

CITY OF LUBBOCK
SPECIAL CITY COUNCIL MEETING
April 23, 2012
9:00 A. M.

The City Council of the City of Lubbock, Texas met in special session on the 23rd of April, 2012, in City Council Chambers, City Hall, 1625 13th Street, Lubbock, Texas at 9:00 a. m.

9:02 A.M. CITY COUNCIL CONVENED
City Council Chambers, 1625 13th Street, Lubbock, Texas

Present: Mayor Tom Martin; Mayor Pro Tem Floyd Price; Council Member Paul R. Beane; Council Member Karen Gibson; Council Member Victor Hernandez; Council Member Todd R. Klein; City Manager Lee Ann Dumbauld; City Secretary Rebecca Garza; City Attorney Sam Medina

Absent: Council Member Jim Gilbreath

1. Executive Session

The meeting was called into a closed public session at 9:02 a.m. under the provisions of Section 551, Texas Government Code. The meeting was called back into open session at 10:56 a.m.

1. 1. Hold an executive session in accordance with Vernon's Texas Codes Annotated (V.T.C.A.) Government Code, Section 551.071, to discuss pending or contemplated litigation or settlement agreement, and hold a consultation with attorney.
1. 1. 1. Case No. 71 193 Y 00084 08 HealthSmart Holdings, Inc., Formerly The Parker Group, ICON Benefit Administrators II, L.P., HealthSmart Preferred Care II, L.P., and HealthSmart Benefit Solutions, Inc., Formerly American Administrative Group, Inc., v. City of Lubbock, Texas v. Q Elements, LTD., And its General Partner Q-Elements Management Services, LLC; HealthSmart Information Systems, Inc., Formerly CareVu Corporation, Care ARC Texas, L.P. Formerly Care ATC Texas Corp. And its General Partner Parker Group GP, LLC. HealthSmart Holdings, Inc., d/b/a Free First Healthcare Clinics, Parker GP, LLC as general partner of ICON Benefit Administrators, II, L.P., HealthSmart Preferred Care II, L.P., and its General Partner Parker GP, LLC
1. 1. 2. Cause No. 141 241783 09; Ted Parker v. City of Lubbock; In the 141st District Court of Tarrant County, Texas
1. 1. 3. Cause No. D-1GN-11-001866; Travis County – ICON Benefit Administrators II, L.P. v. Greg Abbott, City of Lubbock vs Lubbock Avalanche Journal, Intervenor
1. 1. 4. No. 2007-540,024 ICON Benefit Administrators II, L.P., and American Administrative Group, Inc., in the 72nd District Court of Lubbock County, Texas

1. 1. 5. No. 2007-538,383 City of Lubbock, Texas v. The Parker Group, Inc., d/b/a TPG The Parker Group, ICON Benefit Administrators II, L.P.; American Administrative Group, Inc., and HealthSmart Preferred Care, II, L.P., in the 72nd District Court of Lubbock County, Texas
1. 1. 6. CC-08-01067-B ICON Benefit Administrators II, L.P., and American Administrative Group, Inc. v. Joella Mullin, Stanley Self, Andrea Davenport, Lee Ann Dumbauld, Scott Snider, Leisa Hutcheson, and Unknown Others in the County Court at Law No. 2 of Dallas County, Texas

2. Regular Agenda

2. 1. **Resolution – City Attorney** : Resolution No. 2012-R0163 authorizing the Mayor to execute a Compromise and Settlement Agreement in connection with the following matters: i) Case No. 71 193 Y 00084 08 HealthSmart Holdings, Inc., Formerly The Parker Group, ICON Benefit Administrators II, L.P., HealthSmart Preferred Care II, L.P., and HealthSmart Benefit Solutions, Inc., Formerly American Administrative Group, Inc., v. City of Lubbock, Texas v. Q Elements, LTD., and its General Partner Q-Elements Management Services, LLC; HealthSmart Information Systems, Inc., Formerly CareVu Corporation, Care ARC Texas, L.P. Formerly Care ATC Texas Corp. and its General Partner Parker Group GP, LLC. HealthSmart Holdings, Inc., d/b/a Free First Healthcare Clinics, Parker GP, LLC as general partner of ICON Benefit Administrators, II, L.P., HealthSmart Preferred Care II, L.P., and its General Partner Parker GP, LLC; ii) Cause No. 141 241783 09, Ted Parker v. City of Lubbock, in the 141st District Court of Tarrant County, Texas; iii) Cause No. D-1GN-11-001866, Travis County – ICON Benefit Administrators II, L.P. v. Greg Abbott, City of Lubbock v. Lubbock Avalanche Journal, Intervenor; iv) No 2007-540,024, ICON Benefit Administrators II, L.P., and American Administrative Group, Inc., in the 72nd District Court of Lubbock County, Texas; v) No. 2007-538,383, City of Lubbock, Texas v. The Parker Group, Inc., d/b/a TPG The Parker Group, ICON Benefit Administrators II, L.P.; American Administrative Group, Inc., and HealthSmart Preferred Care, II, L.P., in the 72nd District Court of Lubbock County, Texas; and vi) CC-08-01067-B, ICON Benefit Administrators II, L.P., and American Administrative Group, Inc. v. Joella Mullin, Stanley Self, Andrea Davenport, Lee Ann Dumbauld, Scott Snider, Leisa Hutcheson, and Unknown Others in the County Court at Law No. 2 of Dallas County, Texas.

Larry Wharton, attorney with Jones, Flygare, Brown, & Wharton, gave a presentation and answered questions from Council.

Councilman Paul R. Beane read the following personal statement into the record:

- "While we're considering this settlement, I want us not to forget the unnecessary carnage that it's left in its wake. Good men, who did nothing wrong, were lied about, were investigated for four years by the federal authorities, but were eventually exonerated because they have done nothing wrong. A former elected official on this Council made every effort to destroy two Council Members who served with him by continually spreading rumors that they and a long time Lubbock insurance provider would be indicted and sent to prison. It was a lie then, it is a lie now. These men, who's only vice, was to give years of public service to this community, were assaulted by some of the most vicious rumors in the history of this community. In my view, and I speak only for myself, these men and their families are owed a heartfelt apology. Although I was never aparted to these rumors, I offer my apology today."

Mayor Tom Martin read the following statement on behalf of Councilman Jim Gilbreath (absent) into the record:

- "Mayor, as you know, Kathy and I are out of town for a long-planned trip. However, I felt it important to send you this note expressing my support for the proposed settlement with the Parker Companies. Given the negotiations that Mayor Pro Tem Floyd Price, Councilman Todd Klein, and I had with the executive management of the Parker Companies, the audit work provided by Ms. Sally Reaves, and the professional work of our legal team, I am confident that the proposed settlement is appropriate. Furthermore, give the vagaries of arbitration and

continued significant legal costs, the proposed settlement represents a reasonable conclusion to a very time-consuming and costly effort to ensure that the best interests of the citizens of Lubbock have been honored. I trust you will let the citizens of Lubbock know the City Council has worked diligently on their behalf in this matter. Our resolve throughout this entire process has been to be fulfill our fiduciary responsibility. Sincerely, Jim Gilbreath, City Council, District 6"

Motion by Council Member Karen Gibson, seconded by Mayor Pro Tem Floyd Price to approve Resolution No. 2012-R0163.

Vote: 5 - 1 Motion carried

NAY: Council Member Victor Hernandez

12:00 P.M. CITY COUNCIL ADJOURNED

There being no further business to come before Council, Mayor Martin adjourned the meeting.

GLEN C. ROBERTSON, MAYOR

ATTEST:

Rebecca Garza, City Secretary