

MINUTES OF
Budget and
Control Board
Meeting

June 29, 1985

029499

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

JUNE 29, 1985

2:30 P. M.

The Budget and Control Board met at 2:30 p.m. on Saturday, June 29, 1985, in the Governor's conference room with the following members in attendance:

Governor Richard W. Riley, Chairman;
Mr. Grady L. Patterson, Jr., State Treasurer;
Representative Tom G. Mangum, Chairman, House Ways and Means Committee.

Senator Rembert C. Dennis, Chairman of the Senate Finance Committee, absent due to injuries sustained in an auto accident, was represented by Senator James M. Waddell, Jr., Vice Chairman of the Senate Finance Committee.

Mr. Morris was out of town and was represented by George M. Lusk.

Also attending were:

William T. Putnam	Executive Director
William A. McInnis	Secretary
Katherine M. Hepfer	Governor's Executive Assistant
Joseph A. Wilson, II	Chief Deputy Attorney General
David C. Eckstrom	Assistant Attorney General
E. A. Laurent	Deputy Executive Director
Charles H. Smith	Special Projects Administrator
Donna K. Williams	Assistant to Board Secretary
Other Board staff	

EXECUTIVE SESSION

Mr. Putnam advised that this meeting is a continuation of that held yesterday on a contractual matter.

Mr. Patterson expressed no objection to discussing the matter in open session. Governor Riley noted that the contract involves parties other than the State and expressed the view that it is proper to discuss this item in executive session.

Upon a motion by Senator Waddell, seconded by Mr. Mangum, the Board agreed to consider this matter in executive session whereupon Governor Riley declared the meeting to be in executive session.

RATIFICATION OF EXECUTIVE SESSION ACTIONS

Following consideration of the executive session item, the meeting was opened and the following statement was released:

The Insurance Reserve Fund, a unit of the Budget and Control Board, solicited bids for a three-year contract for reinsurance above \$500,000 per risk per loss on all public properties insured by the Fund.

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The Fund on June 12, 1985, received two bids as follows:

Alexander & Alexander	\$2,675,567.70
Thomas Brown Agency (Michigan Mutual Insurance Company as lead company)	\$3,933,078.00

The Board authorized the layered process or the proportional approach. Under the layered approach, each company requires a separate contract. The apparent low bid used the layered approach calling for the separate contracts totalling the specific coverage, of approximately \$400,000,000, as called for in the bid.

The staff of the Budget and Control Board, in conjunction with the staff of the Insurance Commission, determined that certain companies listed in the bid would not confirm stated amounts of coverage and others denied being a party to the bid.

The Board unanimously approved the recommendation of the Director of the Insurance Reserve Fund that the low bid be rejected as non-responsive as this bid did not provide the required coverage. He further recommended that the award be given to the second low bidder listed above.

The effective date of the new contract is July 1, 1985.

Upon a motion by Mr. Patterson, seconded by Mr. Mangum, the Board ratified this action taken during executive session.

ADJOURNMENT

Upon a motion by Mr. Mangum, seconded by Senator Waddell, the meeting was adjourned at 4:05 p.m.

[Secretary's Note: In compliance with Section 9 of Act 593 of 1978 (the Freedom of Information Act), public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary in the State House, near the Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Office Building at 12 noon on Friday, June 28, 1985.]

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