

2019 APR -2 PM 2:02

Minutes

Town of Belmont

Board of Selectmen

Selectmen's Meeting Room

Friday, February 8, 2019

8:00am

APPROVED  
BOARD OF SELECTMEN  
DATE: 3/18/2019

CALL TO ORDER:

A regular meeting of the Board of Selectmen was called to order at 8:07am by Chair Adam Dash. Vice Chair Mark Paolillo and Selectmen Tom Caputo were present. Town Administrator Patrice Garvin was present.

COMMUNITY ANNOUNCEMENTS:

- Patrons Event Trivia night @ 7pm tonight at the Beech Street Center, to raise money for the Performing Arts Program in the schools.
- The Belmont Food Pantry is opening its new location at Town Hall with a ribbon cutting, Tuesday @ 5pm.

COMMENTS FROM TOWN RESIDENTS:

[There were none.]

ACTION BY CONSENT:

**Health Insurance Discussion**

Jessica Porter (Director, HR) and Susan Shillue (President, Cook & Company Insurance Services Inc.) joined the meeting. J. Porter explained the Town and its employees had faced health insurance increases over the last few years. She had invited S. Shillue to discuss options that the Board, Town, and Unions can look at to help control costs.

S. Shillue reviewed the plans offered by the Town, noting the Town has been self-insured since 2007. The average annual increase since 2007 was 4%; the last two years had seen increases of 9% and 11%, however there were several years with 0% increases. This compared with 8% increases in medical and pharmacy trends. The last time the Town changed its benefits was in July 2012, when it decided to mimic (but not join) the State GIC plan. Since that time, changes had been made to the GIC plan (but not to the Town's plan) to help control cost increases, e.g. raising the deductible from \$250 to \$500.

S. Shillue reviewed Tab 6 in the packet, which showed the cash-flow summary. For the past year it identified a surplus of ~\$300k, but this did not include large reinsurance reimbursement payments. Including such payments, as well as claims and administrative costs, the current health insurance rates were 1.5-2.0% deficient in terms of covering costs.

This led to a discussion of the health insurance trust fund. S. Shillue stated that the trust fund was at its highest point (just under \$10.5m) in FY 15; as of June 30 this past year it was down to \$5.7m. Best practice was to maintain the fund level at 3-4 times incurred but not reported claims - the Town's fund did currently meet this guideline. However, it was S. Shillue's recommendation that the Town was at a juncture where it needed to increase rates to cover projected costs, in order to avoid significantly depleting the trust fund any further.

S. Shillue shifted the discussion to potential measures that could be taken to reduce health insurance increases. She compared the GIC benchmark plan – the Tufts Navigator plan – to the Town's current plan, showing major categories with deductibles/co-payments (Tab 3 in the packet). The notable differences were: the GIC plan has higher deductibles/co-pays; there are tiered service providers with higher co-payments in the GIC plan; the GIC plan has a separate deductible/co-payments for prescription drugs.

S. Shillue summarized that if the Town were to match the benefits from the GIC plan it could save ~8%. These savings are passed on to employees in the form of lower premiums, but at a cost of higher deductibles/co-pays in the plan. As she had projected a 10% increase in overall health care costs for the Town next year, even implementing these changes would still require a 2% increase to rates in order to maintain the trust fund balance. The biggest 'bang for the buck' in terms of controlling cost increases would be to raise deductibles.

The Board discussed next steps. The timeframe was tight but feasible for potentially renegotiating plan changes prior to Town Meeting voting on the budget; S. Shillue noted that there is roughly 2-3 weeks of activity prior to getting to the stage of a 30 day negotiation process. J. Porter said that the upcoming Insurance Advisory Committee meeting was on March 5<sup>th</sup>, where they would review the information discussed today. The Board would subsequently review feedback from the Insurance Advisory Committee at the March 11<sup>th</sup> meeting and assess potential courses of action at that time.

**Executive Session – To conduct strategy sessions in preparation for negotiations with non-union personnel or to conduct collective bargaining session or contract negotiations with non-union personnel; Fire Chief – Chief Frizzell.**

Prior to the Executive Session Fire Chief David Frizzell introduced two new recruits to the Fire Department.

*Motion: To enter executive session. (Vote passed 3-0; roll call Adam Dash, Mark Paolillo, Tom Caputo)*

*Motion: To leave executive session. (Vote passed 2-0; roll call Adam Dash, Mark Paolillo)*

[T. Caputo had left the meeting following the Executive Session.]

#### **Tentative Vote to Ratify Fire Department Chief's Contract**

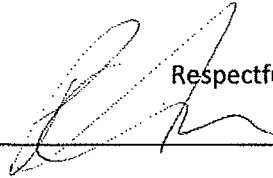
J. Porter stated the Board had met and reviewed the draft contract for Fire Chief Frizzell. The terms were for \$170k in base salary effective July 1, 2018; it was a three year contract with provisions for cost of living and merit increases on par with those offered to other department heads. The future contract would mirror the Police Chief's contract with minor changes. A. Dash noted the Fire Chief did not currently have a contract in place.

*Motion: To approve the three year contract with Fire Chief David Frizzell as outline above by the HR Director Jessica Porter. (Vote passed 2-0; T. Caputo absent).*

**ADJOURNMENT:**

*Motion: To adjourn. (Vote passed 2-0)*

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Patrice Garvin', is written over a horizontal line.

Patrice Garvin, Town Administrator