

INSURANCE ADVISORY BOARD MINUTES
City of Fort Lauderdale
100 North Andrews Avenue
8th Floor Conference Room
Wednesday, March 4, 2009– 8:00 a.m.

Board Members	Meeting Attendance	1/09 – 12/09 Cumulative Attendance	
		P	A
Joseph Cobo, Chair	P	2	1
Mark Schwartz, Vice Chair	P	3	0
Christopher Pretera	P	3	0
Joe Piechura, Sr.	P	2	1
Jim Drake	P	2	1
Charles Grimsley	P	2	1

Staff and Guest

Michael Kinneer, Finance Director
Denny Stone, Employee Benefits Coordinator
Guy Hine, Risk Manager
Michael Walker, Procurement & Contracts Manager

Roll Call

The meeting was called to order by Vice Chair Mark Schwartz at approximately 8:00 a.m.

Chair Joseph Cobo entered the meeting.

Approval of Minutes – February 4, 2009

Motion made by Mr. Grimsley and seconded by Mr. Pretera to approve the minutes of the February 4, 2009 Board Meeting. Motion passed unanimously.

Unfinished Business

None.

New Business

Property Insurance and Premium Costs

Mr. Hine stated that most of the policy renewal documentation is from last year, and the rates would remain the same. He distributed information regarding rates to the Board, along with what had been done last year so new members could be informed.

Mr. Hine further stated that the big difference was that the total insured values had increased. He said that half of the amount was due to the new Peele-Dixie plant. Fire Stations #47 and #53 had been added during the year, and the Building Services Center was new which was \$10 Million. They were adding about \$50 Million total. He also distributed copies of the program illustration from last year. The bottom line was that they were looking at about a \$325,000 increase.

Many periodicals were reporting that capacity was shrinking due to the shrinking of the stock market.

Mr. Schwartz asked about the limit listed in the ordinance, and if staff could check on that. Mr. Hine confirmed.

Motion made by Mr. Grimsley and seconded by Mr. Schwartz to approve the property policy renewal as presented. The Board unanimously approved.

Healthcare Adjustments

Mr. Stone stated that there were two mandates being implemented. One was a Federal mandate, and the other was a State mandate. The Federal Stimulus Act was signed into law on February 17, 2009 that affected all employers under COBRA. Under the stimulus, anyone involuntarily terminated without cause would be eligible for COBRA, and the government would pay 65% of the cost for nine months. The Department of Labor has still not issued communication materials that would be used.

Florida Statute

Mr. Stone stated that the area's bigger public entities have implemented the statute which covers adult children from ages 25 to 35. The only stipulations are not being married, having children, or being eligible for Medicare or other coverage. Internally, the City's actuarial firm set the price for such coverage of \$130 for a single HMO, and \$190 for a POS per month. Some organizations are permitting these "adult children" to be covered under existing supplemented premiums which means the employer is supplementing the cost. The State did not qualify how the entities should finance this, therefore, the City came up with charging the full cost.

Mr. Stone further stated that there should not be a lot of participation, but they were not sure. Organizations who have done this type of thing had small numbers.

Jim Drake entered the meeting at this time.

New and Old Business

Mr. Hine stated that a new Commission would be coming on Board with at least three of the Commissioners being brand new. He urged everyone to attend their first Commission meeting because there would be a \$2.1 Million insurance purchase on the agenda that night. He felt it could be advantageous having individuals in the business present at that time.

Mr. Grimsley asked if there was any centralized summary of all insurance coverage for the City.

Mr. Hine stated that there is information on the shared-drive in the City, but he would bring the information to the next Board meeting. He advised that last year the P&C insurance totaled about \$2.5 Million. The property insurance was the highest being paid.

Mr. Grimsley further asked what self-insured expense was being incurred by the City.

Mr. Hine stated that he would have to get back to the Board on this.

Mr. Stone stated that the healthcare cost was \$1.2 Million per month.

It was stated that it appeared that they were making progress on updating properties.

Mr. Hine stated that there had not been anyone in the City updating such information for a long time.

Next Meeting

The next Board meeting will be scheduled for April 1, 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 9:06 a.m.

Respectfully submitted,

Margaret A. Muhl
Recording Secretary