



## CITY OF STONECREST, GEORGIA

### SPECIAL CALLED CITY COUNCIL MEETING – AGENDA

3120 Stonecrest Blvd. Stonecrest, GA 30038

Monday, December 13, 2021 at 5:45 PM

*Honorable Mayor Jason Lary, Sr.*

*Council Member Jimmy Clanton, Jr. – District 1      Council Member Rob Turner – District 2*

*Council Member Jazzmin Cobble – District 3      Council Member George Turner – District 4*

*Council Member Tammy Grimes – District 5*

**Citizen Access:** [Stonecrest YouTube Live Channel](#)

**I. CALL TO ORDER:** George Turner, Mayor Pro-Tem

**II. ROLL CALL:** Sonya Isom, Deputy City Clerk

**III. PUBLIC COMMENTS**

*(This Meeting will be conducted virtually, the public comments received via email by 4 pm on the day of the meeting will be read or played via voice memo or video into the minutes by the City Clerk)*

*There is a three (3) minute time limit for each speaker during public comment.*

**IV. Agenda Items**

**a. For Decision** - of Worker's Compensation Program - Steven McClure

**b. For Decision** – of Executive Search Additional Contract Approval - Developmental Associates – Gia Scruggs

**V. EXECUTIVE SESSION**

*(When an executive session is required, one will be called for the following issues: 1) Personnel, 2) Litigation, 3) Real Estate)*

**VI. ADJOURNMENT**

*Americans with Disabilities Act*

*The City of Stonecrest does not discriminate on the basis of disability in its programs, services, activities and employment practices.*

*If you need auxiliary aids and services for effective communication (such as a sign language interpreter, an assistive listening device or print material in digital format) or reasonable modification to programs, services or activities contact the ADA Coordinator, Sonya Isom, as soon as possible, preferably 2 days before the activity or event.*



## CITY COUNCIL AGENDA ITEM

**SUBJECT: Workers Compensation Insurance**

**AGENDA SECTION:** *(check all that apply)*

☐ PRESENTATION    ☐ PUBLIC HEARING    ☐ CONSENT AGENDA    ☐ OLD BUSINESS  
☒ NEW BUSINESS    ☐ OTHER, PLEASE STATE: [Click or tap here to enter text.](#)

**CATEGORY:** *(check all that apply)*

☐ ORDINANCE ☒ RESOLUTION    ☐ CONTRACT    ☐ POLICY    ☐ STATUS REPORT  
☐ OTHER, PLEASE STATE:

**ACTION REQUESTED:** ☒ DECISION    ☐ DISCUSSION,    ☐ REVIEW, or    ☐ UPDATE ONLY

**Previously Heard Date(s):** [Click or tap to enter a date.](#) & [Click or tap to enter a date.](#)

**Current Work Session:** [Click or tap to enter a date.](#)

**Current Council Meeting:** Monday, December 13, 2021

**SUBMITTED BY:** Steven McClure, Acting HR Director

**PRESENTER:** Steven McClure

**PURPOSE:** The purpose of this recommended action is to authorize the City of Stonecrest to participate in the Georgia Municipal Association Workers Compensation Program effective January 1, 2022. To accomplish this action, the City Council must approve the attached Resolution provided by the Georgia Municipal Association.

**FACTS:** The State of Georgia requires all entities with three or more employees (full- or part-time) to have workers' compensation coverage. Workers' compensation is an employer-paid accident insurance program which provides employees with medical, rehabilitation and income benefits if injured on the job. These benefits are provided to help employees return to work. It also provides benefits to dependents if an employee dies as a result of a job related injury. In Georgia, the State Board of Workers' Compensation (SBWC) may assess a penalty of not less than \$500.00 nor more than \$5,000.00 per violation for an employer's failure to be insured for workers' compensation. The premium for workers' compensation will be determined using our total payroll, and the National Council on Compensation Insurance (NCCI) workers classification code rate.



## CITY COUNCIL AGENDA ITEM

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**OPTIONS:** Approve, Deny, Defer [Click or tap here to enter text.](#)

**RECOMMENDED ACTION:** Approve

**ATTACHMENTS:**

- (1) Attachment 1 - Application for Membership In Group Self-Insurance Fund (Review Only)
- (2) Attachment 2 - Resolution (Action Item)
- (3) Attachment 3 - Extension of Workers Compensation Benefits (Discussion Item)
- (4) Attachment 4 - Bylaws of the Board of Trustees of the GMA Workers Compensation Self-Insurance Fund (Review Only)
- (5) Attachment 5 - Amended and Restated Intrastate Agreement (Review Only)



John King  
Insurance Commissioner

**GEORGIA INSURANCE DEPARTMENT  
STATE CAPITOL  
ATLANTA, GEORGIA**

GMA WORKERS COMPENSATION  
INSURANCE FUND

Sponsored by the Georgia  
Municipal Association

**APPLICATION FOR MEMBERSHIP  
IN GROUP SELF-INSURANCE FUND**

To the Insurance Commissioner of Georgia and the GEORGIA MUNICIPAL ASSOCIATION  
SELF-INSURANCE WORKERS COMPENSATION FUND (GMA WCSIF).

As of 12:01 a.m., December 21, 2021, application is hereby made for membership in the  
GEORGIA MUNICIPAL ASSOCIATION SELF INSURANCE WORKERS COMPENSATION  
FUND (GMA WCSIF).

- (1) Member Name City of Stonecrest
- (2) Address 3120 Stonecrest Blvd., Stonecrest, GA 30038
- (3) Telephone Number (470) 224-0200
- (4) Federal Employer I.D. Number \_\_\_\_\_
- (5) Nature of Business City Government
- (6) Type of Business Municipality
- (7) Chief Administrative Officer Janice Allen Jackson, Acting City Manager
- (8) Locations of all operations to be included in the Fund:

| <u>NAME</u>               | <u>PRINCIPAL ADDRESS</u>                   | <u>TYPE OF BUSINESS</u> |
|---------------------------|--------------------------------------------|-------------------------|
| <u>City of Stonecrest</u> | <u>3120 Stonecrest Blvd, Stonecrest GA</u> | <u>Municipality</u>     |

- (9) If the applicant is *unable* to obtain all the information requested in item 9, it may instead include a certification signed by the Administrator or Chairman of the Board of Trustees of the Fund that the information actually provided is satisfactory to the Fund.

Loss History for last three completed years: **This has been provided**

|                                                                    | <u>YEAR ENDING</u> | <u>YEAR ENDING</u> | <u>YEAR ENDING</u> |
|--------------------------------------------------------------------|--------------------|--------------------|--------------------|
| a. Number of accidents requiring medical attention only            | 20____             | 20____             | 20____             |
| b. Number of accidents requiring loss time of more than three days | _____              | _____              | _____              |
| c. Total paid claims                                               | _____ \$           | _____ \$           | _____ \$           |
| d. Outstanding reserves                                            | _____ \$           | _____ \$           | _____ \$           |
| e. Total incurred losses (Paid and Reserves)                       | _____ \$           | _____ \$           | _____ \$           |
| f. Fatalities in the last three years                              | <u>No</u>          | <u>Yes</u>         | <u>Number</u>      |

If yes, explain: \_\_\_\_\_

(10) Estimated premium for 12 month period beginning Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

| Classification<br>Code | Classification<br>Description | Estimated Annual<br>Payroll | Current<br>Rate | Estimated Annual<br>Premium |
|------------------------|-------------------------------|-----------------------------|-----------------|-----------------------------|
|------------------------|-------------------------------|-----------------------------|-----------------|-----------------------------|

**This has been provided** (SEE ATTACHED)

TOTAL PAYROLL \_\_\_\_\_ TOTAL PREMIUM \_\_\_\_\_

(11) Present carrier of workers' compensation insurance or indicate if applicant participated in a workers' Compensation self-insurance program. \_\_\_\_\_

(12) Present workers' compensation premium. N/A

(13) Safety, sanitation and welfare conditions:  
Is your business or any part thereof inspected otherwise than by State authority? \_\_\_\_\_  
If so, by whom? \_\_\_\_\_

Have you fulfilled all safety requirements of the State Board of Workers' Compensation? N/A

Have you a committee of safety whose duty is to recommend safety devices and to secure compliance with statutes or general orders of the Board of Workers' Compensation as to safety and sanitation?  
N/A

Do you maintain a hospital in connection with your works? No If so, state description of its equipment and service. \_\_\_\_\_

(14) In consideration for the approval of this application, the applicant agrees as follows:

- a. That the applicant will comply with Code Title 114, the Regulations promulgated there under, all lawful Orders of the Commissioner, the Rules and Orders of the State Board of Workers' Compensation, and the rules, regulations and bylaws of this Fund.
- b. That the applicant will be jointly and severally liable for all obligations of the Fund during the entire period of membership in the Fund.
- c. That the applicant will pay promptly any lawful premiums or assessments due as a member of the Fund.
- d. That the applicant will submit and "Application to Withdraw from Group Self-Insurance Fund" ninety (90) days prior to voluntary withdrawal from the Fund.
- e. That coverage under this membership shall be for Georgia operations only, including incidental coverage in other states.
- f. That the applicant will notify the Fund and the Commissioner within fourteen (14) days of any change in any of the information contained in questions 1 through 8 of this application.

\_\_\_\_\_  
(Print Name of Applicant)

By: \_\_\_\_\_  
(Signature of Authorized Official)

\_\_\_\_\_  
(Print Name)

Date: \_\_\_\_\_

\_\_\_\_\_  
(Print Title)

# RESOLUTION

To authorize membership in the Georgia Municipal Association Workers' Compensation Self-Insurance Fund; to authorize and direct the Mayor *Pro Temp* of the City of Stonecrest to execute the necessary documents to enroll the City in said Fund; to subscribe to the intrastate agreement and bylaws of said Fund and for other purposes.

**BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF**  
**STONECREST**

Section 1. Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotate, the City of *Stonecrest*, hereby agrees to become and member of the Georgia Municipal Association Workers' Compensation Self-Insurance Fund established pursuant to said code chapter.

Section 2. The City of *Stonecrest* hereby agrees to subscribe to and abide by the intrastate agreement, bylaws, rules, and regulations of the Fund and rules and regulations of the Insurance Commissioner of the State of Georgia related to such Fund.

Section 3. The Mayor and *City Council* of the City of *Stonecrest* is hereby authorized to execute the application and any other documents necessary to enroll the City of *Stonecrest* as a member in said Fund.

Section 4. The effective date of the resolution shall be December 20, 2021.

**RESOLVED** this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
MAYOR *Pro Temp*

\_\_\_\_\_  
CITY CLERK

Accepted on behalf of the GMA Workers' Compensation Self-Insurance Fund this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
CHAIRMAN

ATTEST:

\_\_\_\_\_  
SECRETARY-Board of Trustees

## EXTENSION OF WORKERS' COMPENSATION BENEFITS

### To Elected Officials, Volunteer Firefighters & Volunteer Police Officers

Workers' Compensation benefits do not extend to individuals doing volunteer work for cities nor are volunteer firefighters or elected officials covered by Workers' Compensation. However, provided the City Council passes a resolution, Workers' Compensation benefits may be extended to volunteer fire fighters, certified volunteer police officers and elected officials.

