

JOINT MEETING OF THE BOARD OF SELECTMEN AND
SUDBURY PUBLIC SCHOOL COMMITTEE
FRIDAY, NOVEMBER 4, 2011
EXECUTIVE SESSION
8:00 A.M. – 10:00 A.M.

Selectmen Present: Chairman Lawrence O'Brien, Vice Chairman Robert Haarde, and Selectman John Drobinski. SPS School Committee Present: Jeffrey S. Beeler, Susan Iuliano, Ellen Winer Joachim, and Lisa Gutch. Also present were Town Manager Maureen Valente, Assistant Town Manager/HR Director Maryanne Bilodeau, Superintendent Anne Wilson, and Kevin Feeley, Jr. from Feeley & Brown, P.C.

The statutory requirements as to notice having been complied with, the meeting was convened at 8:10 a.m. in the Silva Conference Room, Flynn Building, 278 Old Sudbury Rd.

Chairman O'Brien opened the meeting at 8:10 a.m. and announced the close of the regular meeting and that it would not reconvene following Executive Session. It was on roll call unanimously

VOTED: To enter into Executive Session for the purpose of discussing collective bargaining matters related to municipal health care reform, wherein strategy discussion with respect to collective bargaining in an open session may have a detrimental effect on the bargaining position of the public body.

Mr. O'Brien introduced the Town's Labor Counsel, Kevin Feeley, from Feeley and Brown, P.C. He then distributed handouts including the MMA Municipal Health Insurance Reform Legislation and Regulations Timeline, Sudbury's/GIC plan comparison for FY12 and a draft timeline for Implementation Process for the Municipal Health Care Reform for Sudbury.

Mr. O'Brien explained that the legislature approved an amendment to existing collective bargaining regulations that now allow municipalities to remove health insurance plan design from collective bargaining which is allowed under Section 21-23 (referred to as Section 21). The Massachusetts Municipal Association (MMA) put together a timetable in terms of creating a Public Employee Committee (PEC) notifying the (Insurance Advisory Committee) IAC, negotiations, and mitigation. Mr. O'Brien noted the Assistant Town Manager is working on gathering final numbers for this process. We currently have July 1, 2011 GIC information, and our consultants will help us calculate the savings.

Mr. O'Brien then explained that by adopting Section 21 the Town would be able to make plan coverage changes each year within a 30-day negotiation period.

Issues were discussed as follows:

1. Whatever savings are achieved through this process, if adopted, would accrue to each entity for FY13 budget planning depending on the health insurance choices of their employees, as the calendar provided shows these changes are being made prospectively for FY13.
2. Town staff is working with consultants to develop projected rates and savings calculations for both plan design changes that mirror GIC plans, and if the Town joined GIC.
3. Final regulations have not been issued and likely will be by November 14.

4. In the first year of implementation, up to 25% of the total savings must be put into a mitigation fund, and the terms of that fund are to be negotiated with the public employee committee, and can include a monthly premium holiday, establishing a health reimbursement fund, or other items that both parties agree on.
5. Before this new law, joining GIC would have required the Town to increase its contribution rate for retirees. This is no longer the case and the contribution rates for actives and retirees would not change for joining the GIC through accepting this new statute.
6. The exit provisions for GIC are not clear at this time. The new regulations may clarify this.
7. If Sudbury joined the GIC and later chose to exit, it would be critical to get data on Sudbury subscribers' claims experience, and at this time GIC does not have the capacity to separately track and report back by member entity.
8. Is there still the ability of the GIC to make mid-year changes to plan design as happened several years ago? Yes, this ability has not changed.
9. Blue Cross is not currently in the GIC. The GIC goes out to bid for providers every two years and Blue Cross did not submit a bid last time. This could change in the future.
10. Joining the GIC would possibly save the town administrative work involved in administering our own self-insured health plans.
11. Future rates for GIC could grow higher than has been the past as more entities join who are east of Rte. 495. The cities that are joining now have higher unitization rates of teaching hospitals, and may have higher claims experience than the current subscriber mix. GIC average rates have been lower due to the large number of subscribers "west of Worcester" who utilize different hospitals and providers than the Boston area subscribers.
12. Currently the state has not created a separate municipal pool within the GIC, but if that happens in the future, it could be a high experience group, but because to achieve the 5% threshold savings requirement, municipalities likely have very high claims experience.
13. It is unclear that if the Town stayed with its own plans and did not join GIC, it could use this statute to change carriers without bargaining.

The Board discussed the timeline for the process of adopting Section 21. Two separate votes are needed: one to adopt the statute, and a separate vote to implement the process. Mr. Feeley stated that two Towns are adopting the statute, but not implementing the process. The Selectmen have scheduled consideration of this question at a special Selectmen's meeting on November 21, 2011.

After reviewing the pros and cons that were discussed, it was agreed that another meeting should be scheduled after November 14 when the final regulations are out.

There being no further business, the meeting adjourned at 10:00 a.m.

Attest: _____
Maureen G. Valente
Town Manager-Clerk