

INSURANCE ADVISORY BOARD MINUTES
City of Fort Lauderdale
100 North Andrews Avenue
8th Floor Conference Room
Thursday, December 21, 2006

<u>Board Members</u>	<u>Meeting Attendance</u>	<u>Cumulative Attendance (1/06 to 12/06)</u>	
Joseph Cobo, Chair	A	P-8	A-2
Mark Schwarz, Vice Chair	P	P-10	A-0
Randy Swenson	P	P-6	A-4
Ted Hess	P	P-8	A-2
Christopher Prestera	P	P-9	A-1
Roger Bond	P	P-8	A-2
Joe Piechura, Sr.	P	P-9	A-0

Staff and Guests

Marilyn Mullen, Employee Benefits Coordinator
David Fortune, Fortune Consulting
Betty Burrell, Director of Finance

1. ROLL CALL

Vice Chair Schwarz called the meeting to order at 8:10 a.m.

2. APPROVAL OF MINUTES FOR NOVEMBER 16, 2006.

Mr. Schwarz referred to Page 2, Discussion Item 4, and amended the term "private sector" to "public sector." Mr. Piechura agreed to this amendment.

Motion made by Roger Bond and seconded by Randy Swensen to approve the minutes of the November 16, 2006 meeting as amended. In a voice vote, the motion passed unanimously.

3. UPDATE ON HEALTH PLAN

Ms. Mullen advised that on December 12, 2006, staff had presented the results of the Dental Plan RFP to the Commission. She stated that Safeguard Dental and Vision had been awarded as the City's provider. She added that the Guardian plan currently in place would remain intact for January and February, 2007, and the City would enact Safeguard's new dental plan in March, 2007. Ms. Mullen stated that with this new plan, the City had savings of \$48,637 over current costs.

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Regarding Group Life coverage, Ms. Burrell advised staff was working on the RFP to help develop the scope of work and the criteria the City was looking for. Ms. Mullen further stated that staff was researching current trends in the industry and in other municipalities to better define the scope and objectives.

4. NEW BUSINESS

▪ Risk Manager Software

Mr. Schwarz asked about an update on the Risk Manager software system. Ms. Burrell advised that the Commission had approved this software and that this plan was now being handled by the IT department.

Mr. Schwarz asked whether the City could access the PERI system yet. Ms. Burrell stated she was not yet sure of this. Mr. Schwarz requested an update on this at the next meeting.

▪ FM Global Discussion

Mr. Schwarz asked about an update on the last meeting's discussion regarding the lack of payment from FM Global for damages caused by hurricanes last year. Ms. Burrell spoke of a meeting held between FM Global, the City and Rutherford. She added that talks had been held about major damages to buildings and fencing. She stated that the engineering firm, PBS&J and Quantum developed independent estimates of how much FM Global should reimburse the City for expenses. She added that Quantum would go out and inspect the damages and would be paid up to \$35,000 as part of the City's contract with FM Global. Ms. Burrell explained that FM Global had asked whether the City would consider a settlement but had not mentioned a specific dollar amount. She stated that the City's position was not to disregard a settlement at this point, but continue these discussions.

Ms. Burrell stated that the first draft report indicated a figure close to \$900,000; however the City felt this amount should be \$3-\$3.5 million. She added that FM Global had come out to assess the properties of concern. She advised that there were about 21 properties involved. Ms. Burrell also mentioned that FM Global representatives offered a \$500,000 Advance Payment.

Mr. Piechura took issue with this insurance company taking money then trying to make deals. He asked whether there was a mediation clause in the contract. Ms. Burrell stressed that there was no specific offer on the table yet and asked the Board not to become alarmed. She stated that the City would not move forward unless it was comfortable that it would get what it was entitled to without involving the expenses of litigation and mediation. Ms. Burrell advised that this issue was being addressed as a joint effort involving Tom Terrell, Karen Kestle of Rutherford, representatives from PBS&J, and other members of staff with expertise in insurance and finance.

Mr. Bond urged staff to keep the pressure on to resolve this issue. The Board unanimously concurred that the City should accept the \$500,000 Advance Payment.

5. UPDATE ON RISK MANAGER.

Ms. Burrell advised that the City was interviewing a second candidate for the Risk Manager position. She added that the first candidate was a good choice but the City also wanted to explore all other candidates.

6. SCHEDULE - NEXT MEETING.

Mr. Schwarz advised that the next meeting would be held on January 18, 2007.

7. ADJOURNMENT

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With no other business to come before the Board, Mr. Bond made a motion, seconded by Mr. Swenson, to adjourn the meeting at 8:40 a.m. In a voice vote, the motion passed unanimously.