If it is the desire of your city to provide Workers' Compensation coverage for volunteer firefighters, certified volunteer police officers and elected officials, then the city must pass a resolution (see sample attached) and return it to us along with the other documents before coverage may be extended to the volunteer firefighters, certified volunteer police officers and elected officials.

Please return to us a copy of your resolution or indicate on the accompanying page that your city declined to extend Workers' Compensation coverage to volunteer firefighters, certified volunteer police officers or elected city officials.

Please keep in mind that this is important, as there is no coverage for these individuals until a resolution is received by the GMA Workers' Compensation Self-Insurance Fund.



**S A M P L E**

**A RESOLUTION ENTITLED:**

**A RESOLUTION AUTHROIZING VOLUNTEER FIREFIGHTERS, CERTIFIED  
VOLUNTEER POLICE OFFICERS AND ELECTED OFFICIALS OF THE CITY  
OF \_\_\_\_\_ TO BE COVERED UNDER WORKERS'  
COMPENSATION:**

\*\*\*\*\*

BE IT RESOLVED by the City Council of \_\_\_\_\_, Georgia, and it  
is hereby resolved by the authority of the same:

SECTION I: Volunteer Firefighters, Certified Volunteer Police Officers and  
Elected Officials shall be covered under the GMA Workers Compensation Self-Insurance Fund  
while performing their duties on behalf of the city.

SECTION II: All Resolutions or parts of Resolution in conflict herewith are  
repealed.

CITY OF \_\_\_\_\_

\_\_\_\_\_, Mayor

DATED: \_\_\_\_\_

**WORKERS' COMPENSATION BENEFITS**

**FOR**

**VOLUNTEER FIREFIGHTERS, VOLUNTEER CERTIFIED POLICEMEN &  
ELECTED OFFICIALS**

**THROUGH THE GMA WORKERS' COMPENSATION SELF-INSURANCE FUND**

PLEASE CIRCLE YES TO THOSE STATEMENTS YOU WISH TO IMPLEMENT:

Our city wishes to provide workers' compensation benefits for:

- |     |                                                                                                          |
|-----|----------------------------------------------------------------------------------------------------------|
| Yes | All Elected Officials                                                                                    |
| Yes | Volunteer Firefighters                                                                                   |
| Yes | Volunteer Law Enforcement Officers Who Have Passed The Georgia<br>State Requirements For Police Training |
| Yes | We Are Including A Copy Of The Resolution Indicating What The City<br>Council Wishes To Do               |

Please forward this notice along with copy of resolution to:

Stan Deese  
Director, Risk Management Services  
Georgia Municipal Association  
PO Box 105377.  
Atlanta, GA 30348

Signed by: \_\_\_\_\_

Title: \_\_\_\_\_

City: \_\_\_\_\_

Date: \_\_\_\_\_

## AFFIDAVIT

COUNTY OF \_\_\_\_\_

STATE OF \_\_\_\_\_

I, \_\_\_\_\_, the undersigned, being the \_\_\_\_\_  
of the \_\_\_\_\_ swear (or affirm) that to the best of my  
knowledge and belief, the statements contained in the application, including the accompanying  
documents, are true and complete.

Sworn before me this \_\_\_\_\_  
day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Signature of Authorized Official)

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

**BYLAWS OF  
THE BOARD OF TRUSTEES OF THE  
GEORGIA MUNICIPAL ASSOCIATION  
WORKERS' COMPENSATION SELF-INSURANCE FUND**

**Revised and Adopted March 25, 2020**

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**BYLAWS OF  
THE BOARD OF TRUSTEES OF THE  
GEORGIA MUNICIPAL ASSOCIATION  
WORKERS' COMPENSATION SELF-INSURANCE FUND**

**ARTICLE I**

**NAME AND LOCATION**

- Section 1. The name of this organization is GEORGIA MUNICIPAL ASSOCIATION SELF-INSURANCE FUND ("GMA WCSIF"). In August 1982, GMA WCSIF was established by an intrastate agreement among founding municipal corporations of Georgia to establish a workers' compensation group self-insurance fund in accordance with Article 5 of Chapter 9 of Title 34 of the Official Code of Georgia (the "Intrastate Agreement").
- Section 2. The principal office of GMA WCSIF is 201 Pryor Street, SW, Atlanta, Georgia 30303.
- Section 3. Other offices for the transaction of business may be located at such places as the GMA WCSIF Board of Trustees (hereinafter referred to as the "Board") may from time to time determine.
- Section 4. These Bylaws are adopted pursuant to and in compliance with the laws of the State of Georgia, and with the rules and regulations of the Commissioner of Insurance for the State of Georgia ("Commissioner") applicable to workers' compensation group self-insurance funds.

**ARTICLE II**

**ELIGIBILITY**

- Section 1. To become a member of GMA WCSIF, an entity must be a "municipality" as defined in O.C.G.A. Section 34-9-151, as amended from time to time, or must be an entity included in the same class as municipalities, as set forth in O.C.G.A. Section 34-9-152, as amended from time to time, must take any actions required by applicable law to join GMA WCSIF, and must be approved by GMA WCSIF through its Administrator. Approved entities are called "Members" in these Bylaws.

- Section 2. Membership will continue automatically from year to year unless the Member voluntarily withdraws or the Membership is terminated involuntarily.
- Section 3. Members may voluntarily withdraw by providing ninety (90) days advance written notice to the Administrator. GMA WCSIF generally will not oppose the withdrawal unless it determines that the decision to withdraw is based upon erroneous information or that the member will not fulfill its payment obligations.
- Section 3. See Article X for Involuntary Termination of a Membership.

### ARTICLE III

#### **BOARD OF TRUSTEES**

- Section 1. General Powers. The affairs of GMA WCSIF shall be governed by the Board of Trustees ("Board"), which shall have such general powers as are conferred by Article 5 of Chapter 9 of Title 34 of the Official Code of Georgia Annotated. The Board shall have discretionary authority to adopt rules and regulations and to establish policies and procedures for the operation of GMA WCSIF and to make and enter into contracts for such services as it deems necessary or expedient to include contracts with GMA providing for payment of reasonable institutional value fees.
- Section 2. Number and Qualifications. The business and property of GMA WCSIF shall be supervised by a Board comprised of all individuals serving on the Board of Trustees of the Georgia Municipal Employees Benefit System ("GMEBS") established pursuant to Chapter 5 of Title 47 of the Official Code of Georgia Annotated. Every new GMEBS Trustee must submit a completed application to the Commissioner to serve as Trustee of this Board. If the Commissioner objects to the election or appointment of a Trustee to this Board, the election or appointment to the GMEBS Board will be invalidated on a prospective basis.
- Section 3. Nomination, Election and Appointment of Trustees. Trustees shall be nominated, elected, and appointed in accordance with the GMEBS Bylaws.
- Section 4. Compensation. Trustees shall not receive any salaries for their services, but the Board may adopt a travel policy setting forth a per diem allowance or the actual expenses of attendance, if any, for attendance at regular or special meetings of the Board and attendance at Board training and educational events, including, but



not limited to, those involving investment managers or other service providers.

## ARTICLE IV

### **POWERS AND DUTIES**

#### Section 1.

Fiscal Officer. Pursuant to a contract with the Board, the Georgia Municipal Association, Inc. ("GMA") shall serve as fiscal officer by providing the services necessary to safeguard the assets of GMA WCSIF, either directly or by contracting with an outside entity, which services shall include, but are not limited to:

- (a) Establishing and maintaining administrative and financial procedures for internal and external use consistent with the policies of the Board;
- (b) Establishing the method for rating the risks of individual Members;
- (c) Billing for contributions and fees in accordance with the terms of the Intrastate Agreement, and in accordance with applicable law and the Board's funding policy;
- (d) Receiving, depositing, disbursing and accounting for all monies received and expended on behalf of GMA WCSIF, and ensuring that all premiums or contributions received are timely remitted to the depository bank or banks;
- (e) In conjunction with the investment consultant appointed by the Board and the custodian appointed by the Board, assuring that funds are invested and reinvested in accordance with Board policy and direction;
- (f) Preparing or causing to be prepared annual fiscal reports regarding the operation of GMA WCSIF and all other reports as directed in writing or through official action by the Board;
- (g) Disbursing funds from the various fiscal accounts established by GMA WCSIF in accordance with the policies and procedures prescribed by the Trustees;
- (h) Maintaining a record of all investment transactions which shall be available at all times to the Board;
- (i) Preparing and submitting to the Board, prior to the beginning of each fiscal year, a proposed Fund budget for that fiscal year for review, revision and approval by the Board; and
- (j) Providing such other administrative assistance as may be requested in writing by or through official action of the Board and approved by the Administrator.

#### Section 2.

Administrator. The Board shall contract with an Administrator, who is currently GMA, and who shall serve as attorney-in-fact and shall perform directly or contract with outside entities to perform other

types of administration for GMA WCSIF, including claims administration, loss control and general administration, and whose services shall include, but are not limited to:

- (a) Negotiating and managing contracts with outside agencies and consultants providing services directly to GMA WCSIF;
- (b) Determining eligibility, processing claims, computing and distributing benefits payable to or on behalf of workers compensation claimants;
- (c) Receiving applications for membership from prospective new members to GMA WCSIF and approving or denying such applications for membership in accordance with the guidelines approved by the Board and submitted to the Commissioner in accordance with applicable law and regulations;
- (d) Keeping a register of the post office address, electronic mail address and/or facsimile number of the designated contact for each Member;
- (e) Terminating memberships in accordance with applicable law and underwriting guidelines;
- (f) Determining and billing for all appropriate excess insurance or reinsurance premium costs, all self-insurance bond cost, all industrial and/or state taxes and service fees;
- (g) Providing the Commissioner a copy of the contract with the Administrator and any amendments to the contract to the extent required by law;
- (h) Maintaining a fidelity bond and errors and omissions coverage or other appropriate liability insurance as required by applicable law and Commissioner regulations, and filing evidence of such coverage with the Commissioner if required;
- (i) Providing information and assistance to Members and their employees regarding GMA WCSIF;
- (j) Receiving, reviewing and processing all correspondence submitted to GMA WCSIF;
- (k) Assuring that all files and records of GMA WCSIF are maintained and available at all times to the Board;
- (l) Fulfilling any obligations set forth in contractual documents with the Members as obligations of the Administrator;
- (m) Supporting legal compliance of GMA WCSIF, and where appropriate, notifying the Board of actions taken or recommended in order to maintain compliance;
- (n) Recommending policies to the Board; and
- (o) Providing such other administrative assistance as may be requested in writing by or through official action of the Board and approved by the Administrator.

