

**GREATER NEW BEDFORD REGIONAL REFUSE MANAGEMENT DISTRICT
DISTRICT MEETING – January 8, 2014**

Final Minutes

The Greater New Bedford Regional Refuse Management District Committee held a publicly posted meeting on Wednesday, January 8, 2014 at 3:30 PM at the Dartmouth Town Hall, Room 305, 400 Slocum Road, Dartmouth, MA.

District Committee Members in attendance: Rosemary Tierney, Chairperson; Isaac Graves, Nathalie Dias, Christine LeBlanc and Stephen Mitchell. Jeff King was not in attendance.

Also present: Scott Alfonse, Executive Director; and Cynthia Cammarata, Secretary, Hank Van Laarhoven, Shawn Peckham, Marissa Perez-Dormitzer, Margaret Hebert, and James Fillion.

1. Call to Order

Chairperson Tierney called the meeting to order at 3:30 PM.

2. Salute to the Flag

All in attendance stood to salute the Flag.

Julie Jennings of Sylvia Group arrived.

3. Legal Notices

Chairperson Tierney asked for a motion to accept that the Legal Notices were posted timely both in New Bedford and Dartmouth. Motion made by Mr. Mitchell, seconded by Mrs. Dias. Voted 5-0.

Approve Minutes of the District Meeting on November 13, 2013

Chairperson Tierney called for a motion to approve the Minutes of the District Meeting on September 25, 2013. Motion made by Mrs. Dias, seconded by Mr. Mitchell.

Mrs. Dias noted that item number four should be corrected to read November 13, 2013.

Chairperson Tierney asked for a vote to approve the minutes as corrected. Voted 5-0.

4. Review and Approve Warrant

Chairperson Tierney called for a motion to review and approve the Warrant. Motion made by Mr. Graves, seconded by Ms. LeBlanc. Voted 5-0.

5. New Business

a. Health Insurance Update.

Chairperson Tierney asked for a motion to receive the Health Insurance Update. Motion made by Mr. Graves, seconded by Mrs. Dias.

Chairperson Tierney recognized Julie Jennings from Sylvia and Company Insurance Agency. Mrs. Jennings has been reviewing the options for the District Employees regarding health insurance over the last couple of months. Mrs. Jennings said it is clear to her that there doesn't seem to be any competition among the choices

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unless you consider the plan on the table by the Mayflower group.

Mrs. Jennings explained that she has researched other options known as "Shelf Plans" which would be available to the District as well. There are no variations within the plan; you would need to take what is offered or leave it. Additionally, there would be no back office support available. The cost of these plans and the coverage of the plans lead Mrs. Jennings back to the Mayflower program.

Mrs. Jennings stated that the Mayflower program is really the best. She explained that she has spoken with the representatives of the plan and that there is really no way of getting around the paying of the reserve, which is estimated to be \$3,000 per employee. The Mayflower group has never had an entity coming into the group who didn't have their own reserve money to put towards it; therefore they would be willing to fund that over a period of time. Mrs. Jennings found it interesting that when she then looked at the rate of Mayflower's best Blue Cross plan over a three year period, which would include the \$83 per month per employee reserve payment, the premium is still competitive with the MIIA plans.

Mrs. Jennings explained that the Mayflower plan has some rules which the District would need to follow in terms of when one may join or leave the plan. For example, if you want to leave the plan they require a six month notice. If you do leave the plan, there is a waiting period if you determine that you want to rejoin it. This protects the integrity of the plan.

Mrs. Jennings told the group that although originally she told Mr. Alfonse that the District would need to make a decision by April – the date actually needs to be moved up. The Mayflower group will be setting the rates for the fiscal year 2015 next month, in February; therefore the Mayflower group would like to present the District's letter of intent to their Board as soon as the Board makes a decision.

Mrs. Jennings suggested that the District could make the middle plan the benchmark plan, and could base the 75% contribution rate on that; employees would still have a menu of plans to choose from but then they would pay more for a higher option or less for a lower option. This is called the defined contribution and equates to a dollar amount that would be applied to any plan that the employee chooses.

The Mayflower group does not anticipate a rate increase at this time; and the rates have been stable. If you look at the premium for Mayflower's best Blue Cross plan for next fiscal year, the premium including the reserve is only about a 7% increase over Dartmouth's premium for this fiscal year. The Blue Cross saver plan may be too much to expect from the employees, but that plan is only about a 2.8% increase including the \$83 reserve payment. In response to Mr. Peckham's question, Mrs. Jennings confirmed that the increase is only over the three years which it takes to pay into the reserve. Mr. Alfonse explained that Mrs. Cammarata made a similar comparison, and handed out the worksheet which illustrates this.

