

Special Town Board Meeting
November 20, 2012
7 p.m.

Present: Supervisor Susan Zimet, Councilwoman Kitty Brown, Councilman Kevin Barry.

Absent: Councilwoman Jean Gallucci and Councilman Jeff Logan.

At 7:10 p.m. a motion was made by Councilman Barry to open the meeting with the pledge. Seconded by Councilwoman Kitty Brown, all aye votes cast, motion carried.

Agenda: +Contract Negotiations, +PILOT Negotiations. A motion was made by Councilman Barry to accept the agenda as amended. Seconded by Councilwoman Brown, all aye votes cast, motion carried.

Budget:

The Final Budget reflects a 7.1% decrease in the tax rate.

Health Insurance:

Terry Copeland represents the firm "Employee Benefits Solution" and work in conjunction with "Rose & Kiernan", accompanied by Kevin Smith who represents the "Difference Card" company. Paul Strothenke represents MVP's Preferred High Deductible EPO.

Councilman Barry disclosed that he and Terry Copeland have a business relationship on property on S. Putt Corners Road, and that he does not have a business relationship with Rose & Kiernan.

Supervisor Zimet indicated that both plans the Town is considering are High Deductible Plans, with a few differences.

Councilman Barry stated that the Town wants to accomplish cost savings by adopting either plan. The assumption is that with high a deductible plan, the Town is funding 100% of the deductible. The Town wants to offer Union and Non-union employees the same plans without a change in coverage or additional cost to the employee. This only applies to about 37 employees and post 65 year olds. Everyone else is with NYSHIP and that won't change.

Terry Copeland indicated that the savings for the Town will come from post 65 year old retirees that will be moved to the MVP Gold plan.

Supervisor Zimet indicated that the contracts for retirees from the Police Department do not specify which insurance company they have to be on. They only have to keep the same type of coverage (individual, family, etc.). This would mean a \$41,000 savings.

Paul Strothenke was invited to the table to explain the proposed MVP plan. The deductible for an individual plan is \$1,500, family is \$3,000, includes a swipe card- Health Reimbursement Account with funds on it. The Town pays the first half of each deductible (\$750 or \$1,500). The employee pays the rest. Once the entire deductible is met, all services are paid in full, including co-pays, and prescription drug co-pays are \$10, \$30 and \$50. Preventative health care *does not* count against your deductible. The most the Town would pay on funding the deductibles if each of the 37 employees used the entire deductible is \$45,750 (Town's outside liability). On average, employers are paying between 50-65% of deductibles for employees. This plan helps re-educate employees on the real costs of healthcare.

At 8 p.m., Councilwoman Gallucci arrived.

The absolute worst-case scenario with Town funding 75% of employee's portion, is that the Town would save \$55,000 and pay \$68,000 out of deductible. The total MVP cost to the Town for the 37 employees under this model would be \$580,692 plus the costs of MVP Gold and NYSHIP.

This plan offers the most comprehensive benefits to the employees and saves the Town the most money.

Councilman Barry explained the individual costs of each plan to Councilwoman Brown. The new High Deductible MVP plan would cost \$580,692, the projected NYSHIP costs would be \$890,719 and with the switch of the post 65 retirees to MVP Gold, the cost would be \$103,000. This totals \$1,574,410, which is less than what was budgeted for.

Terry Copeland and Kevin Smith were invited to speak about the Difference Card. The way it works is that the Town pays the difference of the current co-pay and the new plan co-pay. For example, old co-pay is \$10, new co-pay is \$40, the Town will pay \$30. The Difference card is a Master card, a smart card that appropriately applies fund for services (Dr's office co-pay, prescriptions, ER visits). The co-pays will be fixed, regardless of the type of doctor. Figures are based on expected utilization.

The current as-is renewal premium for the 37 employees is \$639,000, which results in an 8.7% increase over current rates. The revised renewal premium with the plan that Terry Copeland and Kevin Smith recommend is \$488,560. This MVP plan will have the same network of providers, but a different level of co-pays and deductibles. The total Difference Card costs are anticipated to be \$39,761. The plan will cover 6 doctor's visits, anything after that will cost \$30, paid by the Town. All preventative services are covered 100%, with no co-pay.

This is comparable coverage to MVP's TriVantage. Basically, current MVP plan would be revised.

Councilwoman Gallucci confirmed that co-pay costs cannot be changed for next year because we are under union contracts that have not been re-negotiated yet. This will have to be done for the following year.

Comparable cost and coverage is very important when negotiating contracts with the Unions.

Municipal Insurance:

Bob Stubbs, representing Marshall & Sterling, indicated that the Town has had numerous claims, which have caused the Town's rates to increase by 15%, or \$20,000. The incumbent carrier, Trident has proposed a premium increase from \$120,000 to \$140,000. Bob Stubbs has received 2 other quotes based on loss activity from NYMIR (\$135,000) and McKee Risk Management (\$128,500). He recommends the McKee Risk Management Program because it was the best pricing submitted. Claims are settled by a 3rd party administrator. There is no real downside; just dealing with a middleman as opposed to directly with the carrier, slows things down.

A motion was made by Councilman Barry to authorize the Supervisor to pay up to \$128,500 for Municipal Insurance toward the Town's Liability Insurance for the next fiscal year. Seconded by Councilwoman Brown, all aye votes cast, motion carried.

Upcoming Special meetings for Monday, November 26th at 6:45 p.m. and Thursday, November 29th at 7 p.m.

Budget Modification:

A motion was made by Councilwoman Gallucci to authorize the Supervisor to modify the 2012 budget to increase the expense and revenue lines as we have unanticipated revenue for the following:

-Sale of Scrap DBB9802650 for \$7,850 to General Repairs, Equipment DBB5225110.2. This money will go towards the purchase of a truck as previously discussed by the Board.

-CHIPS revenue DBB9803501 for \$93,386.39 to CHIPS road capital improvement DBB5225112.20. This is the Capital Highway Improvement Program money the town receives annually.

Seconded by Councilman Barry, all aye votes cast, motion carried.

At 10 p.m. a motion was made by Councilwoman Brown to adjourn the meeting. Seconded by Councilman Barry, all aye votes cast, motion carried.

Respectfully Submitted,

Rosanna Mazzaccari
Town Clerk