

APPROVED – Unsealed July 9, 2018
MINUTES OF THE MILFORD BOARD OF SELECTMEN NON-PUBLIC MEETING
PERSONNEL – NOVEMBER 23, 2015

PRESENT: Mark Fougere, Chairman
Kevin Federico, Vice Chairman
Gary L. Daniels, Member
Katherine Bauer, Member
Mike Putnam, Member
Darlene J. Bouffard, Recording Secretary

STAFF: Jack Sheehy, Finance Director
Karen Blow, HR Director

1. NON-PUBLIC SESSION. Vice Chairman Federico moved to enter into non-public session at 5:15 p.m. in accordance with RSA 91-A:3 II (a) – Personnel. Selectman Daniels seconded. All were in favor. Motion passed 5/0.

2. TOWN EMPLOYEE HEALTH/DENTAL INSURANCE. Chairman Fougere wanted to talk about the Affordable Care Act (ACA) adjustments for insurance for employees 30 hours or more per week at a cost of \$30,000. He wants to try to find savings and asked if we can avoid the extra charge. Town Administrator Mark Bender wanted to talk about health insurance and the rate increase and the savings built into the budget for health, dental, life, short term disability, etc, and the ACA. The ACA affects three employees. Karen Blow put the health plan out to bid. We are looking at two separate plans; one is comparable to the HMO and the other has four people in the plan currently. The difference is the \$1,000 deductible and the other has no deductible and the premium shows the difference. The rates are going up 5.9%. The reimbursement for deductibles currently being provided to employees, \$750, is being looked at and may go away.

Town Administrator Mark Bender said part of that had to do with the excise tax. It would have to be part of the Cadillac tax. We decided to eliminate and build it into the budget. The cost is an 85/15 split (employer / employee); an 80/20 split was also looked at but that would be a \$65,000 difference with the employees bearing the burden. We are looking at promoting the Flexible Savings Account (FSA) more with Health Trust administering the plan. The recommendation of Karen Blow is to keep the cost of the debit card with the employee; if an employee leaves the employment of the town, and they have put in \$1,000 and only used \$500, they cannot get the other \$500 back. The employee would use the money put into the FSA for health costs (prescriptions, co-pay, dental work). If they do not use it by the end of the year, the money goes to the town. Selectman Daniels asked if there is any portion that rolls to the next year. Karen Blow said it must be used or it is lost by the end of the year. Selectman Bauer would want to be careful with that because of the Cadillac Tax.

Karen Blow said this helps to steer the employee toward managing their own benefits, they can do things under the health insurance where they will get reimbursed. Selectman Daniels asked what is the maximum that can be used for dental. Jack Sheehy said it is the same as it was with Met Life. The ACA rules were reviewed and if an employee works 30 hours per week they are qualified for health insurance. Lisa Carl, Susan Drew and one other employee are the only employees affected by the ACA. Selectman Daniels asked how affordability is figured out. Selectman Bauer said it is looking at the annual income of the employee only. Mark Bender indicated we have to make sure it is affordable to the employee only (not the spouse). Jack Sheehy said they looked at this one year ago because we should have gotten into it this year but we had less than 75% of the employees covered, this year we have 95% covered. One year ago, we had six people in this category and now we are down to three. At the end of the year, the town has to fill out a form, which asks if any hours have been altered to make it so that people are not eligible. Chairman Fougere asked what is the penalty for that. Karen Blow said if it is widespread, that would take issue with it. Mark Bender said there are fines that we could be subject to if that happened. At a Board meeting two weeks ago, we talked about moving Lisa Carl to full time which would give additional coverage to Jack and Kathy Townsend and would eliminate using Kathy Parenti for coverage in the Tax office so that would help offset those costs. Selectman Putnam does not see anything wrong with that.

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Vice Chairman Federico asked if we have changed the deductible yet? Mark Bender said that will be part of the open enrollment with employees. Jack Sheehy said we will save about \$16,000 each year on the budget by that change. Vice Chairman Federico asked if only the FSA is being offered or is an HMO being offered. Jack Sheehy responded that the FSA is in addition to the health plan. It is money to set aside for healthcare. We do not do an HSA here.

Karen Blow said the FSA was signed off and we would need to get it through Health Trust, the pricing was much better. Health Trust was very good with their charges. Jack said the FSA is done in house and we are abiding by the Hippa rules, Health Trust would take care of all of it once they take it over. If someone puts in a receipt for a medicine, the HR person currently sees that information. The FSA can hold up to \$2200 (maximum). Selectman Daniels asked how the debit card works. Karen Blow said the employee would pay \$18 for the debit card, uses it to pay for the expense and then follow up with receipts etc. to show what it was used for. As far as the 85/15 health care cost split, Chairman Fougere said we will have to look at that to see if it will be viable over the next few years.

Mark Bender said that SchoolCare is interesting, but it starts in July. Vice Chairman Federico asked about making the change to a July to June fiscal year instead of January – December. Jack Sheehy would be happy to talk about that after budget season. Selectman Putnam moved to move ahead with the recommendation of Human Resources and Finance. Vice Chairman Federico seconded. Selectman Daniels asked exactly what is being voted on? Jack Sheehy explained it is the dental plan change to CIGNA, the offering of the FSA with those changes, and the removal of the \$750 deduction being picked up by the town. Chairman Fougere asked how the 80/20 would affect the employees? Karen Blow said it would depend on the plan, but AFSME would need to be brought in if we change the percentage. Jack Sheehy indicated that there is a \$65,000 difference between the 85/15 and the 80/20 split, which would be picked up by the employees. Chairman Fougere asked what that is per month? Karen Blow responded for a single plan that is an additional \$35 per month, for the two person plan it is an additional \$70 per month and for the family plan it is an additional \$90-100 per month. It was agreed to stay with the 85/15 split.

Selectman Daniels, Selectman Putnam, Vice Chairman Federico and Chairman Fougere were in favor of the motion to accept these changes to the health and dental benefits, with Selectman Bauer opposed. Motion passed 4/1.

Vice Chairman Federico moved to come out of non-public session at 5:42 p.m. Selectman Daniels seconded. All were in favor. Motion passed 5/0.

3. ADJOURNMENT: There being no further business to come before this non-public session, the Board resumed the regular public meeting.

Mark Fougere, Chairman

Kevin Federico, Vice Chairman

Katherine Bauer, Member

Mike Putnam, Member

Gary Daniels, Member

PERMANENTLY UNSEALED BY Board of Selectman 7-9-2019; 5/0