Chairperson Tierney stated that you would get more flexibility out of the GIC and Mass. Mayors plan because they are used to doing this for the cities and towns. Her concern is that the Mayflower group is similar to a private, for-profit plan and will be rigid. Chairperson Tierney stated that she is most interested in protecting the employees and retirees. Mrs. Dias agreed because there is a six month waiting period. Mrs. Jennings clarified that the waiting period is not for individual employees to join the plan; it is for the District's option to bid out of the plan as a group that you have to make your intent known six months prior to leaving the plan. This is a protection to the members of the Mayflower group. Mr. Alfonse pointed out that no group has ever left the plan. In terms of individual employees being added and dropped from the plan; they may be added the first of the month (not the date of hire) and dropped on the last day of the month from which they were terminated. Open enrollment is July 1st of every year, and there are qualifying events which would allow changes to the plan.

Mrs. Jennings addressed the GIC plan, and explained that although the rates are lower, the employees would definitely feel the impact of having smaller networks, higher co-pays and deductibles; it would not be a comfortable transition.

Chairperson Tierney expressed concern about the Mayflower plan being too rigid and referred to the past when an employee lost an arm. Mrs. Jennings pointed out that this is not a disability or workers compensation; they are a Blue Cross plan where you get a summary of benefits and coverage. Mrs. Jennings added that she has found Sheila Avery and plan representatives have been extremely quick to respond to any questions. You will

have the member services for either the Blue Cross or the Harvard Pilgrim – whichever plan the employees sign up with. You have a member services and a contract for coverage, which would be true for every plan that you join up with.

Mr. Alfonse explained that the concern on the employee's part with GIC was the deductible and the higher copays; they saw at least one of the plans in Mayflower that looked most like the plan which the District currently has through the Town of Dartmouth. Chairperson Tierney questioned where the statistics regarding higher copays and deductibles came from. She urged the District not to rush into this quickly as it is not an easy decision and noted that the health care service from and the relationship with Dartmouth has been very good. Mr. Alfonse suggested that he contact some of the Town Administrators of some of the Mayflower participants to see what their experience has been and if employees are satisfied.

Chairperson Tierney expressed concern that the Mayflower Group is small. Mrs. Jennings told the Board that there are over 10,000 subscribers which is larger than the Town of Dartmouth group.

Mrs. Cammarata addressed the group speaking on behalf of the Insurance Advisory Committee. She pointed out that none of the District employees actually want to leave the Town of Dartmouth plan. Employees are looking for a plan that is as close to our current plan as possible. Initially, GIC looked like a good option because the premiums are so low. However after several employees evaluated the plans in great detail; seeing what the yearly cost may be based on their history they found that the cost shift to the employee was very high. After careful consideration, Mayflower was determined to be the best option. MIIA had a comparable plan also, but the premiums were much higher than Mayflower's premiums. Mrs. Jennings added that MIIA is smaller than Mayflower. Mrs. Cammarata explained that when the IAC compared all of the plans offered which are the most similar to what the District has with the Town of Dartmouth, that the premiums will cost slightly more for three years with the buy in. After the three year period the cost would be almost identical to the Town of Dartmouth's plan. MIIA - even without a buy in - is way more expensive.

Chairperson Tierney told the Board that she is concerned about the revenue stream because of all of the competition that the District has. Mrs. Jennings stated that the District may want to look at what contribution is feasible for various plans from a budgeting standpoint. Mrs. Jennings said that if an employee is laid off, then COBRA would begin and that is guaranteed; if the District went bankrupt then there are no guarantees for anyone. Mrs. Cammarata pointed out that after the buy - in period, the projected increased cost to the District would be negligible – a little over \$2,000 per year. Mr. Alfonse said that the concern is that the market in this part of the State continues to be low.

Mr. Graves asked the employees what is it that they want. Mr. Peckham stated that it was a unanimous consensus that the Mayflower group offered the most parallel plan; the plan that wouldn't upset the employees or the District monetarily or benefit wise. Mr. Peckham stated that in the event that the revenue stream dries up, it really wouldn't matter which provider the District has... that would be a separate bridge to cross if that were to happen. The group was steered away from the GIC because it didn't have the same selection of plans as the Mayflower group for the same cost. The Insurance Advisory Committee felt comfortable with the Mayflower group. He stated that it is the Blue Cross plan offered by the Mayflower group – they just administer it.