### Section 3.

Board of Trustees. In addition to its general powers set forth in Article III, the Board of Trustees has the following specific powers

and duties:

- (a) To provide general oversight of the operation of GMA WCSIF and its business activities in accordance with these Bylaws, applicable federal and/or state statutes, and applicable governmental regulations;
- (b) To incur debts, liabilities and obligations;
- (c) To acquire, hold, encumber or dispose of real and personal property;
- (d) To sue or be sued in the name of GMA WCSIF, and take all measures necessary or desirable in the prosecution or defense of claims;
- (e) To establish and arrange for the administration of such group self-insurance funds as the Board deems advisable;
- (f) To pay authorized losses from GMA WCSIF;
- (g) To employ legal counsel, accountants and such other professional services as it from time to time shall deem necessary;
- (h) To appoint an investment consultant, actuary, custodian and auditor for GMA WCSIF on an annual basis, and to appoint investment managers as needed;
- (i) To establish an excess loss funding program as the Board deems necessary to protect the interest of the Members and GMA WCSIF;
- (j) To contract for reinsurance with the advice of the Administrator;
- (k) To adopt rules and general policies necessary or appropriate for the efficient operation of GMA WCSIF, which shall be followed by all committees, officers, agents and independent contractors providing services for GMA WCSIF;
- (l) To enter into contracts for services provided directly to GMA WCSIF by entities other than the Administrator (and not as a subcontractor to the Administrator), such as contracts with accountants, investment advisors and managers, insurers, actuaries, accountants, attorneys and consultants; including but not limited to risk management consultants that establish loss control procedures and advise and educate Members in loss control and risk reduction;
- (m) To enter into contracts with GMA for serving as fiscal officer and Administrator, and for licensing and other services, which may include providing for payment of reasonable institutional value fees;
- (n) To adopt underwriting guidelines that describe the requirements for admission and continued participation of Members and submit them to the Commissioner;
- (o) To take all necessary precautions to safeguard the assets of GMA WCSIF, including but not limited to the following:
  - (1) Adopting an annual budget for each fiscal year of GMA

WCSIF;

- (2) Retaining control of all monies collected or disbursed for GMA WCSIF; all funds of any type shall remain in the custody of the Trustees or the authorized custodian;
- (3) Having the accounts and records of GMA WCSIF audited annually or at any time which may be required for any governmental agency to implement any uniform accounting system, and making copies of each year's audits available during that year to each Member and, to the extent required by law, to the Commissioner; and
- (4) Abiding by all applicable federal and state statutes and administrative regulations;
- (p) To expend Fund assets for the purpose of purchasing fiduciary liability and general insurance deemed appropriate by the Trustees;
- (q) To approve dividends. That portion of premium contributions not needed for payment of claims, administrative expenses and/or appropriate reserves may be returned to the Members of GMA WCSIF from time to time, in such amounts and proportions as the Board, in its discretion, may determine is proper, in accordance with applicable law and Commissioner regulations. No surplus accumulations may be returned if such payment will impair the capital stability and/or security of GMA WCSIF. Any participant who withdraws and/or is not in good standing at the time of such distribution may be barred from receiving any portion of the distribution or may be subject to such restrictions as the Board, in its discretion, may impose;
- (r) To approve revisions to the Intrastate Agreement when appropriate or necessary and submit them to the Membership for approval at a regular or special meeting of the Membership; and
- (s) To perform any other function incident to their office and in keeping with applicable Georgia laws and the regulations of the Commissioner.

## ARTICLE V

### **MEETINGS OF THE BOARD OF TRUSTEES**

- Section 1. Regular Meetings. The Board may provide for the time and place for the holding of regular meetings of the Board and shall hold at least two (2) regular meetings of the Board per year.
- Section 2. Special Meetings. Special meetings of the Board may be called by the Chairperson, and in his or her absence, the Vice Chairperson, or upon the request of one-third of the members of the Board. The

person or persons authorized to call special meetings of the Board may choose the place and date for the holding of the special meeting called. By unanimous consent of the Trustees, special meetings of the Board may be held without notice at any time and place in compliance with these Bylaws so long as any requirements of applicable law are satisfied. All notices of special meetings of the Board shall state the purposes thereof.

- Section 3. Place of Meetings. All in-person meetings shall be held in the State of Georgia. All references to the “place” of a meeting include a virtual place accessed via telecommunications or electronically and notice of the location of such a virtual place shall include instructions for accessing the meeting.
- Section 4. Notices. Notice of any regular or special meeting of the Board shall be given at least ten (10) days prior to such meeting by written notice sent by mail, facsimile or electronic mail to each Trustee at the Trustee’s address as shown by the records of the Board. The notice shall state the time, date and place of the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope properly addressed, with postage prepaid. Notice given by electronic means, either facsimile or electronic mail, shall be deemed to be delivered when sent. Any Trustee may waive notice of any meeting. The attendance of any Trustee at any meeting shall constitute a waiver of notice of such meeting, except when a Trustee attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened. The notice of a special meeting of the Board of Trustees shall state the purpose of the meeting. Business to be transacted at a regular meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by statute or by these Bylaws.
- Section 5. Quorum. Eight Trustees shall constitute a quorum for the transaction of business at any meeting of the Board. In the absence of a quorum, a majority of the Trustees participating may adjourn the meeting from time to time without further notice. Trustees may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all Trustees participating may simultaneously hear each other during the meeting.
- Section 6. Manner of Acting. The act of a majority of Trustees participating in a meeting (including those participating by proxy or those participating remotely) shall be the act of the Board, unless the act of a greater number is required by statute, regulation, or the

Bylaws.

- Section 7. Proxies. At any meeting of the Board, a Trustee entitled to vote may vote by proxy executed in writing (which writing may be electronic) by the Trustee or by his or her duly appointed attorney in fact. Proxies shall be recorded by the Secretary-Treasurer prior to the commencement of each meeting of the Board and shall be noted in the minutes.

## ARTICLE VI

### OFFICERS

- Section 1. Officers. The officers of the Board shall consist of a Chairperson, Vice Chairperson and Secretary-Treasurer.
- Section 2. Election and Term of Office. The Chairperson and Vice Chairperson of the Board shall be the Trustees elected by the GMEBS Trustees to serve as the Chairperson and Vice Chairperson of the GMEBS Board of Trustees. Every new Chairperson or Vice Chairperson must submit a completed application to the Commissioner to serve as an officer of this Board. If the Commissioner objects to his or her election, the election will be invalidated on a prospective basis. The GMA Executive Director shall serve as the Secretary-Treasurer.
- Section 3. Chairperson. The Chairperson shall be the principal executive officer of the Board and shall in general supervise and control all of the business and affairs of the Board. The Chairperson shall: preside at all meetings of the Membership and the Board of Trustees; call the annual meeting of GMA WCSIF Members; call regular and special meetings of the Board; sign contracts with GMA which the Board has authorized; appoint an executive committee and special committees of the Board; serve as an ex-officio member of special committees; serve as chairperson of the executive committee; and perform such other duties as may be prescribed from time to time by the Board or as are consistent with the duties of the office of Chairperson.
- Section 4. Vice Chairperson. The Vice Chairperson shall: assist and aid the Chairperson whenever required in carrying out the duties of the Chairperson; preside at all meetings of the Members of GMA WCSIF and of the Board in the absence of the Chairperson; be authorized to act on behalf of the Chairperson in the event of the Chairperson's incapacity or other failure to serve; and perform such other duties as may be assigned by the Chairperson or Board from

time to time.

Section 5.

Secretary-Treasurer. The offices of Secretary and Treasurer shall be combined. The Secretary-Treasurer is a non-voting member of the Board. The Secretary-Treasurer is delegated the authority to perform, and is responsible to the Board for performing, the following duties either directly or through his or her designee:

- (a) Notifying Members of the time, date and place of annual Member meetings and soliciting and recording proxies for those unable to attend such meetings;
- (b) Notifying Trustees of Board meetings and soliciting and recording proxies for those unable to attend meetings, and seeing that all other meeting notices required by these Bylaws or applicable law are duly provided;
- (c) Keeping a register of the post office address, electronic mail address and/or facsimile number of each GMA WCSIF Member and of each Trustee, which shall be furnished to the Secretary-Treasurer by such Member and by such Trustee;
- (d) Performing all the duties consistent with the office of Secretary-Treasurer and such other duties as from time to time may be assigned to him or her by the Chairperson or the Board;
- (e) Executing contracts with service providers performing services directly to GMA WCSIF (except for contracts with GMA) after such service providers have been approved by the Board;
- (f) Serving as a permanent non-voting member of all Board committees, including but not limited to the Executive Committee;
- (g) Signing all checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of GMA WCSIF, except as otherwise stated by resolution of the Board.

## ARTICLE VII

### BOARD COMMITTEES

Section 1.

Executive Committee. The executive committee shall be comprised of the five Trustees who serve on the GMEBS Executive Committee: the Chairperson, Vice-Chairperson, immediate past chairperson and two Trustees appointed by the Chairperson. The Executive Committee shall recommend policies, program operating budgets and act on behalf of the Board in the interim between Board meetings.

Section 2.

Special Committee. The authority of a special committee is limited to the charge given the committee by the Chairperson when

establishing such committee; however, the designation of such committee and the delegation of authority thereto shall not operate to relieve the Board, or any individual Trustee, of any responsibility imposed upon it or upon the Trustee by law. Each special committee appointed shall be deemed to have concluded its work upon reporting back to the Board.

- Section 3. Governance. The Notice, Quorum, Manner of Acting, and Proxies sections under Article V “Meetings of the Board of Trustees” shall apply to meetings of Board Committees, except that all references to Trustees in those sections shall be replaced with “Committee Members”, all references to the Board shall be replaced with “Board Committee”, and a majority of the Committee members shall constitute a Quorum.

## **ARTICLE VIII**

### **FISCAL YEAR**

- Section 1. GMA WCSIF shall operate on a fiscal year from 12:01 a.m., January 1, to 12:01 a.m., January 1 of each succeeding year. Each fiscal year shall be maintained separately for accounting purposes.

## **ARTICLE IX**

### **MEETINGS OF THE MEMBERS**

- Section 1. Annual Meetings; Joint Annual Meeting. For the convenience of Members, when feasible, the Administrator shall schedule an annual, in-person meeting of GMA WCSIF Members during the Administrator’s annual convention in an appropriate location. The annual, in-person meeting of the Members shall be held for the purposes of electing members of the GMEBS Board of Trustees, all of which also serve as the Board of Trustees of GMA WCSIF and the Georgia Interlocal Risk Management Agency (“GIRMA”), delivering a statement of the financial condition of GMA WCSIF and transacting such other business as may come before the meeting. For the purpose of electing Trustees, the annual, in-person meeting of the Members shall be held jointly with the annual meetings of the “Members” of GMEBS and the “Members” of GIRMA, as defined in their respective bylaws (“GMEBS Members” and “GIRMA Members”, respectively). For purposes of this Article, this meeting shall be referred to as the “Joint Annual Meeting” and the GMA WCSIF Members, GIRMA Members and GMEBS Members shall be collectively referred to as the “Voting



Employers". In all manner, substance and effect, elections of Trustees to the Board shall take place simultaneously with and in the manner described in Article IX of the GMEBS Bylaws. For all other purposes, the annual meeting of the Members may be, but is not required to be, held jointly with the GMEBS Members and the GIRMA Members. An oral statement of the general financial condition of GMA WCSIF shall be given to Members at each annual meeting. On or before the date of the meeting, a written copy of this statement shall be made available to GMA WCSIF Members by the Board Chairperson or his or her designee.

