

TOWN OF FOXBOROUGH
SELECTMEN'S MEETING
EXECUTIVE SESSION
MINUTES
July 10, 2012

Members Present: James DeVellis, Chairman
Mark Sullivan, Vice Chairman
Lorraine Brue, Clerk
Lynda Walsh
Ginny Coppola

Others Present: School Committee Chairwoman Beverly Lord, Vice Chairwoman
Katie Adair, Members Christina Belanger and Bruce Gardiner
Lou Paradis, MIIA
Leo Peloquin, Labor Counsel
Junior Hastings
Bill Yukna, School Business Agent
Lisa Sinkus, Treasurer/Collector
Randy Scollins, Chief Financial Officer
Kevin Paicos, Town Manager

A motion for the Board to go into Executive Session to discuss strategy with response to collective bargaining and a discussion involving non-union personnel with the intent of returning to regular session was made by Lynda Walsh and seconded by Mark Sullivan. The motion passed by roll call vote DeVellis – yes, Sullivan – yes, Brue – yes, Coppola – yes, Walsh – yes.

This meeting is to discuss employee health insurance. Last year there were co-pay changes and retiree changes. This discussion tonight does not require a vote.

Chapter 69 of the Acts of 2011 by the Mass Legislature give the town the authority to change co-pays and deductibles in the health insurance plan to higher levels as long as they do not exceed the most heavily enrolled plan offered by the Group Insurance Commission (GIC). Right now the current health plan features co-pays of \$15 for Office Visits, \$100 ER visits, and three prescription options of \$10/20/35 with no deductibles or co-insurance features. The GIC plan features deductibles of \$250 individual/ \$750 family and a significant number of co-pays.

There are several steps that need to be taken before this can be done as outlined in the Town Managers letter. It cannot be implemented until any town contracts that mention co-pays or other plan design features have expired. The current teacher's contracts do not expire until June 30, 2013 so there could be no changes from September 1, 2012 to August 31, 2013. The Town Manager is recommending implementation of this plan on September 1, 2013. This will save the town \$500,000. Regulations require that \$125,000 has to be shared with the employees (25% of the savings). This is a one time sharing only for the first year. This could be savings on premiums, lower premiums over time or contributions to the employee's flexible spending accounts or a health reimbursement account.

Another alternative is Consumer Driven Health Plans (CDHP) which has high deductibles but offers Health Savings Accounts (HSA's) to mitigate these costs. An HSA is a tax free interest bearing account that can be withdrawn on retirement with no taxes and use them for healthcare costs. These accounts are the property of the employee, not the town.

Studies have shown that 80% of employees never hit the deductible threshold. The Town has a current balance of \$1.2 million in the employee health insurance trust fund; this could be distributed to employees to start the HSA accounts.

Implementation of this plan would save 17% or implementation of the GIC plan saving 10% then transitioning to the deductible plan would save 7-8%. This is a multi year strategy for the town.

These plans would be part of contract bargaining and would be initiated by a vote of the Board of Selectmen.

The employee health fair to be held in September will introduce these concepts to the employees.

The School Committee members left the meeting.

The second topic for this Executive Session is the Non-Union Pay plan implementation. CFO Randy Scollins and Fire Chief Roger Hatfield are contract employees which require a separate vote. The recent salary increases need to be voted on to be put into their contracts.

A motion to approve pay increases for Randy Scollins and Roger Hatfield as attributed to implementation of the new pay plan was made by Mark Sullivan and seconded by Lorraine Brue. The motion carried 5-0-0.

A Merit Increase process is still being worked on for all employees; it will take effect on July 1, 2013. All non-department heads would get their increases from the Department Heads; the Dept Heads would get their increases from the Town Manager. There would be some Boards and Committees involved (ex. Town Planner from Planning Board).

The Executive Session Meeting was adjourned at 10:55 p.m. by a role call vote. DeVellis – yes, Sullivan – yes, Brue – yes, Coppola – yes, Walsh – yes.

Respectfully Submitted,

Diana Gray