Ms. LeBlanc asked if there were any way that the employees could purchase Blue Cross without going through any of these groups. Mrs. Jennings explained that she did look at that option. However, the same plan is not offered in the private sector (the benefits are not as good). The top plan is called Value Plus, and the premiums for that plan are \$840 for a single person, and \$2,214 for a family. Mr. Graves commented that the premiums are about 30% more. Chairperson Tierney said that there are other plans out there such as the Tufts plan & suggested that they be considered as well to cut out the middle man as they did in the City. Mrs. Jennings explained that the City of New Bedford has Harvard Pilgrim and had Blue Cross prior to that. She pointed out that the City is self-insured and that it did not cut out the middle man. Mr. Alfonse pointed out that the cost of the plan was reduced with the switch. Mrs. Jennings explained that co-pays were increased - the plan was downgraded which resulted in a savings. Chairperson Tierney pointed at that they also offered a choice of three plans to employees. Ms. LeBlanc asked if it would be possible to piggy back off of the City's plan. Mr. Alfonse explained that the District has already pursued that to no avail. Mrs. Jennings explained to the Board that offering a menu of plans to employees is what these groups do. Mayflower has seven plans;

Gateway has four plans. That is why Mrs. Jennings was suggesting that if budget is an issue that contributions may be established on a lower end plan; but still allow employees (based on their financial and medical needs) to choose a plan.

Mr. Alfonse stated that there is one other issue which may lessen the impact of this. The Town of Dartmouth may have some reserves which the District may be entitled to, and accordingly, Matt Thomas has drafted a letter which the District will send to the Town of Dartmouth.

Chairperson Tierney warned that "nothing is carved in stone" with respect to any plan if the stream of revenue is impacted. Mr. Alfonse stated that there are several other potential impacts such as the affordable care act; whether or not these plans will be changed by Mayflower; there is no guarantee with any of this.

Mrs. Jennings pointed out that with respect to holding insurance through the Town of Dartmouth the District had no impact on what they were purchasing for employee benefits. Under Mayflower, the District - even with its relatively small amount of employees - would have one seat on the Board; which is more representation than what the District currently has. You also have an opportunity to be a part of the Finance Committee. The District will have more of a voice.

Mr. Mitchell asked Mrs. Jennings if she had considered a stand-alone plan with higher deductibles, using an HSA account to alleviate employee contributions; Mrs. Jennings had. She said she understands that there is a budget concern which will exist regardless of what health plan the District has. She suggested that if you find that if revenues are changing that employees understand that one of the options might have to be that the contributions on behalf of the employer might have to change in order to keep that plan. In that case you would want to tie it to an Open Enrollment period so that employees would be able to make a decision as to which plan they would choose. If we were to go the route of a fully insured plan then there would basically be one plan on the table. Looking at these plans that are put together with the collaborative groups you do have a menu of plans so employees would have more choice. Through Mayflower, employees would get the choice to purchase a less costly plan which has a deductible. Mrs. Jennings suggests that the District contact some of the plans participants for a review. Mrs. Jennings said that the fact that no group has left the Mayflower Group speaks to the quality of the plan and their choices. Mrs. Jennings spoke with Sheila Avery and found that the plan conforms to all of the health reform. There will be a couple of changes that will be made to the plan in July; for example one having to do with reimbursement for durable medical equipment.

Mrs. Jennings wanted to clarify that the Mayflower is meeting in February in order to proactively set rates for the new year beginning in July in order to allow participants to be prepared for any changes. Mrs. Jennings said that if this is the direction that the District would like to take - the sooner our intentions are known, the easier it will be to transition. Mr. Mitchell asked if the notice of intent would be binding. Mrs. Jennings said no. Chairperson Tierney said that she wants to be clear that Mayflower group has only been in business for nine years; Mass. Mayor's Association and GIC has been in business far longer. She expressed concern that the District would ultimately be forced to join one of the larger ones. Chairperson Tierney said that because of affordable care there aren't many "sole practitioners" out there.

Mr. Alfonse suggested that in the interest of time and because there will not be a vote today that we move on. In the meantime, he asked the Board to please let him know if they would like him to research anything else. Mr. Alfonse said that he has received an email from David Cressman asking the status and suggested that we ask Mayflower what their drop dead date is; although he agrees that a decision shouldn't be driven by limits imposed by the group.

Mr. Peckham said that whether you are purchasing a Blue Cross plan through MIIA, Mayflower or directly... you are still buying Blue Cross. Your list of doctors wouldn't change; Mr. Mitchell agreed. Mr. Peckham said it shouldn't matter which vendor you purchase the insurance from. Mrs. Jennings said that Mayflower is not even a sales arm - they are a membership... a collaborative of municipalities. They do have an administrative cost. Mr. Peckham and Mrs. Jennings agreed that it is a very small overhead. Mrs. Jennings said that the Mayflower group is in a surplus position. Mrs. Jennings explained that the agreement spells out what would happen if the group were to disband and pointed out that you may leave at any time. They are backed by the full Blue Cross and the full Harvard Pilgrim contractual services.

