

**CITY COMMISSION SPECIAL REGULAR MEETING AGENDA
8TH FLOOR CONFERENCE ROOM
CITY HALL**

NOVEMBER 12, 2003 – 3:00 P.M.

Mayor Naugle called to order the special regular meeting of November 12, 2003 at approximately 3.00 p.m. Roll was called and a quorum was present.

Present: Mayor Naugle
Commissioner Teel
Commissioner Trantalis
Commissioner Hutchinson
Commissioner Moore

Absent: None

Also Present: City Attorney
City Clerk
Sergeant At Arms

CLOSED DOOR SESSION HELD 3:00 P.M. TO 4:15 P.M.

**MEETING RESUMED AT 4:25 P.M. FOR WORKSHOP
(See Workshop Minutes)**

COMMISSION SPECIAL MEETING CALLED TO ORDER AT 5:40 P.M.

**Proposed Changes to Fort Lauderdale Health Plan
For Non-Bargaining Employees**

(R-1)

Mayor Naugle announced that an “eleventh hour” memorandum had been distributed regarding proposed changes to the City’s health plan for non-bargaining employees.

Terry Sharp, Finance Director, stated that they had revised Exhibit 4 based upon direction received earlier today for other participants in the plan. He stated this used blended rates. He explained the Commission was being asked to approve the changes in the health plan which were contained in Exhibits 2 and 3 authorizing the appropriate City officials to execute contract amendments for the plan changes with AvMed, North Broward Hospital District, and PPO Management Company. Then, the Commission needed to adopt a resolution establishing non-bargaining employee payroll deductions shown in Exhibit 4.

Mayor Naugle asked what a “blended plan” entailed. Mr. Sharp explained that the actuarial rate was a blend of all participants in the plan. He further explained that the only distinction was that there was no deficit repayment amount in the rates. He stated the argument for omitting such an amount was that the management and confidential pay plan established what the deductions would be, and did not put a cap on the City’s contribution as the Union agreements had done. Technically, there was never an ordinance for management and confidential which dictated what a deficit was for them or

that there would be one. Mayor Naugle stated that in the past Commission direction had been to treat both units the same and have everyone contribute towards the deficit. He asked if the experience they had regarding management and confidential employees two years ago was higher than what had been budgeted. Mr. Sharp stated he was not saying that, and that it had been higher than what had been budgeted. He added that all participants in the plan had contributed to the shortfall.

Mayor Naugle stated he would be more comfortable having a repayment plan and having everyone treated the same. Commissioner Hutchinson added that was what they had always talked about.

The City Attorney explained that one of the problems with that was that from the standpoint of management and confidential, it was a benefit which they were now taking back retroactively.

Mayor Naugle stated they had been talking about this for over a year. The City Attorney stated that the problem was from a fairness standpoint, management had a perk which was a benefit that was part of their pay plan stating that the City would provide insurance and a flat rate was paid. He further stated that from the standpoint of going back and taking that benefit away retroactively, there would be a question of fairness. He stated they could choose a date and go forward from that time which would be a better solution.

Commissioner Hutchinson reiterated that they had been part of the deficit accrual. The City Attorney stated that he understood that, but they had a different contract with the City.

Mayor Naugle reiterated that for a period of time, the deficit had been kept a secret from the Commission. Commissioner Hutchinson suggested that they pick a date. The City Attorney stated they needed to go back and see when the Commission began talking about treating both groups the same, and move forward from that date which would be more fair. He felt taking a deficit that preceded that date would not be fair.

Mayor Naugle asked why this needed to be adopted at today's meeting, and could not wait until November 18, 2003. The City Attorney stated he believed this was being provided to the Commission today only for informational purposes. He added they were getting close to the deadline for open enrollment for some of the new benefits.

Mr. Sharp clarified that the Commission wanted to calculate what loss there had been in the management and confidential portion of the plan from the date in which they established the same deductions. Mayor Naugle further clarified that they were to treat both general employees and management and confidential the same. Mr. Sharp stated he believed that the Commission had made such reference in 2002.

Commissioner Moore stated that the Commission had also given some instruction as to changing the plan design and increasing the contribution of the FOPA, as well as the other bargaining unit at the same time, which had not been done. He stated he did not know why that had not been done, and reiterated that he was concerned about this matter.

Commissioner Hutchinson suggested they use the date as to when they had done it with the FOPA. Commissioner Moore reiterated that the date they were treated equally was the date that should be used, and not use the date of the discussion.

The City Attorney explained that by contract the FOPA was liable for the deficit for their portion of the plan from the first day. Commissioner Moore agreed and stated they had negotiated that in their contract. The City Attorney continued stating that the contract with management and confidential was that they would pay a flat rate, and the difference would be paid by the City. He stated that in order to change that personnel policy, he suggested they pick a date when they were to be treated equally and assume that was the change in policy, and then calculate the deficit from that date.

Mayor Naugle stated he felt that would be fair and reasonable. Commissioner Hutchinson agreed and stated that the City was to pay the difference for the cost of the insurance, and not for the deficit. The City Attorney confirmed. Commissioner Hutchinson added they would pay the difference for the product, but not the deficit.

Mayor Naugle stated they should take the amount that had been budgeted and anything over as of the date of equal treatment, then they would be responsible for the deficit over that period of time. The City Attorney agreed that would be fair.

Commissioner Moore stated that the low option EPN plan was no longer available and would be added into the benefit description. Mr. Sharp confirmed and stated the amounts listed were to be paid by the employee. Commissioner Moore clarified that the Commission would take action regarding this matter on November 18, 2003.

Alan Silva, Acting City Manager, explained they had to include an amount for the deficit amount which would be calculated.

Action: None taken.

There being no further business to come before the Commission, the meeting was adjourned at 5:50 p.m.