

Selectmen Minutes
August 4, 2011
Workshop - Health Costs
Town Hall 6:30pm

Present: Chairman Iocovozzi, Selectmen Jack O'Reilly and Rick Stern, Budget Committee Chairman John Lamson, of the Fire Department: Chief Dale Sylvia, Tracey Dugeon, Tom McQuate, Jeff Leduc, Mark Merrill; of the Police Department: Chief Jon Tretter, Brian Newcomber; Doug Lorenz (retiree), Town Hall Employees: Tom Morgan and Beatrice Marconi.

Selectman O'Reilly gave the history of why this committee was formed.

Chief Tretter mentioned the spreadsheet handed out and throughout the process hoped that the employees goals were that of the Selectmen as far as saving tax payer dollars, yet keeping the quality of the existing benefit.

Chr. Iocovozzi said that it was a goal to be pro-active. The Selectmen wanted to know the thoughts of the Employees while bearing in mind fairness to the town. He went on to say that he felt we had a good crew and didn't want turnovers and hoped with this meeting of the minds, we could attain that goal.

B. Newcomber - resident and employee - gave the history of this discussion at Town Meetings. He understands the issue on both sides of the coin. He spoke of how the retirees must go with only what the town chooses. Retirees are on a fixed income and most people cannot afford the monthly costs. He went on to say that the committee worked the numbers over and over, checked with other communities, and found there is a substantial savings to be had. In the past, when employees were asked to contribute, they were compensated. They had contracts. They were in a union. We are not unionized here in Newington nor do we have contracts. Their salaries were adjusted. Brian stated that he hoped the costs decisions were based on need - ability to pay - not on principal. He recognized that the retiree stipends will soon be going away and expected the premiums to continue to climb over time.

Chr. Iocovozzi asked the committee where the majority stood - which plan.

Chief Sylvia answered - if we go to a larger deductible health plan and the Town supplements that deductible, we will save the town money. But, he adds, there is a fear factor that accompanies our thoughts. With NH retirement increasing the employee contributions just last month, everyone's salary was just cut by 2.5%. To answer about the plan of choice, he said he felt the majority leaned toward the Comp 2500.

Tom McQuate added that the concern also is the fear of the town changing health plans and supplementing the deductible now, but then next year or the year after, faces could change on the Board and supplementing the deductible change drastically, etc.

There aren't any guarantees, the Board stated. We don't have that crystal ball to see how things will be in years to come.

John Lamson stated that as we adjust our health plans, he feels the employees will get more sympathy if the employees absorb some of the deductible costs. If people get stirred up, you may lose in the end.

Chief Sylvia says he is looking at the younger employees - starting families - what can they afford?

Chr. Iocovozzi stated that more of a contribution from the employees is a sign of pro-activeness. He feels it will please the town more if they could say ' we saved XXXXX amount and the employees kicked in XXXX.

Discussion went on about the Comp2500 plan and just how much of the deductible the employee should be responsible for. \$100 per person/\$200 for 2-per and family. \$250 per person/\$500 for 2-per and family. etc

Retiree Doug Lorenz is concerned, with retirees being on a fixed income, when that State Stipend runs out, the premiums rise, their group could experience financial pressure. Us retirees are locked into what the Town goes with. In the past, one would probably get an annual C.O.L.A. The retirees, say on a 2 person plan, with the Comp2500 change, we must hit a \$ 5,000 deductible now before benefits kick in. It is tough out there. We would appreciate any consideration the town could give on us.

S. O'Reilly wondered in consideration of supplementing the employees deductibles, could the town supplement the retirees?

J. Lamson stated that the retirees would save as the premiums would drop - however - as the premiums rise, the retirees would feel the hit.

D. Lorenz stated that what savings the retirees could realize now, will diminish as premiums rise.

Chr. Locovozzi asked the committee if they thought the \$250 p/per and \$500 2/per and family deductible was doable as this has to be sold at town meeting. We are trying hard to find a level of fairness.

Brian asked if this was just a couple of people in town against the current level or is there truly a movement.

S.O'Reilly stated that the economy has a high bearing on decisions.

Chief Sylvia stated that he felt \$250 will be uncomfortable, and he stated he would probably get flack for saying so, but he feels it is fair.

J. Lamson added that when you offer a give back, it generally is more effective.

Chief Sylvia said that the employees have been lucky, however are cautious to the fact that the door is opening.

J. Lamson added that he felt the town was reasonable and suggested the employees to consider being equally reasonable.

S. O'Reilly asked what does a visit generally cost as far as a co-pay. Chief Sylvia answered emergency is generally \$ 50.00, however each visit co-pay depends of the level needed (tier).

Chief Sylvia spoke of the eye care difference between the comp plans and the BC 3 T plan and noted that counseling or therapy was handled differently than the BC 3 T.

Jeff Leduc - he thanked the Board for this opportunity and their willingness to sit and discuss health care plan costs. He too is actively involved in various boards in his town and recognizes this is difficult for all. But, he went on, there are actually two issues being placed before us.

1) The cost savings to the town; and 2). employee contribution. He went on to suggest the Selectmen consider grandfathering. He went on to ask the Board if they would consider allowing those who have the BC3T to continue on with it but pay the \$ 250 p/per / \$500 2-per and family.

B. Newcomber noted that over the last 10 years, most faces have changed. He too, agrees that grandfathering should be considered.

S.O'Reilly noted that he has felt grandfathering is worth consideration.

J. Lamson stated that we could go in many directions. We could go by way of asking for a contribution from those who wanted to stay on the BC3T plan.

It was noted that the cost savings would substantially drop.

Chairman Locovozzi ended the work session by stating that the Selectmen would take us this issue at their August 15th meeting and will schedule another meeting with the committee shortly thereafter.

The workshop was adjourned at 7:45pm

Respectively Submitted,

Beatrice Marconi
Administrative Assistant