- Section 2. Special Meetings of the Members. If the election of Trustees is not held as designated herein at the annual, in-person meeting of the Members provided for in Section 1 above, or at any adjournment thereof, the Board shall cause the Trustee election to be held at a special meeting of the Members, jointly with the GMEBS Members and the GIRMA Members, as soon thereafter as is reasonably convenient. Special meetings of the Members may be called by the Chairperson of the Board or by not less than one-fourth (1/4) of the entities comprising the GMA WCSIF Members.
- Section 3. Place of Meeting of the Members. The Board may designate any place within the State of Georgia as the place of meeting for any special meeting of the Members.
- Section 4. Notice. Written notice stating the place, date and hour of any meeting of the Members shall be delivered by mail, electronic mail or facsimile, to each Member entitled to vote at such meeting, not less than ten (10) and no more than ninety (90) days before the date of such meeting, by or at the direction of the Chairperson, or the Secretary-Treasurer, or the officers or persons calling the meeting. In the case of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at its address as it appears on the records of the Administrator, with postage thereon prepaid. If notice is given electronically, either by electronic mail or facsimile, such notice shall be deemed to be delivered when sent to the electronic address for the Member as shown by the records of the Administrator.
- Section 5. Nomination of Trustees. Nomination of Trustees shall be made in accordance with the GMEBS Bylaws.

Section 6. Voting on Matters Relating to GMA WCSIF (Other than Trustee Elections). Each Member shall be entitled to one (1) vote of each matter submitted to a vote of the Members (other than Trustee elections). The vote of each Member shall be cast by its designated representative. Unless otherwise indicated in writing by a Member's chief executive or chief administrative officer, a Trustee shall be considered the designated representative for the Member for which he or she serves as an elected or appointed officer or employee. For each other Member, the chief executive or chief administrative officer shall be its designated representative. Except in the case of matters relating to the election or term limits of Trustees, no formal action will be taken based upon any Member vote without the consent of a majority of the Board present. The Board may in its discretion conduct a vote by mail ballot. In such case the mail ballot shall be deemed to be delivered when it is mailed or sent via facsimile or electronic mail in the manner required for provision of meeting notices under Section 4 above. The Board shall afford a reasonable period of time for return of mail ballots by Members. A majority vote of those Members voting shall be required for action on any matter submitted to a vote by mail ballot. With respect to election of Trustees, the applicable provisions of the GMEBS Bylaws shall control.

Section 7. Quorum. There is no quorum requirement. Rather, a majority vote of those Members voting in person or by proxy at a meeting shall be required for approval of any matter submitted to the Members for a vote.

Section 8. Proxies. At any meeting of the Members, a Member entitled to vote may vote by proxy executed in writing (which writing may be electronic) by the Member or by its designated representative. Proxies must be submitted to the Administrator at least 14 days prior to the meeting, unless a shorter period is necessary due to circumstances beyond the designated representative's control. Proxies shall be recorded by the Secretary-Treasurer prior to the commencement of the Annual Meeting and shall be noted in the minutes.

## ARTICLE X

### INVOLUNTARY TERMINATION OF A MEMBERSHIP

Section 1. Reasons. A Member may be involuntarily terminated as a Member of GMA WCSIF as follows:

(a) For failure to pay premiums or fulfill financial obligations to

GMA WCSIF (with fifteen (15) days advance notice of termination);

- (b) Pursuant to underwriting guidelines filed with the Commissioner by GMA WCSIF (generally with ninety (90) days advance notice of termination);
- (c) For failure to comply with the Article 5 of Chapter 9 of Title 34 of the Official Code of Georgia Annotated, the Intrastate Agreement or these Bylaws.

Section 2. Method. Termination by GMA WCSIF for failure to pay premiums when due or to fulfill financial obligations to GMA WCSIF shall be accomplished by written notice stating the time the termination will be effective, not less than fifteen (15) days from the date of notice, to be delivered in person or by depositing such notice in the U.S. Mail by at least first class mail to the last address of record of the Member, and receiving the receipt provided by the United States Postal Service for such deposit. Such notice may or may not be accompanied by a tender of the unearned premium paid by the Member, calculated on a pro rata basis. If such tender is not made simultaneously with such notice, it shall be made within fifteen (15) days of notice of termination, unless an audit or rate investigation is required, in which case such tender shall be made as soon as practicable.

Section 3. Data. GMA WCSIF will provide any terminated Member the data reasonably necessary for transition to a replacement insurer.

Section 4. Reinstatement. Reinstatement shall be upon such terms as the Board may impose.

## ARTICLE XI

### WAIVER OF NOTICE

Section 1. Whenever any notice is required to be given under the provisions of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

## ARTICLE XII

### AMENDMENTS

- Section 1. Bylaws Amendments.
- (a) The Board shall have power to amend or repeal the Bylaws by an affirmative two-thirds majority vote of the Board at any regular or special meeting of the Board.
  - (b) Written notice of proposed amendment(s) or repeal, including the language of the proposed amendment(s) or repeal, must be mailed or electronically provided to each Member not less than thirty (30) days prior to the meeting in which they are presented to the Board for adoption. Notice of approved bylaws amendment(s) or repeal shall be provided to the Members at the next annual or special meeting of the Members following the Board's approval of such amendment(s) or repeal.
  - (c) Such amendments shall be filed with the Commissioner in GMA WCSIF's annual report. If the Commissioner advises that an amendment is not approved, that amendment shall be void.
- Section 2. Amendments to Intrastate Agreement. Any amendment to the Intrastate Agreement must be approved by a majority of the Members voting at a meeting of the Members.

## ARTICLE XIII

### PARLIAMENTARY AUTHORITY

- Section 1. To govern processes and relationships within the organization in cases not provided for in statute or Bylaws, the current edition of Robert's Rules of Order shall be used. However, by resolution, the Board may determine to follow instead any set of Rules of Order determined by the Administrator's General Counsel or by the Board's separate legal counsel to be appropriate.

# AMENDED AND RESTATED INTRASTATE AGREEMENT

WHEREAS, in September of 1982, certain municipal corporations of the State of Georgia (the “Founding Members”) applied to the Insurance Commissioner of the State of Georgia (“Insurance Commissioner”) for authority to pool their liabilities pursuant to the Code of Georgia, Title 114, Chapter 6A and Official Code of Georgia Annotated, Title 34, Chapter 9, Article V; and

WHEREAS, the Founding Members organized and formed a Fund pursuant to said Law, which Fund was named the GEORGIA MUNICIPAL ASSOCIATION SELF-INSURANCE FUND (the “Fund”); and

WHEREAS the original intrastate agreement was made and entered into by and among the Founding Members; and

WHEREAS, upon acceptance of their applications for membership in the Fund, all members who were not Founding Members became a party to the original intrastate agreement and bound by its terms and conditions, with their applications becoming a counterpart to the original intrastate agreement; and

WHEREAS, this Amended and Restated Intrastate Agreement has been revised to reflect changes in law and in administration and shall supersede the original intrastate agreement upon its effective date; and

WHEREAS, this Amended and Restated Intrastate Agreement has been approved by the Board of Trustees and the Insurance Commissioner and, in accordance with regulations of the Georgia Insurance Commissioner, shall be effective on the date written notice of the amendment and restatement is provided to all members;

NOW THEREFORE, for and in consideration of the mutual covenants, promises and obligations herein contained, which are given to and accepted by each member hereof, all members jointly and severally covenant, stipulate and agree as follows:

1. The Members of this Fund do jointly and severally covenant and agree that they shall be jointly and severally liable for all legal obligations of the Fund, as set forth in O.C.G.A. Section 34-9-164(c).
2. The Members intend this agreement as a mutual covenant of assumption and not as a partnership.
3. That the Trustees of the Fund shall set up, operate and enforce its own administrative rules, regulations and bylaws as between the individual Members of the Fund.
4. The Members ratify and confirm appointment by the Trustees of Georgia Municipal Association, Inc. as Administrator for the Fund and its members, individually and collectively; provided however, that the Board of Trustees reserves the right to designate a new Administrator from time to time, nothing in this agreement withstanding. The Administrator, either directly or through one or more subcontractors, shall determine all sums due the Fund from the members, pay all approved items of expense as directed by the Trustees, and give a monthly account of all monies so handled. For handling the administrative and servicing functions of the Fund, the Administrator shall receive a fee which shall be negotiated from time to time by the Trustees.

This fee shall be in consideration of all services and expenses contracted for, with the Fund, which services or expenses may include the collecting, disbursing and accounting for monies collected, counseling with the Members as to safety hazards, claims handling and investigations, and providing for excess insurance coverage. The Administrator's books and records are to be open to inspection by the Insurance Commissioner of the State of Georgia ("Insurance Commissioner") and by the Trustees or their agents at all reasonable times.

5. Georgia Municipal Association, the fiscal agent appointed by the Trustees, shall deposit to the account of the Fund, at any bank or banks designated by the fiscal agent, all premiums as and when collected, and said monies shall be disbursed only to meet the financial obligations of the Fund.
6. The Trustees shall provide for excess insurance coverage designed to protect said members and the Fund against excess losses, in accordance with regulations of the Insurance Commissioner of the State of Georgia.
7. Membership.
  - a. Admission. All members of the Fund hereby agree that members of this Fund must be "municipalities" as defined in O.C.G.A. Section 34-9-151, as amended from time to time, and other entities included in the same class as municipalities under O.C.G.A. Section 34-9-152, as amended from time to time. The Administrator shall be judge of whether or not an applicant shall be admitted to membership, and will approve or deny application for membership in accordance with the terms of underwriting requirements submitted to the Insurance Commissioner, as set forth in O.C.G.A. Section 34-9-155 (c), or in accordance with other provisions of O.C.G.A. Section 34-9-155, as amended from time to time.
  - b. Involuntary Termination. A member may be terminated involuntarily for failure to pay its premiums. O.C.G.A. Section 34-9-156, the statute that governs the administration of group self-insurance funds, allows for the termination of a member for non-payment of premium 15 days after notification by the Fund. This is not done until reasonable efforts are made to collect the outstanding premium from the member. The Administrator may, at its discretion, work with any member encountering financial difficulties to develop an acceptable payment plan to avoid cancellation of coverage. The statute also permits the Fund to terminate a member for underwriting reasons in accordance with guidelines submitted to the Insurance Commissioner. These guidelines generally require the Fund to provide 90 days' notice before involuntary termination for underwriting. For example, this might occur if the member's loss experience deteriorates continually and the Fund determines that the member is not committed to proper safety and loss control practices. When the member has engaged in egregious actions, membership may be terminated earlier if the Administrator determines that termination is needed to protect the Fund. Lastly, the Administrator may involuntarily remove the member for actions not contemplated by the underwriting guidelines, but which constitute a violation of the statute, the bylaws, or this intrastate agreement.
  - c. Voluntary Termination. A member may elect to withdraw voluntarily by providing 90 days' notice to the Administrator. The Administrator generally will not oppose the

withdrawal unless it determines that the decision to withdraw is based upon erroneous information or that the member will not fulfill its payment obligations. The Administrator will provide assistance where possible in order to ensure that the transition goes smoothly.

