

INSURANCE ADVISORY BOARD MINUTES
City of Fort Lauderdale
100 North Andrews Avenue
7th Floor Conference Room
Thursday, December 16, 2004 – 8:00 a.m.

Board Members	Meeting Attendance	(1/04 to 12/04) Cumulative Attendance	
Joseph Cobo, Chair	P	P-9	A-1
Mark Schwartz, Vice Chair	P	P-8	A-2
Ted Hess	P	P-9	A-1
Randall Swenson	P	P-6	A-4
Larry Castello	A	P-5	A-5
Christopher Pretera	P	P-4	A-0

Staff and Guests

Terry Sharp, Finance Director
Daniel Jilek, Risk Manager
Lloyd Rhodes, Consultant
David Fortune, Consultant
Lisa Edmondson, Recording Clerk

1. Roll Call

The regular meeting of the Insurance Advisory Board was convened by Chair Cobo at 8:00 a.m. on Thursday, December 16, 2004, in the 7th Floor Conference Room, City Hall, 100 North Andrews Avenue, Ft. Lauderdale, Florida.

2. Approve Minutes of October 21, 2004

Motion made by Mr. Swenson, seconded by Mr. Hess, to approve the minutes of the October 21, 2004 meeting. In a voice vote, the motion passed unanimously.

3. Updated on Owner Controlled Insurance Plan (OCIP) Concept

Mr. Sharp reported that a meeting had been held with the City Attorney, City Manager, Mr. Jilek, and himself to discuss the OCIP. Consensus was that the City does not meet the \$70 million legal threshold. They also expressed concern that by going into an owner-controlled insurance program the City will be assuming the liability, and given their experience with self-insurance, a decision was made not to pursue the OCIP.

4. Update on Combined Reinsurance for Health Plan

Mr. Sharp stated that since their last meeting a representation election for general employees had been held with the Teamsters winning representation. At this time, there is no collective bargaining agreement in effect with general employees. It had been suggested by the City's labor attorney, in order to avoid any lapses in insurance, to keep the plan status quo. Collective bargaining with the Teamsters will commence within the next few months, however, effective

January 2005, the insurance plan will continue as is.

With regard to reinsurance, Mr. Sharp stated that it will not be necessary at this time to reduce the threshold to \$100,000, although there are several options: 1) keep the threshold at \$150,000 for reinsurance claims paying an increase in the premium of 11.73 which is less than trend, or 2) go to a \$165,000 threshold level with no change in premium. Mr. Rhodes added that one of the significant issues of the renewal is the inclusion of no LASERS. Last year's contract included two, both of which have been eliminated.

Mr. Swenson asked regarding the possibility of a separate collective bargaining agreement and was advised by Mr. Sharp that the City is taking the position that they are better off with more individuals in a group rather than separate plans for each employee group.

With regard to future plans, Mr. Rhodes stated there would be some recommended changes to the PPO plan in January 2006 to make it more efficient.

Motion made by Mr. Swenson, seconded by Mr. Hess, to accept staff's recommendation to go to the \$165,000 threshold with no change in premium. In a voice vote, the motion passed unanimously.

5. Schedule Next Meeting

Mr. Sharp stated that financial statements would be available at the next meeting.

The next Board meeting will be held on Thursday, January 27, 2005.

With no further business to come before the Board, the meeting was adjourned at 8:20 a.m.