

INSURANCE ADVISORY BOARD MINUTES
City of Fort Lauderdale
100 North Andrews Avenue
8th Floor Conference Room
Wednesday, January 7, 2009– 8:00 a.m.

Board Members	Meeting Attendance	1/09 – 12/09 Cumulative Attendance	
		P	A
Joseph Cobo, Chair	P	1	0
Mark Schwartz, Vice Chair	P	1	0
Christopher Prestera	P	1	0
Roger Bond	A	0	1
Joe Piechura, Sr.	P	1	0
Jim Drake	P	1	0
Charles Grimsley	P	1	0

Staff and Guest

Michael Kinneer, Finance Director
Denny Stone, Employee Benefits Coordinator
Guy Hine, Risk Manager
Matthew Cobb, Risk Management Coordinator

Roll Call

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

Approval of Minutes – December 3, 2008

Motion made by Mr. Prestera and seconded by Mr. Piechura to approve the minutes of the December 3, 2008 Board Meeting. Motion passed unanimously. (Chair Joseph Cobo could not vote since he was not present at the December 3, 2008 meeting.)

Unfinished Business

Status of Open Enrollment Final Results

Denny Stone stated that there was a 30-day period for open enrollment that ended December 15, 2008. He proceeded to explain the two charts provided to the Board regarding benefit enrollment and wellness. He continued to state that many members had changed plans, and addresses were updated. He stated that he divided the charts into departments, and proceeded to explain the participation in each. He further stated that it was a good open enrollment, and at the same time of the enrollment, they conducted biometric wellness tests and he explained the statistics on those.

Mr. Stone stated that they met with the YMCA in an attempt to get more involved in the wellness programs being offered. They also met with Broward General regarding their wellness initiatives. The firefighters have put together programs with FIU which they are going to work on regarding nutrition and exercise.

Introductions

The Board proceeded to welcome Chuck Grimsley as a new member of the Board.

Mr. Hine stated that Michael Kineer was the Director of Finance who joined the City in August.

New Business

Settlement of the 8/10/08 Water Damage Claim

Mr. Hine stated that all the work had been done, and the replacement cost totaled \$217,000. The plan was to move forward and obtain this Board's recommendation, and take that recommendation to the City Commission for the \$195,000-(ACV) less the \$50,000 deductible. Therefore, today, he was looking for the Board's support in regard to the estimate.

Motion made by Mr. Prestera and seconded by Mr. Piechura to recommend the estimate offered by staff to the City Commission.

It was asked why they were not going to go after the depreciation if the items were replaced. Mr. Hine stated that the thought was that there did not need to be a replacement. He added that if any replacements were made, they would go after the difference.

The Board unanimously approved the motion.

Renewal of the Property Insurance Policy

Mr. Hine stated that he would like this Board's support to negotiate this with the City's current vendor. He explained that they should not go out and market every year. He proceeded to give a brief summary to the new Board Member regarding this matter. It was his understanding that the market was stable at this time compared to last year. He understands that was also the case regarding the policy for the Airport. Last year there was a reduction from \$25,000 to \$10,000. He proceeded to explain the brochure that was distributed. He asked if there was anything that the Board felt the City's Broker should pursue regarding limits, deductibles, and so forth.

Mr. Schwartz stated that the Broker should speak to the carriers, and give them an idea as to where they would be regarding percentages. They need to see what could be tweaked, and to let everyone know that the Board was paying attention.

Mr. Hine further stated that he had spoken with the Broker regarding such matters. He then proceeded to explain to the Board what staff would be working on for the next few weeks with the Broker. FM Global's statement of values needed to be updated. He

further explained that they were seeking help from the various departments to put together some of the information.

Mr. Hine stated that next year's plan was to have money placed in the budget to make sure they could get a professional assessment of the values.

Motion made by Mr. Pretera and seconded by Mr. Piechura to support staff's recommendation regarding the renewal of the Property Insurance Policy. Board unanimously approved.

Mr. Schwartz asked what about the recovery from FEMA in connection with the hurricane. Mr. Hine explained that things were still being processed.

Mr. Kinneer advised that for over a month 2-4 auditors have been present reviewing the City's claim.

Renewal of the Airport Liability Insurance

Mr. Hine explained that the policy ran 5/25/09 to 5/29/10, and he felt since they were discussing the negotiation aspect that this matter should be placed on today's agenda. It was marketed last year. This is a smaller policy, and he wanted this Board's expertise as to possibly negotiating with the current vendor. Since 2002, there have been only three claims. The Broker informed him that things were to be relatively flat.

Mr. Schwartz stated that this has come down over the years, and therefore, if prices were comparable he suggested that the policy just be renewed.

Mr. Hine felt they should renew the policy with the current vendor, but wanted to hear the Board's opinion.

Motion made by Mr. Schwartz and seconded by Mr. Grimsley to negotiate the policy with the current vendor for the Airport Liability Insurance. Board unanimously approved.

Lightning Predictors at City Parks (Pools) – Pros and Cons

Mr. Hine stated that Parks and Recreation had handheld predictors for quite a while, and they were not happy with the performance of such instruments, and wanted to upgrade to better equipment. He explained that they were looking at this from a risk perspective. Funds were available in the budget for such equipment. He continued stating that the Superintendent of Parks and Recreation had mentioned that the instruments were very sensitive, and therefore, at times situations became cumbersome and frustrating for the lifeguards and swimmers. Staff wanted to get the Board's perspective in regard to risk.

Matthew Cobb stated that there was an operational perspective involved since they were using lightning detectors and not predictors. He further stated that many of the surrounding municipalities and County parks were using a predictor system. The instruments would only be installed at certain facilities, and staff wanted to know if that would cause an exposure problem.

Mr. Hine stated that as long as the City was following procedure, they should not be liable.

Mr. Grimsley asked how many facilities would be involved. Mr. Cobb stated that Parks and Recreation would do a roll-out feature, and he believed that there were 4-5 pool facilities within the City that were being prioritized.

Mr. Grimsley asked if they were only going to address the risk aspect, and not the cost benefit.

Mr. Schwartz asked what type of equipment was used by local golf courses. Mr. Cobb stated that most of them used the proposed system which appeared very accurate.

Mr. Hine stated that public perception should be considered.

Mr. Schwartz asked for staff to check with the carrier if having such equipment would affect the premiums.

Mr. Grimsley asked if there were competing vendors with the same type of product.

Chair Joseph Cobo asked if an RFP would be issued. Mr. Hine stated that he was not sure of the procedure.

New Business

None.

Next Meeting

The next Board meeting will be scheduled for February 4, 2009 at 8:00 a.m.

Motion was made and seconded to adjourn the meeting. Board unanimously agreed.

There being no other business to come before the Board, the meeting was adjourned at approximately 8:32 a.m.

Respectfully submitted,

Margaret A. Muhl