8. Each member of the Fund agrees to abide by the following rules and regulations:
  - a. The member agrees to maintain a safety program to give its employees safe and sanitary working conditions. The member further agrees to permit representatives of the Fund and the Administrator to inspect all work sites for the purpose of determining whether the member's safety program and practices meet the Fund's criteria for membership in the Fund. The member shall remain solely responsible for all decisions concerning its safety program and practices and may not rely upon evaluations and/or recommendations made by the Administrator or its representatives in making final decisions concerning its safety program and practices.
  - b. In the event of an accident or a reported claim, the member agrees to make immediate provision for remedial care for his employee, and to give immediate notification of said accident to the Administrator on the prescribed forms.
  - c. The members shall make prompt payment of all premiums and assessments as required by the Administrator and in accordance with the regulation of the Insurance Commissioner, said premiums to be determined by applying applicable experience modification to the standard rates for the exposure to risk, said standard rates to be compiled by any premium rating system approved by the Insurance Commissioner. Further, said premium may include loss and expense constant and minimum premium where applicable. Finally, said premium may be adjusted based upon the current rate filing on file with the Insurance Commissioner, which rate filing must be approved by the Insurance Commissioner if approval by the Insurance Commissioner is required by law. In the event of a loss fund deficit, the Trustees may adopt any plan they deem equitable for the elimination of such deficit, including, but not limited to the assessment of those members whose losses resulted in such deficit subject to the approval of the Insurance Commissioner, if approval by the Insurance Commissioner is required by law.
  - d. As early as practicable, but no later than the last day of the first month of the fiscal year, each member shall pay at least 25% of its estimated annual contribution to the Fund, and thereafter shall pay its contributions in accordance with an installment schedule approved by the Administrator that ensures that the members' estimated annual contribution to the Fund is paid in full by the end of the sixth month of the fiscal year. Members who join the Fund after the start of the fiscal year but before the end of the sixth month of the fiscal year shall pay 25% of their estimated annual contribution for the balance of the fiscal year as early as practicable, but no later than 30 days after the effective date of admission, and in accordance with an installment schedule approved by the Administrator that ensures that the members' estimated annual contribution to the Fund is paid in full by the end of the sixth month of the fiscal year. Members who join the Fund subsequent to the end of the sixth month of any fiscal year shall pay their estimated annual contributions in full as early as practicable, but no later than 30 days

after the effective date of admission. The Administrator, in its discretion, may change payment requirements if, in its discretion, it determines that such changes to the requirements are appropriate for the safe and proper operation of the Fund.

- e. The Trustees of the Fund are authorized to and do hereby appoint the Administrator of this Fund as its agent and attorney-in-fact, to act in its behalf and to the extent authorized by the Trustees, to execute all contracts, reports, waivers, agreements, and excess insurance contracts; to make or arrange for payment of claims, medical expenses and all other things required or necessary, insofar as they affect its ability to offer and provide workers' compensation and/or employers' liability under the laws of the State of Georgia, and as covered by the terms of this Fund agreement and the rules and regulations as now provided or as thereafter promulgated by the Trustees.
- f. The member agrees that in the event of the payment of any loss by the Fund under this contract, the Fund shall be subrogated, to the extent of such payment, to all the rights of the member against any person or other entity legally responsible for damages for said loss, and in such event the member hereby agrees to render all reasonable assistance, other than pecuniary, to effect recovery.
- g. The member agrees that attorneys appointed by the Administrator shall represent the member in investigation, settlement discussions and all levels of litigation or other legal proceedings arising out of any claim made against a member within the purview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding damages or compensation therefor, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent, and, with approval of the Administrator or in accordance with policies established by the Administrator, may enter into settlements of such litigation or proceedings without the member's consent. If the Fund approves defense by the members, the Fund is to pay all costs in excess of the deductible that are taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.
- h. Liability of the Fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.
- i. The Trustees of the Fund, the Administrator and any of their agents, servants, employees or attorneys, shall be permitted at all reasonable times to inspect the work places, plant works machinery, and appliances of members covered by this agreement, and shall be permitted at all reasonable times and within two years after the final termination of the membership, to examine members' books, vouchers, contracts, documents, and records of any and every kind which show or tend to show or verify the premium which is payable under the terms thereof.
- j. The coverage of the Fund does not apply to punitive or exemplary damages on account of such injuries to any employee or employer in violation of law.



- k. Coverage by the Fund under the terms of this agreement shall expire and be cancelled automatically for nonpayment of premium upon fifteen (15) days' written notice to the member in accordance with O.C.G.A. Section 34-9-156.
- 9. The Trustees are authorized to allocate from the premiums collected a reasonable sum for the operating expenses (a), (c), (d), (e) as set forth below, including reimbursement of actual expenses in accordance with annual budget established by Trustees incurred by GEORGIA MUNICIPAL ASSOCIATION for its employees, office space, utilities, and other such expenses for services. The Trustees are authorized to allocate from the premiums collected a reasonable sum for claims as outlined in paragraph (b) below. The Trustees are also authorized to allocate a remaining portion of the premium for distribution as set forth in paragraph (f) below. All premiums received by the Fund during any one fiscal year of the Fund shall be set aside and shall be used only for the following purposes:
  - a. Payment of a fee to the Administrator.
  - b. Payments of medical, surgical, hospital and nursing expenses, and payments of compensation to employees covered by this contract, including settlements, awards, judgments, legal fees and costs in all contested cases.
  - c. Payment of lawful assessments as required by the State of Georgia.
  - d. Payment of the cost of all bonds and auditing expenses required of the Fund or its agents or employees.
  - e. Reimbursement legally required pursuant to the terms of any bond, excess insurance policy or similar agreement entered into by the Fund.
  - f. Distribution of a dividend or renewal credit to members in such a manner as the Trustees shall deem to be equitable. The amount of the dividend or renewal credit, the qualifications for receiving it, and the manner of distribution shall be determined by the Trustees in their sole discretion and in accordance with the bylaws, applicable law and Insurance Commissioner regulations.
- 10. The Fund shall operate on a fiscal year from 12:01 a.m., January 1, to 12:01 a.m., January 1 of each succeeding year. Application for membership when approved in writing by the Trustees or their designee, shall constitute a continuing contract for each succeeding fiscal period unless cancelled by the Trustees, or unless the member shall have resigned or withdrawn from said Fund by written notice.
- 11. Trustees and officers shall use ordinary care and reasonable diligence in the exercise of their powers and the performance of their duties. They shall not be liable for mistakes of judgement or actions or failures to act when such mistakes, actions or failures are made in good faith and within the scope of their authority for the Fund. Nor shall they be liable for any action or failure to act of any agent, employee or independent contractor of the Fund, nor for loss incurred through investment of funds or failure to invest. No trustee or officer shall be liable for any action or failure to act of any other trustee or officer. No trustee or officer shall be required to give a bond or other security to guarantee the faithful performance of the duties hereunder except as may be required by the rules and regulations of the Insurance Commissioner. The Fund shall defend and hold harmless any trustee or officer, and the Board of Trustees, against any and all loss, cost, damage or exposure arising from their actions or failures to act when such

actions or failures were made in good faith and within the scope of their authority for the Fund. The Fund may purchase insurance providing such coverage for trustees and officers.

12. The members jointly and severally covenant and agree that there will be no disbursement out of this Fund by way of dividends or renewal credits or distribution of accumulated reserve to members until after provision has been made for obligations under the Workers' Compensation Law against said Fund and except at the discretion of the Trustees and with the approval of the Insurance Commissioner, if such approval is required by law.
13. Any member who applies for membership in this Fund and is accepted by the Trustees or their designee shall thereupon become a party to this Agreement and be bound by all of the terms and conditions hereof and said application shall constitute a counterpart to this Agreement.



## CITY COUNCIL AGENDA ITEM

**SUBJECT:** Executive Search Additional Contract Approval - Developmental Associates

**AGENDA SECTION:** (check all that apply)

☐ PRESENTATION    ☐ PUBLIC HEARING    ☐ CONSENT AGENDA    ☐ OLD BUSINESS  
☒ NEW BUSINESS    ☐ OTHER, PLEASE STATE: Click or tap here to enter text.

**CATEGORY:** (check all that apply)

☐ ORDINANCE    ☐ RESOLUTION    ☒ CONTRACT    ☐ POLICY    ☐ STATUS REPORT  
☐ OTHER, PLEASE STATE: Click or tap here to enter text.

**ACTION REQUESTED:** ☒ DECISION    ☐ DISCUSSION,    ☐ REVIEW, or    ☐ UPDATE ONLY

**Previously Heard Date(s):** Click or tap to enter a date. & Click or tap to enter a date.

**Current Council Meeting:** Monday, December 13, 2021

**SUBMITTED BY:** Gia Scruggs, Finance Director

**PRESENTER:** Gia Scruggs

**PURPOSE:** The City of Stonecrest needs a firm to assist with recruiting several additional director positions for the upcoming transition to in-house services. The Acting City Manager determined that the initial recruitment should include the following positions: Director of Human Resources, Director of Communications and Technology, Director of Planning, and City Clerk to address the immediate needs of the City. Upon further review, the Acting City Manager has determined that the Deputy City Manager, Leisure Services Director and Economic Development Director positions also need to be recruited. The active recruitment of these positions will ensure the City has the resources in place before the final transition from the contract extension of some of the positions from Jacobs.

**FACTS:** The Procurement Division released a solicitation on August 4, 2021, based on a needs assessment with the Acting City Manager and Finance Director. The solicitation included language to allow multiple firms to be used for additional positions if required. The Finance Director recommends Developmental Associates as the vendor to be utilize for the additional executive search work, with a contract amount not to exceed \$69,000.

**OPTIONS:** Approve, Approve with Modifications, Table, Deny, or Defer

**RECOMMENDED ACTION:** Approve

**ATTACHMENTS:**

(1) Attachment 1 - DEVELOPMENTAL ASSOCIATES PROPOSAL



**Stephen K. Straus, Ph.D.**  
 Heather A. Lee, Ph.D. SPHR  
 Korrel W. Kanoy, Ph.D.

510 Meadowmont Village Circle #299 • Chapel Hill, NC 27517

(919) 812-0132 • skstraus@developmentalassociates.com

## EVENT #201-20

### COVER LETTER INFORMATION:

**Incorporation:** Developmental Associates is an LLC (S) Corporation.

We are **HUB Certified** by the State of North Carolina (October 31, 2019)

**Lead Consultant:** Stephen Straus, Ph.D.

August 17, 2021

City of Stonecrest  
 Purchasing Office

Dear Sir/Madam:

We are pleased to submit a summary of our services for executive search and assessment. We understand that this proposal describes the services we would conduct for any executive position with the City of Stonecrest. We have also completed and attached all the relevant addenda for this proposal.

On page 5 we provide a Table of Contents that includes all of the requirements specified in the Request for Proposals #2021-20.

Developmental Associates is not a traditional “headhunting” firm. Instead, we rely on more objective, systematic, and accurate methods to recruit, screen, and evaluate candidates that we call *Talent Identification and Assessment*. A recent article citing our work was published in *Supply and Demand Chain Magazine*.

<https://mail.google.com/mail/u/0/#inbox/FMfcgxwHNVvtbGIHfHMfNCGHBPqTDnG>

**Our objective approach to assessment will provide you with a much firmer foundation for win-win decisions than the traditional search process.** As a recent example, we helped the Savannah City Council which has dealt with significant cleavages, to come to a unanimous vote to hire their new City Manager. We were able to achieve this outcome when the Council had fired two national search firms who had been unsuccessful in their efforts.

<https://www.wtoc.com/2021/07/23/savannah-interim-city-manager-announces-resignation/#:~:text=SAVANNAH%2C%20Ga>. We have listed Savannah Mayor Johnson as one of our references.

Our approach has three goals with respect to recruitment, screening, and selection. After explaining those goals in this cover letter, we are attaching a Menu of Offerings that details each of our services on pages 6-9.

First, we provide high quality candidates from a national, regional and statewide recruitment base.

