

IN BOARD OF SUDBURY SELECTMEN  
TUESDAY, APRIL 3, 2012  
EXECUTIVE SESSION (10:37 P.M. – 11:17 P.M.)

Present: Chairman Lawrence W. O'Brien, Vice-Chairman Robert C. Haarde, Selectman John C. Drobinski, Town Manager Maureen Valente and Assistant Town Manager Maryanne Bilodeau

**Miscellaneous**

Town Manager Valente asked if the Board is available for a joint Executive Session with the Sudbury Public School (SPS) Committee on April 9, 2012 at 8:30 a.m. The Board stated it is, and asked her to coordinate the meeting.

**Annual 2012 Town Meeting Article 1 Speaker**

Town Manager Valente asked the Board to think about this year's choice for the person to present Article 1 at the Annual 2012 Town Meeting. Mary McCormack has prepared a list of recommendations for consideration, including Hal Cutler, Peg Whittemore and Carol Hull, which will be presented to the Board at a later date.

**Collective Bargaining - Updates**



**Collective Bargaining - Municipal Healthcare Reform – Dissolution of Health Insurance Trust Funds**

The Board was previously in receipt of copies of a memorandum from Assistant Town Manager Maryanne Bilodeau dated March 26, 2012, providing background research on dissolving the Health Insurance Trust Fund and excerpts from pertinent sections of the Massachusetts General Laws (MGL), two letters from the Massachusetts Department of Revenue Division of Local Services dated February 4, 2010 and November 21, 2005 and a memorandum from Deutsch Williams to Sudbury Public School (SPS) Superintendent Anne Wilson dated March 18, 2012.

Assistant Town Manager Bilodeau reviewed her memo with the Board. She stated MGL is silent regarding how to dissolve the Trust. Ms. Bilodeau's research, and the advice of the Town's insurance consultant, recommends that the Trust not be fully dissolved for two years, since the Town is responsible for run-out claims for two years. It was further noted the Town is responsible for claims incurred, including those from catastrophic losses. Ms. Bilodeau opined it is premature to discuss spending funds at this time. She noted the Town's Stop Loss policy stays intact after June 30, 2012.

Town Manager Valente shared the current perspective of SPS, which is starting to consider potential uses for their share of the funds.

Ms. Bilodeau reviewed her recommendations for the Town to determine its Health Insurance Trust balance as of June 30, 2012, and the Town/employee percentage split of the fund based on contributions made over time. Currently, this split is 80.71% Town; 19.29% employee. Other suggestions for the dissolution include offering a rate holiday in March 2013 to help with increased co-pays/deductibles for the next year; the Town to use its portion to fund its Other Post-Employment Benefits (OPEB) obligation; and to meet with the Insurance Advisory Committee so as to meet the Town's bargaining obligations. It was further suggested the Town review its approach at the following intervals: June 30, 2012, August 1, 2012, November 1, 2012, February 1, 2013, August 1, 2013 and July 1, 2014.

Ms. Bilodeau estimated there could be between \$1 million and nearly \$3 million in funds for the Town to dissolve, after accounting for the run-out claims.

Town Manager Valente stated she has broached this issue with the Finance Committee, which is aware this money will be available for future needs.



Selectman Drobinski asked who has the authority to dissolve the Trust. Ms. Valente believes that after 24 months, the Board of Selectmen could do it, but does not have the authority to use remaining funds. This would be up to Town Meeting.

Town Manager Valente and Assistant Town Manager Bilodeau stated tonight's discussion was for informational purposes only, and no action is required by the Board.

There being no further business, the meeting adjourned at 11:17 p.m.

Attest: \_\_\_\_\_  
Maureen G. Valente  
Town Manager - Clerk