

INSURANCE ADVISORY BOARD MINUTES
City of Fort Lauderdale
100 North Andrews Avenue
8th Floor Conference Room
Wednesday, December 5th, 2007 – 8:00 a.m.

1/07 – 12/07

Board Members	Meeting Attendance	Cumulative Attendance	
		P	A
Joseph Cobo, Chair	P	7	1
Mark Schwartz, Vice Chair	P	8	0
Randy Swensen	A	4	4
Ted Hess	P	8	0
Christopher Prestera	P	7	1
Roger Bond	P	7	1
Joe Piechura, Sr.	P	6	2

Staff and Guest

Guy Hine, Risk Manager

Roll Call

The meeting was called to order by Chair Joseph Cobo at 8:00 a.m.

Approval of Minutes – November 7, 2007

Motion made by Christopher Prestera and seconded by Mark Schwartz to approve the minutes of the November 7, 2007 Board Meeting. Motion passed unanimously.

Unfinished Business

FM Global Update

Guy Hine, Risk Manager, stated that the latest regarding the claim was that the General Services Contract was due back this week. Once the contractor was chosen, they would start pricing everything quickly, and the approval of the contractor should be presented at one of the January meetings. Then, they would be able to go back to FM Global with some solid estimates. The only issue remaining would be the roof issue and the disparity between the prices along with the mold concerns. It appears they were very close to resolve this matter.

Mr. Piechura asked if anything could be done proactively in connection with the roof dispute.

Mr. Hine stated that there would be a meeting scheduled to discuss that matter. He further stated that to a point he understands the carrier's concern with the pricing. However, the basic premise was to avoid further damage and comply with governmental purchasing procedures.

Mr. Bond stated he was not at the last meeting, but asked for further clarification of the issue of the \$500,000 advance.

Mr. Hine stated that there were some questions raised by the City Attorney's office or the City Manager's office. At the last meeting, it was stated that at this point they are close to resolving the matter, and to push that issue forward could be detrimental.

Mr. Bond further stated that it sounded like an accounting issue. Mr. Hine confirmed and stated that it was thought that to accept the \$500,000 would diminish the City's position and total collection. He continued stating that documentation was presented that showed this was standard industry practice.

Mr. Schwartz asked if the 40% markup was to PBS&J due to their acting as the consultant, and FM Global only wanted about 23%. Mr. Hine confirmed and asked if anyone was familiar with the standard for this. Mr. Schwartz stated that it was not 40%, and normally they work a 10% margin and some would now take 8% in order to keep things going. He believes they would now hope to get 20% in markups. The carrier was questioning the consultant's 40% markup, and procuring and overseeing does not command such a high percent.

The Board felt that 40% was overly generous. Mr. Hine stated that this was not paid and was still up in the air.

Motion was made by Mr. Schwartz and seconded by Mr. Bond that staff request PBS&J to accept FM Global's maximum allowable at 23.75% given the current state of affairs. Board unanimously approved.

Air & Sea Show Insurance Premium

Mr. Hine provided documentation regarding this issue which shows an \$8,000 figure on #10 as the premium.

Mr. Piechura asked if there had been any reported incidents or claims under this last year or any other previous years. Mr. Hine stated that he did not have that information, but would report back to this Board. It was stated that the figure appeared reasonable.

Chris Prestera stated that he spoke with Dr. Lee about the issue and asked if they wanted to be involved. Evidently, they had done this in the past prior to the new arrangement and said it was more trouble than it was worth.

New Business

Policy Renewal – Crime Policy

Mr. Hine stated that he had copies of their recent policies and premiums, and letters of their last two insurance companies indicating that they had zero claims in the last seven years. The last two years had been with Travelers, and the previous five years had been with National Union. The latest premium was \$8645 and would be coming up on March 1, 2008.

Chair Cobo clarified that this was a \$25,000 retention with a \$1 Million limit. Mr. Hine confirmed. It was asked if this was for the entire City or for specific departments. Mr. Hine stated that he would check on this and report back to the Board.

Mr. Schwartz asked what specific forms were covered under the crime, and are funds being transferred electronically. Mr. Hine stated that he believed it included many things, and would report back specifics to the Board.

City Commission Meeting

Chair Cobo stated that he attended the last Commission meeting and learned that Betty Burrell would be leaving the City, and they would miss her and that she had done a great job. Her last day with the City would be December 13, 2007.

Chair Cobo also added that Marilyn Mullen had also done an outstanding job in the interim and advised that she also was no longer with the City.

Motion made by Mr. Schwartz and seconded by Mr. Bond to commendate both Betty Burrell and Marilyn Mullen for the excellent job they had done for the City. Board unanimously approved.

It was asked if the City did exit interviews of employees. Mr. Hine stated that he would make inquiries in regard to that matter and report back to the Board.

Schedule Next Meeting

The next meeting would be scheduled for January 9, 2008.

Motion was made to adjourn the meeting. Board unanimously approved.

There being no other business to come before the Board, the meeting was adjourned at approximately 8:28 a.m.

Respectfully submitted,

Margaret A. Muhl