*Our success in identifying and hiring diverse candidates was on national display three years ago. Several television stations and news outlets recognized that North Carolina now has five female – African American Chiefs of Police in mid to large municipalities.*

<https://www.newsobserver.com/news/local/article175431651.html>

*Developmental Associates placed four of those Chiefs.*

*Additionally, we have helped several local governments enhance their diversity in key positions, such as Manager. During the last two years we helped Apex, NC; Chapel Hill, NC; Henderson, NC; Elizabeth City NC; and Statesboro, Georgia hire their first African American Managers.*

We provide four methods of recruitment.

1. We **target individuals** with whom we have worked directly. Having worked with thousands of managers through our consulting and training, we are well connected to leading local government managers in the region. You can also review a sample electronic brochure that we use to conduct our targeted recruitment by clicking [here](#).
2. We make **individual contacts through social media**. We maintain lists of hundreds of local government managers that we can contact with email blasts, Facebook, and LinkedIn notices.
3. We know how to make the best use of the most widely referenced **professional journals and websites**. We can enhance the information provided to those sites by relying on a comprehensive study of the position and the organization that enables us to craft attractive, realistic, and comprehensive postings.
4. We have established a **national network** through our contract with NEOGOV, the number one HR application to governments nationwide. This service enables us to provide recruitment and applicant tracking solutions on a national level. We supplement that through our long-term affiliations with the local government associations in NC.

Second, many clients tell us that they based previous selection decisions on less information that we provide through our screening process. We can provide such comprehensive

information by using a multi-method screening approach that includes four components, as follows:

1. We develop a customized application that candidates must complete on-line. This application would be tailored to the specific challenges facing Stonecrest. In comparison to the traditional cover letter and resume, we are then able to match candidates with the specific needs of the City. Moreover, we are then able to make “apples-to-apples” comparisons of candidates rather than trying to piece together disparate information from resumes that are each designed differently. As an additional bonus, we can then determine whether candidates are sufficiently motivated to fill out this unique application and whether they are tech-savvy.
2. We conduct intensive interviews with each of the top candidates (up to 15). We conduct these interviews using structured questions based on the needs of Stonecrest along with a detailed scoring system. The interviews are conducted by one of our consultants who is a recently retired local government executive with strong and relevant experience specific to the position to-be-filled, so we ensure we have a subject matter expert evaluating each candidate. The responses of each candidate are recorded and available to you for review.
3. Independent of the interview, we have one of our psychologists administer a psychological inventory called the Emotional Intelligence Inventory (EQi 2.0) – see page 10. This inventory, which is validated for employment, provides us with information on critical skills of the candidate, such as problem solving, assertiveness, interpersonal relations, and teamwork. This inventory is administered independent of the interview; in other words, the psychologist administers the EQ without knowing the interview results.
4. We have a third staff member administer an in-depth survey assessing candidate written challenges they would face in the position to-be-filled. This survey is also independently scored. You then have the opportunity to view all of the above information on a spreadsheet prior to deciding which candidates to invite to the City for even more in-depth assessment.

**Third, we provide you the most in-depth and accurate information possible about the top candidates for this position to enable you to make the most informed decisions possible.**

It is **essential** to rely on three common and very comfortable methods as a part of the selection process: 1) reviews of resumes, 2) reference and background checks, and 3) interviews.

*Nevertheless, these are the three **least** accurate methods for determining the true competencies of candidates.* One of many reasons for the limitations of these methods is that they rely mostly on indirect or inferential data. For example, resumes tell us what the candidate has done, but not how well he/she has performed. References rely on third-party observations that have often been shown to be unreliable. Interviews, when conducted in a systematic and behavioral-based fashion, can reveal certain key attributes: knowledge, verbal communication skills, and judgment (when situational questions are included). *Interviews, however, are not*

*able to directly verify other critical skills, such as needs assessments, conflict resolution, project planning, meeting or group facilitation, leadership style, problem solving, writing, or even presentation skills.*

Assessment center processes and certain psychometric tests are of greater validity than the traditional three methods alone. Developmental Associates promotes the use of assessment centers in conjunction with other methods. In these processes, we design exercises that simulate the key challenges facing the position, such as making board presentations, developing written project plans, facilitating meetings with department directors, and conducting performance-management role plays to directly observe the skills of candidates. We independently supplement this first-hand assessment with the Emotional Intelligence Inventory (EQi 2.0) to validate what we have observed in the assessment center process. This additive combination of two highly valid methods, coupled with traditional methods, greatly enhances the accuracy and depth of information we can provide you.

Thank you for considering our services. We would be pleased to continue our partnership with Stonecrest to recruit and assess outstanding executives for your team!

Sincerely,



Stephen K. Straus, Ph.D.  
President - Developmental Associates, LLC

# PROPOSAL: THE CITY OF STONECREST

## EXECUTIVE SEARCH AND ASSESSMENT PROCESSES: August 17, 2021

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### HIRE WITH CONFIDENCE PLEDGE

If Developmental Associates is responsible for recruiting and screening candidates, we guarantee that the client will find a candidate that it can hire with confidence. If the selected candidate does not continue employment for at least one year of service, Developmental Associates pledges to provide all of the services originally agreed upon with the client for no additional charge other than expenses, such as administering the Emotional Intelligence Inventory (EQi) to candidates approved by the client. Developmental Associates would continue to provide these services until the client selects a candidate it can "hire with confidence". Developmental Associates does not maintain this pledge if it is not responsible for the recruitment and screening for the position.

The information provided herein by Developmental Associates, LLC. is proprietary and confidential, offered to the recipient solely for the purpose of evaluating its service proposal. This information should not be disclosed to anyone outside the decision-making group without the company's prior authorization.



**SECTION I: SCOPE OF WORK**  
**CITY OF STONECREST**

**EXECUTIVE SEARCH AND ASSESSMENT PROCESSES**

**Menu of Offerings**

***Directions: Below are the steps identified in the proposed Scope of Services and the schedule for completion of each step.***

| <b>STEPS IN THE RECRUITMENT, SCREENING, AND SELECTION PROCESS</b>                                                                                                                                                                                                                                                          | <b>PURPOSE OF THE PROPOSED STEPS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>PROPOSED DATES</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>Step A: Confirm Position Criteria by conducting a job and organizational analyses</b> to identify expectations and competencies for the position by meeting with the following groups: <ul style="list-style-type: none"> <li>▪ The Manager and staff</li> <li>▪ Other stakeholders as determined by the CMO</li> </ul> | <ol style="list-style-type: none"> <li>1) Provides a foundation for defining the competencies sought in recruitment and in designing the selection process.</li> <li>2) Builds stakeholder buy-in and perspective into the selection process.</li> <li>3) Conducting a job analysis is essential for legal defensibility.</li> <li>4) Conducting the organizational analyses identifies future challenges for a proactive City Executive.</li> </ol>                                                                | Day 1                 |
| <b>Build a candidate profile and post written job advertisements</b> in leading professional journals, newspapers, and websites.                                                                                                                                                                                           | <ol style="list-style-type: none"> <li>1) Written ads for both print and online publications will typically generate the largest number of applications.</li> <li>2) As the employing agency, the City would need to post the ads after they have been developed.</li> <li>3) If the City would like a brochure, Developmental Associates can also develop that.</li> </ol>                                                                                                                                         | Day 3                 |
| <b>Step B: Manage all external advertising including targeted recruitment of leading candidates.</b>                                                                                                                                                                                                                       | <ol style="list-style-type: none"> <li>1) We have direct access to several thousand local government executives across the country. We will send out a mass email to all of these executives, but also make direct contact with a number of those that we think would be a particularly good fit with the City of Stonecrest.</li> <li>2) By targeting candidates and making individual contacts, Developmental Associates can supplement the candidate pool with candidates with excellent credentials.</li> </ol> | Completed by Day 33   |

| STEPS IN THE RECRUITMENT, SCREENING, AND SELECTION PROCESS                                                                                                                                                                                                                                                                                                                                                                                            | PURPOSE OF THE PROPOSED STEPS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | PROPOSED SCHEDULE |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>Steps C-D-E-F: Create screening criteria and conduct initial (first) level screen</b> of candidate applications/resumes. <b>This will culminate in our presenting City staff with a spreadsheet including rankings and evaluative comments</b>                                                                                                                                                                                                     | <ol style="list-style-type: none"> <li>1) First level screening involves a structured process for evaluating resumes and supporting documents. We require all candidates to post their applications through NEOGOV to ensure they are responding to the specific requirements of the position and not just submitting a general resume.</li> <li>2) The job analysis provides the basis for developing a structured screening guide to ensure consistent application of the selection criteria to each resume.</li> <li>3) Narrow the field of candidates to a number that can be screened more intensively (through the secondary screening process described below).</li> </ol>                                                                                                                                                   | Day 36            |
| <b>Steps G-H-I: Conduct a phone interview and other second level screening</b> of candidates for the position. In addition to the phone interview, DA would include the following approaches: <ul style="list-style-type: none"> <li>▪ Emotional Intelligence (EQi) testing</li> <li>▪ We will conduct a media (Google) search (mentions of candidates in the news media) of all candidates that pass this stage of the screening process.</li> </ul> | <ol style="list-style-type: none"> <li>1) Such advanced screening methods are useful when there is a large group of qualified candidates or the City is unfamiliar with many of the candidates.</li> <li>2) The screening method would be driven by the job analyses (Step 1).</li> <li>3) Upon completion the Manager would be ready to identify the finalists (up to 6) to invite to the final assessment process.</li> <li>4) At the Manager's discretion up to two alternates could be identified in the event any of the original candidates withdraw.</li> </ol>                                                                                                                                                                                                                                                              | Day 48            |
| <b>Step J: Recommend a comprehensive assessment center process</b>                                                                                                                                                                                                                                                                                                                                                                                    | <ol style="list-style-type: none"> <li>1) The hiring process should be valid (job related) to identify the best candidates.</li> <li>2) The hiring process should provide an opportunity to assess the most critical competencies required for the position including the ability of the candidate to meet the primary WFD challenges facing the City.</li> <li>3) The hiring process should assess Emotional Intelligence (EI) as well as Cognitive Intelligence (IQ) and technical skills.</li> <li>4) The exercises should enable the City to assess the strengths and weaknesses of each candidate and to determine those candidates that have the skills to fill the position.</li> <li>5) The rating criteria will be premised on the job analysis and designed using objective, behavioral-based rating criteria.</li> </ol> | By Day 48         |

