

- The OPEB Trust Fund looks healthy but we need to factor in that the City has contributed \$2.4 million per year in 2007 and 2008. In actuality, plan revenues and expenses are virtually equal.

Proposal to Partially Fund the Retiree Healthcare Liability – Kurt Hoverter

- The Financial Group presented a concept to the City Commission to deal with the mounting OPEB liability.
 - If adopted, the City would offer a \$60 million taxable bond and use the bond proceeds to partially fund the OPEB obligations. Money generated from the bond offering would be invested similar to a pension fund with a targeted rate of return of 8%/year.
 - The bond offering expenses are backed by life insurance on the City employees with the City designated as the primary beneficiary. The insurance proceeds would help fund the cost of the bond offering and the medical.
- The Group requested The Financial Group return in September and explain in more detail the specifics, and upon the Commission approval, it would be presented to the unions.
- First quarter of next year would be the earliest opportunity for the bond offering.

Domestic Partner Benefits – Kurt Hoverter

- Emails were received by the City Commissioners and City Manager to offer Domestic Partner Benefits.
- Four City Commissioners recommended approval in the budget workshop and directed staff to pursue this option. The final Commission approval must be approved in a Commission meeting with a proposed start date of January 1, 2009.
- Range of cost would be about \$38,000 if 12 people enrolled and about \$115,000 if 36 enrolled. Claims are stated using actuarial values.
- Motion was made that the Benefits Focus Group feels that this expansion of coverage in a climate where we have been working diligently to hold down medical costs is counter productive to the goals of this committee or counter productive to the funding of the medical plan itself.
 - Seconded by Bill Gaines and the floor was opened for discussion.
 - The motion was reiterated that this Group makes a statement that we are opposed to offering Domestic Partner Benefits because of the costs to the plan.
 - Motion was not carried.

Other Business

- The State of Florida has required offering an extension of dependent coverage effective October 1, 2008 (see overview on page 4 attachment for details).
- Rescheduling the next BFG meeting to October 16, 2008 because it is the same day as the Health Fair.
- Robert Blinch-Edwards is retiring October 3, 2008 and will not be attending any more meetings. Our thanks to Robert for all his assistance.
 - Andrew Grindstaff will be handling most of the questions to follow and attending the meetings.
- Evolutions will be replaced by Beech Street on January 1, 2009.
- Question was raised on the proposed supplemental group option for the individuals over age 65. Brian Baacke's organization is ready to implement his product next year. The City was waiting for WEBTPA's proposal that was due in July. We will schedule a follow-up with Brian Baacke.

- Representatives from many of our larger departments and the PBA do not attend these meetings. The department heads may want to address this issue and send new members to the meetings.

Adjournment and Next Meeting

Al Woodle adjourned the meeting at 2:13 p.m. The next regular BFG meeting is scheduled to be **Thursday, October 16, 2008, 1:00-3:00 p.m.** in Room #100 of the Federal Building.

/pjh

EXTENSION OF DEPENDENT COVERAGE

Overview:

The State of Florida has changed the parameters for dependent children coverage beginning October 1, 2008. (Florida Statute 627.6562)

Currently, dependent children*¹ are covered under our plan as part of our medical coverage up to age 19 or age 25 if a full time student. Beginning October 1, 2008, employees will have additional options to consider.

If after age 19, the child does not qualify to be included under the family or single + 1 coverage, the child will be eligible for extended dependent coverage at COBRA rates if the child falls within the following categories:

- The child is age 25 or less, financially dependent on you, lives with you or is a part-time student
- The child is age 30 or less and is unmarried with no dependents of his/her own and either (i) lives in Florida or (ii) is a full or part-time student

The cost:

The cost for this additional coverage will be at COBRA rates. The rates listed on the reverse side are for 2008. These rates will increase January 1, 2009.

2008 Benefit Rate Table
Monthly
COBRA, POST93, SURV SPOUSE
ADDITIONAL DEPENDENT COVERAGE

City Basic Plan Single	\$433.78
EPO1 Single	\$482.03
EPO2 Single	\$499.76
PPO Single	\$505.41

What you should do:

If you have a child that qualifies for the extended coverage, please contact Susie Daniels. This coverage will become available October 1, 2008 and you must contact Susie before that date.

Also, if the dependent enrolls and then stops coverage after attaining age 25, he/she will only be eligible to re-enroll if he/she continues to meet the requirements above and he/she had continuous coverage by other creditable coverage without a gap in coverage of more than 63 days.

Attachment