Mrs. Jennings said she hoped the presentation was helpful to everyone and said that she is open to any questions and is willing to provide additional information. Mrs. Jennings stated that she hadn't spoken with any other employees prior to this meeting. Although she had read the Insurance Advisory Committee's letter, Mrs. Jennings initially thought she may not agree with the Insurance Advisory Committee's recommendation.

Chairperson Tierney commended the job that Mrs. Jennings has done.

b. FY 2015 Budget

Chairperson Tierney asked for a motion to review the 2015 Budget. Motion made by Mr. Graves, seconded by Mrs. Dias.

Chairperson Tierney recognized Mr. Alfonse, who explained that the Personnel and Budget Subcommittees have met resulting in the proposed Budget. Mr. Alfonse told the Board that the FY15 budget includes a 2% increase to the assessment for New Bedford and Dartmouth, which would be the first increase since 2003. This was a recommendation made by the outgoing Executive Director. The District will likely see a reduction in revenue as a result of Frade's reduced tipping fee. Salary adjustments reflect a proposed increase of 2% for the District Staff for everyone except for the Executive Director (which remains the same). The Mechanic's salary reflects an upper limit of what the salary may look like but the actual increase is yet to be determined. Please note - the salary budget includes 52 weeks plus one day. Mr. Alfonse referred to the Budget in the packet, and pointed out that if there were differences from prior years that an explanation is provided in the "comments" column.

Chairperson Tierney pointed out that there is a reduction of revenues, and also that nothing is being taken from the reserves in FY15. Mr. Alfonse said that it is likely that during FY15 the District may need to transfer money for Engineering and other services. Mr. Alfonse referred to the page behind the budget which outlines the reserve amounts and goals.

Mr. Alfonse informed the Board that by District agreement they have until January 21 to adopt the budget. Chairperson Tierney recommended that the Board vote the Budget today, and Mrs. Dias pointed out that it could always be amended at a later date.

Chairperson Tierney asked vote to approve the FY 15 Budget. Motion made by Mr. Graves, seconded by Mrs. Dias. Voted 5-0.

c. Interns & Part Time Employees

Chairperson Tierney moved to discuss the hiring of Part Time employees.

The District has hired interns in the past who are dedicated to the New Bedford recycling program, and whose wages are paid through the New Bedford recycling funds. Mr. Alfonse explained that recently an intern who left for a full time job applied for unemployment when that job didn't work out, and it exposed the District to liability. Marissa has requested to replace a recycling intern who has recently left the District. He explained that currently there is one part time recycling employee who, as a result of some of the changes in the City's program, will have some duties reassigned. Mr. Alfonse recommends not hiring part time employees specifically if that employee is working directly for the City of New Bedford or the Town of Dartmouth; particularly if the job has a finite life. Mrs. LeBlanc asked if the District could use some unpaid interns, but after discussing liability issues Mr. Alfonse stated that he believes that the District can make do.

Chairperson Tierney asked for a vote postpone the hiring of Part Time employees. Voted 5-0.

d. Phase 2 Design proposal.

Chairperson Tierney asked for a motion to review and approve Phase 2 design from Brown and Caldwell. Motion made by Mrs. Dias, seconded by Ms. LeBlanc.

Chairperson Tierney recognized Mr. Alfonse, who referred to the proposal included in the packet. The District

is currently in Cells 3 and 4 of Phase 2 of the landfill, and those are estimated to last another 2.5 years; it is time to start design work on cells 5 - 8. Brown and Caldwell has proposed to do the design and permitting right up to the bidding phase at a total cost as proposed of \$76,060. Ms. LeBlanc questioned the Notice of Intent of \$14,000. Mr. Alfonse said that he is including in that budget the storm water calculations; however he will get a clarification to be sure that it wasn't included in both task 2 and task 3. Ms. LeBlanc commented that 45 hours for a principal engineer for Notice of Intent seems high, and it doesn't include NESHAP application. Mr. Alfonse responded that this is a time and materials contract, which means that the District only pays for what is billed; therefore if not all of that energy is expended, then the District wouldn't pay for it. Mr. Mitchell asked if they would provide a timetable as well. Ms. LeBlanc questioned what the associated project charge is for; Mr. Alfonse explained that it is for computers and telephone usage. Ms. LeBlanc also asked what "Associated Project Charge" includes. Mr. Alfonse responded that he thought it was for computer, telephone and miscellaneous charges.

Chairperson Tierney asked for a vote to approve the Phase 2 design with the adjustments so noted. Voted 5-0.

6. Public Comment

None.

7. Set dates for next District Committee Meeting

Chairperson Tierney called for a vote to schedule the next District meeting as needed. Voted 5-0.

8. Adjourn

Motion to adjourn made by Mr. Mitchell, seconded by Mr. Graves. Voted 5-0. The meeting was adjourned at approximately 5:00 PM.