| STEPS IN THE RECRUITMENT, SCREENING, AND SELECTION PROCESS                                                                                                                                                                                                                                                                                                                                              | PURPOSE OF THE PROPOSED STEPS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | PROPOSED SCHEDULE |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <b>Step K: Identify and recruit assessors</b> to evaluate the candidates (Assessors are identified and approved by the Manager)                                                                                                                                                                                                                                                                         | <ol style="list-style-type: none"> <li>1) The types of assessors recruited depend upon the types of exercises the candidates would perform. Assessors might include local government managers, community members, and City staff.</li> <li>2) Assessors must complete a Statement of Confidentiality. Moreover, no single assessor will know the overall outcome of the process. That information is provided to the Manager only.</li> <li>3) Assessors will be trained on how to apply behavioral-based rating systems when rating candidates.</li> </ol> | By Day 48         |
| <b>Step L-M-N: Invite candidates to the assessment center. Conduct selection exercises to evaluate the (up to 6) finalists. We would conclude by asking each team of assessors to debrief with the Manager by sharing the results of the assessment center process. We would wrap up that session by correlating the results from the assessment center with the along with the results of the EQI.</b> | <ol style="list-style-type: none"> <li>1) The exercises will be valid, reliable, and unbiased.</li> <li>2) The candidates will be sent preparatory information and given thorough explanations in advance of the process., along with an invitation that spells out their schedule and the location of events.</li> <li>3) We would conclude by asking each panel to share their scores and feedback directly with the Manager.</li> </ol>                                                                                                                  | Days 64-65        |
| <b>Steps O-P: Facilitate thorough background investigations</b>                                                                                                                                                                                                                                                                                                                                         | <ol style="list-style-type: none"> <li>1) Both legally and due to the sensitive and highly public nature of the municipal executive positions, we recommend thorough reference checks and background investigation.</li> <li>2) These should be conducted by someone outside the City to ensure confidentiality.</li> <li>3) We will coordinate the investigations and report detailed findings to the City Manager.</li> <li>4) Upon request, the investigator can go to the site where the candidates live and work.</li> </ol>                           | TBD               |
| <b>Step Q: Assist, upon request in final negotiations.</b>                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | TBD               |

| STEPS IN THE RECRUITMENT, SCREENING, AND SELECTION PROCESS                                                                                                                                                                                                                                                                                                                                                                                                                               | PURPOSE OF THE PROPOSED STEPS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | PROPOSED SCHEDULE |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <p><b>Provide executive coaching to the successful candidate</b></p> <ul style="list-style-type: none"> <li>▪ Review the challenges facing the community and organization</li> <li>▪ Analyze the results of the selection process</li> <li>▪ Analyze the findings of the EQi</li> <li>▪ Develop a plan of action</li> <li>▪ Developmental feedback provided to internal or local candidates who are not selected. This includes a review of EQi and assessment center results</li> </ul> | <ol style="list-style-type: none"> <li>1) The assessment process provides rich information suitable for executive coaching.</li> <li>2) The new City executive will be facing exciting but formidable new challenges. He/she can benefit from professional guidance in developing a plan of action to meet those challenges successful.</li> <li>3) Feedback to internal candidates not selected often helps in their personal development and acceptance of the decision. This also paves the way for greater support of the selected candidate by incumbents.</li> </ol> | TBD               |

## A.1: EMOTIONAL INTELLIGENCE FACTORS\*

### SELF-PERCEPTION REALM

| EQ-i Scale                  | The EI Competency Assessed by the Scale                                      |
|-----------------------------|------------------------------------------------------------------------------|
| 1. Emotional Self-Awareness | <i>Ability to be aware of and understand one's feelings and their impact</i> |
| 2. Self-Regard              | <i>Ability to respect and accept one's strengths and weaknesses</i>          |
| 3. Self-Actualization       | <i>Ability to improve oneself and pursue meaningful objectives</i>           |

### SELF-EXPRESSION REALM

| EQ-i Scale              | The EI Competency Assessed by the Scale                                           |
|-------------------------|-----------------------------------------------------------------------------------|
| 4. Emotional Expression | <i>Ability to express one's feeling verbally and non-verbally</i>                 |
| 5. Independence         | <i>Ability to be self-directed and free of emotional dependency on others</i>     |
| 6. Assertiveness        | <i>Ability to express feelings, beliefs, and thoughts in a nondestructive way</i> |

### INTERPERSONAL REALM

| EQ-i Scale                     | The EI Competency Assessed by the Scale                                                   |
|--------------------------------|-------------------------------------------------------------------------------------------|
| 7. Interpersonal Relationships | <i>Ability to develop and maintain mutually satisfying relationships</i>                  |
| 8. Empathy                     | <i>Ability to recognize, understand and appreciate the feelings of others</i>             |
| 9. Social Responsibility       | <i>Ability to contribute to society, one's social group, and to the welfare of others</i> |

### DECISION MAKING REALM

| EQ-i Scale          | The EI Competency Assessed by the Scale                                    |
|---------------------|----------------------------------------------------------------------------|
| 10. Impulse Control | <i>Ability to resist or delay and impulse, drive, or temptation to act</i> |
| 11. Reality Testing | <i>Ability to remain objective by seeing things as they really are</i>     |
| 12. Problem Solving | <i>Ability to solve problems where emotions are involved</i>               |

### STRESS-MANAGEMENT REALM

| EQ-i Scale           | The EI Competency Assessed by the Scale                                   |
|----------------------|---------------------------------------------------------------------------|
| 13. Flexibility      | <i>Ability to adapt one's feeling, thinking, and behavior to change</i>   |
| 14. Stress Tolerance | <i>Ability to effectively cope with stressful or difficult situations</i> |
| 15. Optimism         | <i>Ability to remain hopeful and resilient, despite setbacks</i>          |

EQ-i 2.0, Multi-Health Systems (2011), All Rights Reserved

Adapted from *The EQ Edge*

Steven J. Stein, Ph.D. and Howard E. Book, M.D.

Third Edition (2011)

### PROPOSED FEES FOR THIS PROJECT

| BASIC FEE | ADDITIONAL OPTIONS (Including Maximums)                                                                                                                                                                                     |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$21,750  | <ul style="list-style-type: none"> <li>• EQi- Administration and Analysis @ \$200 per candidate (up to 5)</li> <li>• Coaching and Feedback @ \$250 per candidate*</li> <li>• Background @\$1750 per candidate***</li> </ul> |

**\*As a standard service, we provide feedback to the successful candidate. Often, however, internal candidates apply and do not get offered the position. We encourage our clients to offer feedback to those internal candidates since feedback on the process provides a great professional development opportunity.**

**\*\*Background fees (if elected) are paid directly to Chief Tom Younce**

**We charge no other fees for expenses.**

**The maximum total fee for our basic services and the use of the EQi (up to 5 finalists candidates) and assessment of finalists (up to 5 candidates) would \$22,750. (This fee does not include coaching; which depends on the number of internal candidates.)**

*Litigation support, expert witness testimony, and depositions would be billed at an hourly rate of \$250.00 per hour unless Developmental Associates is responsible for losing a grievance or legal case. In that event, there would be no charge for litigation support.*

## SECTION II: WHO WE ARE

### A. Our Recent Clients

Local government managers are quickly recognizing the benefits of the new approach offered by Developmental Associates. During the last twenty-four months we have either completed or are in the process of working with the following local governments and universities:

- The Town of Chapel Hill
- Wake County
- The Town of Garner
- Durham County
- The City of Durham
- The City of Stonecrest
- The City of Wilson
- The City of Winston-Salem
- Duke University
- NC State University
- East Carolina University
- The Town of Morrisville
- The Town of Zebulon
- Cumberland County
- The Town of Waynesville
- The Town of Apex
- The University of North Carolina at Chapel Hill
- The City of Fayetteville
- Transylvania County
- The City of Asheboro
- The City of Savannah, Georgia
- The City of Statesboro, Georgia
- The City of Williamsburg, Virginia
- The City of Danville, Virginia
- The City of Statesville
- The Town of Blacksburg, Virginia
- The Town of Stallings
- Elon University
- The City of Burlington
- The City of Brevard
- The Town of Matthews
- The City of Elizabeth City
- The Town of Duck
- The Town of Nags Head
- The Town of Franklin
- The Town of Morehead City
- The City of Elizabeth City

## B. A New Approach to Executive Assessment – Talent Identification and Assessment

These and many other clients are recognizing that Developmental Associates has developed a new, more thorough, accurate, and comprehensive model for executive processes – which we call Talent Identification and Assessment. The old “Search Model” makes four outdated assumptions. First, it assumes that the search firm is in close contact with top candidates that will only apply for the position if contacted by the firm. This model fails to take into account the use of modern technology to recruit. There are now many more ways to reach out candidates than has been traditionally the case. **Developmental Associates uses multiple recruitment methods including targeting individuals, placing ads in leading professional websites and journals, relying extensively on social media, and connecting with our national network through NEOGOV – the leading public sector technology solution for recruitment and selection in the United States.**

Second, it also assumes that search firms can actually evaluate the quality of candidates because they know how each candidate is performing in their current position. That is a myth. Knowing a manager, even befriending a manager, does not mean that the search firm can actually assess that candidate’s performance in day-to-day activities. The search firm does not directly observe how the candidate develops budgets, deals with staff, plans, organizes, or deals with conflicts. **Developmental Associates uses an extensive, multi-method screening approach that provides you with a more sound understanding of the skills and competencies of each candidate. Because this process is standardized it enables fair comparisons across candidates.**

Third, it presumes that candidates can be evaluated comprehensively through interviews. This is simply not the case. We all like to lay our eyes on the top candidates and see how they present themselves and think. Nevertheless, interviews, at best, can only directly determine how well the candidate can communicate, his/her knowledge, and judgment. The interview is too limited to assess other essential management and leadership skills, such as writing, developing budgets, problem solving, dealing with staff, managing projects, and so on. All that can be learned from the interview about these essential skills is what the candidates *says he/she does*. **We provide intensive assessment of candidate skills that other firms do not offer before the board begins its interview process. This assessment center process enables you to directly observe the skills of candidates performing a variety of executive skills, such as managing staff, budgeting, dealing with the media, making presentations, facilitating staff meetings, and so on.**

Fourth, many firms will also tout their national networks which will bring candidates from all corners of the country. We find that, all things being equal, most of our clients are more interested in a candidate with regional or North Carolina experience. North Carolina has a more professional approach to local government than do most states and is committed to the Council-Manager form of government. **No firm has better state-wide connections than does Developmental Associates. We have been focused specifically on NC local government for twenty-five years.**



### C. Firm Description of Qualifications

Developmental Associates has extensive background in human resources, and management consulting for more than twenty-five years with over fifty local governments in North Carolina and with the leading North Carolina universities including Duke, Wake Forest, UNC-Chapel Hill, and NC State. Developmental Associates provides cutting edge services that go beyond typical human resource consulting firms at a reasonable cost. We are composed of three partners, a full-time staff member and over a dozen senior consultants. We combine strong academic and practitioner experiences into the services we provide to public and not-for-profit organizations. These services include executive recruitment, public safety promotional processes, executive coaching, teambuilding, and management/leadership training.

Below are some of the distinctive advantages we offer:

- **We are a North Carolina-based firm specializing in public sector, nonprofit and educational organizations.** We operate in North Carolina predominantly, and have done so for over 25 years. Steve Straus has been a long-time member and frequent presenter with the NC City and County Managers Association. For 26 years he has taught in the Masters of Public Administrative Programs at NC State University and UNC Chapel Hill and has served on the faculty at the School of Government at UNC-Chapel Hill. He has published in the leading public sector journals.

Heather Lee has served as a faculty member and administrator at the NC Center for Women in Public Service as well as for the William Peace University Human Resources degree program. She is a former Vice-President for Human Resources with the NC Easter Seals Society. Heather has consulted extensively with local governments and is the co-designer of and a faculty member in the North Carolina Public Managers Program.

