \$43,554 in premium, he would not recommend switching at this time. He felt that by switching, the City would be viewed as only chasing lower premiums and it would hurt the chances of obtaining competitive quotes from other carriers next year. Switching would also require some employees to change doctors and require additional staff time to implement that may not be offset by the overall savings. A quote was also received from Kaiser Permanente for renewal of the health insurance, which was 17% below the City's current premium. However, this would require the City to offer two health insurance plans. One in which employees could only use Kaiser Permanente doctors and a second which would allow the employee to use out of plan doctor at a higher premium. Mr. Bidwell did not recommend switching due to the fact the saving could only be achieved if all employee used the Kaiser Permanente model and did not choose the out of network plan. Mr. Bidwell also recommended renewal of the City's dental insurance with CIGNA at a 5% or \$6,253 increase in premium. The City disability, life insurance and vision are not up for renewal, due to being under a two year rate guarantee contract.

A motion was made by John Monk and seconded by John Howard to authorize the Chairman to present to Council a recommendation to renew medical and dental coverage with CIGNA for the upcoming June 1, 2019 renewal.

All voted for.  
Motion carried.

## 3. 2019 ANNUAL SALARY SURVEY – Ed Johnson, HR Manager

Ed Johnson, HR Manager explained to the committee that he continues to work on the 2019 annual salary survey for the City. However, due to some departments being unable to fill vacant positions, especially the police department, the City is studying the overall impact of the possibility of raising the starting salary for some entry level positions. The focus is mainly in the overall cost to the City in terms of dollars and the impact to current personnel. Mr. Johnson recommended the committee consider postponing the salary review until a determined future date.

A motion was made by John Monk and seconded by Brandon Odum to postpone indefinitely the committee review of the 2019 Annual Salary Survey.

All voted for.  
Motion carried.

#### **IV. ADJOURNMENT**

##### **1. FISCAL YEAR 2019 MEETING DATES**

Committee members were asked to note future quarterly meetings for 2019. These meetings will only be called, if needed.

June 27, 2019  
September 26, 2019  
December 15, 2019

The next regular scheduled meeting is June 27, 2019.

A motion was made by John Monk and seconded by Susan Porteous to adjourn the meeting at 6:43 p.m.

All voted for.  
Motion carried.