- **The lead consultant on this project would be Stephen K. Straus, Ph.D.** He would team with Heather Lee, Ph.D. SPHR and with a Senior Consultant who has expertise in the position to-be-filled. Dr. Holly Danford, our Client Services Manager, would also be integrally involved in any project.
- **Our screening methods are multi-method and comprehensive.** Search firms often develop a negative reputation and take advantage of local governments by parading a group of close contacts through the selection process. Moreover, they allow applicants, particularly those who only have a passing interest in a position, to submit a non-standardized cover letter and resume. Developmental Associates insists on **a more objective and thorough screening approach that demands a certain level of motivation from all candidates.** We develop a set of filtering questions through our job and organizational analyses. These questions focus more on accomplishments than on the traditional resume-focus of positions held. Candidates must respond to questions tailored for the specific needs of the position and the City. As a result, we are able to compare candidates on similar criteria and make more objective determinations of which ones should be advanced in the process.

Those candidates that pass the initial screen undertake a **secondary screen**. We tailor this secondary screen to the position, but typically we require responses to more in-depth survey questions, conduct recorded telephone/Skype interviews, and administer the EQi 2.0, an emotional intelligence inventory (a validated employment test described below), to all candidates in the secondary screen. This multi-method approach provides a rich basis for the Manager to evaluate and determine which candidates should be invited to the selection process.

- **We are experts in the field of selection.** We provide a frank assessment of typical selection approaches particularly including the traditional search firm approach of relying extensively on the weakest of predictors of job performance: resumes, references, and interviews. We, instead, tailor a multi-method and behavioral approach to develop real world simulations. These simulations, commonly called an "assessment center", provide more in-depth and accurate information about the candidate than do the traditional methods.
- We are also experts in the field of **Emotional Intelligence (EI)**. Research finds that EI contributes substantially to managerial success. A list of EI factors is included with this proposal on page 10. While EI factors are commonly understood to be instrumental for effective leadership, most employers find it difficult to evaluate factors accurately, such as self-regard, independence, social responsibility, stress tolerance, impulse control, and empathy. *Moreover, it is the rare client that understands how to connect the relationship among these factors to produce an overall understanding of the candidate. Developmental Associates is able to make these connections.* We are able to test for EI (through the EQ 2.0 Inventory – a validated employment test) and integrate it into a variety of selection methods, such as behavioral-based interviews, presentations, role plays, and even written exercises. Our selection methods far surpass common methods in producing an in-depth understanding of the technical skills, interpersonal skills, job knowledge, and Emotional Intelligence of each candidate. This allows the organization to make the most informed decision possible on the competencies of candidates. Dr. Heather Lee is a Certified Trainer and has conducted certification programs on EI that have drawn international participation. Dr. Straus is also certified on the EQ Inventory.

**D. REFERENCES**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>City of Durham</b><br/>Retired City Manager Tom Bonfield<br/>(919) 323-9437<br/><a href="mailto:tjbonfield@gmail.com">tjbonfield@gmail.com</a><br/>Mayor Steve Sewell<br/><a href="mailto:Steve.Schewel@durhamnc.gov">Steve.Schewel@durhamnc.gov</a><br/>(919) 560-4333<br/><i>DA assisted Tom in hiring a Deputy Manager and Assistant Directors in Parks and Recreation. We have also helped Durham hire outstanding Police and Fire Chiefs and other department directors. We also worked with the City Council this year to select their new Manager.</i></p>                                               | <p><b>Wake County</b><br/>Manager David Ellis<br/>(919) 856-6160<br/><a href="mailto:David.Ellis@wakegov.com">David.Ellis@wakegov.com</a><br/><i>We have recently worked with David to hire a chief vitality Officer and Chief Information and Innovation Officer.</i></p>                                                                                                                                                                                                                                                    |
| <p><b>City of Greensboro</b><br/>Interim Manager Chris Wilson<br/>(336) 373-2002<br/><a href="mailto:christian.wilson@greensboro-nc.gov">christian.wilson@greensboro-nc.gov</a><br/><i>DA has assisted in Greensboro in hiring several assistant managers, department directors and higher-level staff. We helped hire the former Manager David Parrish as an Assistant Manager and the Council valued his work enough to appoint him as Manager.</i></p>                                                                                                                                                             | <p><b>City of Savannah</b><br/>Mayor Van Johnson<br/><a href="mailto:MayorJohnson@savannahga.gov">MayorJohnson@savannahga.gov</a><br/>(912) 651-6444<br/>HR Director Jeff Grant<br/>(912) 541-3218<br/><a href="mailto:jgrant01@savannahga.gov">jgrant01@savannahga.gov</a><br/><i>We have partnered with the City of Savannah to hire their new City Manager. We also assessed candidates for Chief of Police, and helped hire its IT Director, Fire Chief, Assistant Chiefs of Police (2) and Assistant Fire Chief.</i></p> |
| <p><b>Town of Apex</b><br/>Mayor Jacques Gilbert<br/><a href="mailto:jacques.gilbert@apexnc.org">jacques.gilbert@apexnc.org</a><br/>(919) 522-9823<br/>HR Director Mary Beth Manville<br/>(919) 249-3420<br/><a href="mailto:marybeth.manville@apexnc.org">marybeth.manville@apexnc.org</a><br/><i>We have worked with the Town to hire 4 positions in 2019 – Assistant Town Manager, Water Resources Director, Deputy Police Chief, and Assistant Fire Chief. In 2021 we assisted the Town in hiring a Manager and a Chief of Police. Both were the first African-Americans to hold those positions in Apex.</i></p> | <p><b>Town of Chapel Hill</b><br/>Town Manager Maurice Jones<br/>(919) 968-2743<br/><a href="mailto:mjones@townofchapelhill.org">mjones@townofchapelhill.org</a><br/>Also feel free to contact Mayor Pam Hemminger or any one of the Town Council members.<br/>Mayor Hemminger's phone is:<br/>(919) 968-2714<br/><i>DA has helped the Town hire several department head positions and also with succession planning. We recently work with the Town to hire Maurice Jones as Manager.</i></p>                                |
| <p><b>The City of Charlotte</b><br/>Retired Police Chief Kerr Putney<br/>(704) 650-0367<br/><a href="mailto:putneyk2@gmail.com">putneyk2@gmail.com</a><br/><i>DA helped Charlotte hire two Assistant City Managers, and Corporate Communications Director. Moreover, we conduct the promotional processes for the Charlotte-Mecklenburg Police Department.</i></p>                                                                                                                                                                                                                                                    | <p><b>Cumberland County</b><br/>County Manager Amy Canon<br/>(910) 678-7723<br/><a href="mailto:acannon@co.cumberland.nc.us">acannon@co.cumberland.nc.us</a><br/><i>DA assisted Cumberland County in hiring two Assistant Managers and several other department directors including Health Director. We are currently working with the County to hire a Social Services Director.</i></p>                                                                                                                                     |

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| <b>City of Danville, Virginia</b><br>Manager Ken Larking<br><a href="mailto:klarking@danvilleva.gov">klarking@danvilleva.gov</a><br>(434) 799-5100<br><i>DA worked with Mr. Larking to hire a Chief of Police, a Fire Chief, Economic Development Director, and Transit Director.</i>                                                                                                                    | <b>City of Fayetteville</b><br>Manager Doug Hewitt<br><a href="mailto:dhewett@ci.fay.nc.us">dhewett@ci.fay.nc.us</a><br>(910) 309-0284<br><i>DA assisted Fayetteville in hiring its Police Chief, Director of Engineering and Infrastructure, a Human Relations Director an Assistant City Manager (2) and an Economic and Community Development Director</i>                                  |
| <b>Town of Garner</b><br>Town Manager Rodney Dickerson<br>(919) 218-3764<br><a href="mailto:rdickerson@garnernc.gov">rdickerson@garnernc.gov</a><br><i>We have partnered with the Town to help them hire the Assistant Manager (2), Police Chief, HR Director, and Economic Development Director.</i>                                                                                                    | <b>City of Williamsburg, Virginia</b><br>Manager Andrew Trivette<br><a href="mailto:atrivette@williamsburgva.gov">atrivette@williamsburgva.gov</a><br>(757) 220-6100<br>Mayor Paul Freiling<br><a href="mailto:pfreiling@williamsburgva.gov">pfreiling@williamsburgva.gov</a><br>(757) 220-6101<br><i>DA partnered with Williamsburg to hire a Manager in 2018 and a Police Chief in 2017.</i> |
| <b>City of Concord</b><br>Manager Lloyd Payne<br><a href="mailto:paynel@concordnc.gov">paynel@concordnc.gov</a><br>(740) 920-5215<br><i>DA worked with the City of Concord to hire Mr. Payne in 2018.</i>                                                                                                                                                                                                | <b>City of Statesboro, Georgia</b><br>Manager Charles Penny<br><a href="mailto:charles.penny@statesboroga.gov">charles.penny@statesboroga.gov</a><br>(912) 764-0683<br><i>DA worked with the City of Statesboro to hire a Chief of Police in 2016 and to hire a City Manager in 2019. We have also helped the City hire and HR Director</i>                                                    |
| <b>Town of Morrisville</b><br>Manager Martha Paige<br>(919) 463-6150<br><a href="mailto:mpaige@townofmorrisville.org">mpaige@townofmorrisville.org</a><br><i>DA worked with a split Council to arrive at an enthusiastic and unanimous decision to hire its City Manager – Martha Paige in 2014. We have recently assisted Morrisville in hiring a Finance Director, Chief of Police, and Fire Chief</i> | <b>Onslow County</b><br>Assistant Manager Sheri Slater<br><a href="mailto:sheri_slater@onslowcountync.gov">sheri_slater@onslowcountync.gov</a><br>(910) 389-1851<br><i>DA has assisted Onslow County in hiring several department directors including Health and Social Services Director.</i>                                                                                                 |
| <b>Cleveland County</b><br>Manager Brian Epley<br><a href="mailto:brian.epley@clevelandcounty.com">brian.epley@clevelandcounty.com</a><br>(704) 484-4800<br><i>DA partnered with Cleveland County to hire its Emergency Services Manager, Social Services Director and Health Director (current)</i>                                                                                                     | <b>Town of Zebulon</b><br>Mayor Bob Matheny<br>(919) 302-1933<br><a href="mailto:bmatheny@townofzebulon.org">bmatheny@townofzebulon.org</a><br>(919) 302-1933<br><i>DA assisted Zebulon in hiring its Manager as well as its Police and Fire Chiefs in previous years.</i>                                                                                                                     |
| <b>City of Winston Salem</b><br>Manager Lee Garrity<br>(336) 747-7380<br><a href="mailto:leeg@cityofws.org">leeg@cityofws.org</a><br><i>DA assisted Winston Salem in hiring its Chiefs of Police and Fire, other department directors and Assistant City Managers.</i>                                                                                                                                   | <b>Town of Matthews</b><br>Manager Hazen Blodgett<br><a href="mailto:hblodgett@matthewsnc.gov">hblodgett@matthewsnc.gov</a><br>(704) 708-1230<br><i>We have worked with Mr. Blodgett to hire an outstanding Assistant Town Manager and several key department heads.</i>                                                                                                                       |

## ***The Values of Developmental Associates***

***We believe in the importance of governments and educational institutions as fundamental to an effective society.***

***Developmental Associates operates according to the following values:***

- Providing accurate and in-depth information by which clients can make informed decisions
- Working with organizations that are service based and mission driven
- Promoting equity and inclusion
- Working as a partner with the organization and its key stakeholders
- Maintaining confidentiality in all our work - especially given the local government context
- Providing services that are both transparent to all participants and legally defensible
- Customizing our work to fit the organization's culture and the issues
- Establishing a reputation as fair, credible and trustworthy
- Using emotional intelligence concepts and research to ground our work

