

**Date: April 10, 2017**

*Date Minutes Approved: April 24, 2017*

TOWN CLERK

2017 MAY 24 AM 11:45

DUXBURY MASS.

## **BOARD OF SELECTMEN MINUTES**

**Present:** Shawn Dahlen, Chair; David J. Madigan, Vice Chair; and Theodore J. Flynn, Clerk

### **Absent:**

**Staff:** René J. Read, Town Manager; John Madden, Finance Director, and C. Anne Murray, Administrative Assistant

## **I CALL TO ORDER**

The meeting was called to order at 7:00 pm in Open Session in the Duxbury Senior Center (Ellison RM), 10 Mayflower ST, Duxbury.

Three members of the School Committee were also present so they convened their Committee.

## **II OPEN FORUM - *nothing brought forward.***

## **III NEW BUSINESS**

### **7:01 p.m. Public Hearing: Transfer of liquor license & Change of Manager: Sun Tavern, 500 Congress Street, Duxbury**

Mr. Flynn moved that the Board of Selectmen **open** the public hearing, advertised in the Duxbury Clipper on March 29, 2017, regarding the Transfer and Change of Manager of an on premise All-Alcohol License from Lawrence Freidman, Bramblebush Eats, d/b/a Sun Tavern to Deborah James, APJ Dining, Inc., d/b/a Sun Tavern at 500 Congress Street, Duxbury MA. Second Mr. Madigan.  
VOTE: 3:0:0.

Atty. Brian Cote, representative of the transferees – Deborah and Gary James – regarding the transfer of the liquor license (and other licenses). Mr. James has been the chef for the past 5 years at the Sun Tavern. Generally the concept will remain the same, the name will remain the same, and substantially they are not planning many changes.

Mr. Gary James introduced himself at the chef at the Sun Tavern for the past five years. He mentioned when he interviewed for the job Mr. Friedman asked him where he saw himself in five years and his response was that he wanted to own a restaurant. Ironically, five years later he found himself signing an Agreement to take over the Sun Tavern. He said that he and his wife will be taking over the operation, and that Mr. Larry Friedman, the current owner, has indicated his willingness to stay on during the transition period. He confirmed that they are not planning any changes to the

The Chair asked if there were any comments or questions from the public, but no one came forward. The Board had no comments or questions.

Mr. Flynn moved that the Board of Selectmen, acting as the Licensing Authority, approve the requested transfer of the On Premises All-Alcohol License (00035-RS-0300) and the change of manager from **Lawrence Freidman, Bramblebush Eats, d/b/a Sun Tavern** to **Deborah James, APJ Dining, Inc.,**

There are standards (see attached) that must be maintained in order to hold the Tree City designation and one of them is to have an Arbor Day Observance and Proclamation.

Mr. Flynn read the Arbor Day Proclamation, which urges citizens to support efforts to care of our trees and woodlands and to support the Town's community forestry program. The Selectmen proclaimed April 28, 2017 as Arbor Day in the Town of Duxbury to be observed with ceremonies at the Chandler School at 2:30 PM.

**Discussion pertaining to Health Insurance (Rates, Expenses & Plan Design Changes) / HR Director, Jeannie Horne**

Also present for this item of discussion were:

Ms. Jeannie Horne, Human Resources Director for the Town of Duxbury;  
Peter Savage of Cook and Company, Duxbury health insurance consultant;  
Fernand "Russ". Dupere, Jr., Esq., Duxbury's Labor Counsel; and  
Members of the Duxbury School Committee.

Ms. Horne said the Town wanted to inform all benefit-eligible Town of Duxbury employees, School Department employees, and retirees of a significant rate change. This meeting is when the Town typically set the rates health insurance, life insurance and dental insurance for the coming year. The Town is self-insured and based on the claims experience from last year and the previous year the recommendation has been made for a 12% rate increase for FY'18. She indicated that this was necessitated by the unanticipated claims experience which exceeded projections. She mentioned that there is an Insurance Committee that does meet regularly to monitor claims experience, plan design, enrollments and rate collection. She noted that the Town does provide educational and wellness programs to try to positively-affect claims experience. She specifically mentioned the Town has doubled its fitness reimbursement benefit. She said that behaviors have changed and that has helped to keep rates lower than other groups; the trend in the medical community is closer to 8% per year. She mentioned that over about 11 years the rates have only increased 4-5 times and during that time the Town has been able to provide some premium holidays when premium collection exceeded the funding needed to cover the claims experience.

She mentioned that the Town is required to keep a certain level of reserves in the Health Trust Fund. Due to recent claims experience the Fund has been drawn down. The health insurance rates are provided to the Town. As some positive news she mentioned that the life insurance rates are not changing and that they are locked in for the next 24 months. Likewise, the Delta dental table plan are also unchanged and are locked in for 24 months. There will be a 4% increase to the more expensive PPO-based Delta dental plan.

Mr. Peter Savage, Cook & Company representative / the Town's health insurance consultant, said because of the size of the rate increase he was asked to address some of the historical information to explain how we got to where we are. He mentioned that in 2012 the Town accepted provisions of the General Law which allowed for changes to plans design. In 2012 there were negotiations where the Town with the unions formed a Public Employee Committee (PEC). The agreement reached was that the changes be phased in over about two and a half years. At the time (2013), some of the bargaining groups went into a rate-saver plan and others had to wait to due contractual obligations. He said that the rates at that time actually came down about 8% on average. That year, because of the levels of monies in the Trust, there was a month premium holiday, which was an attempt to get the Trust to the proper funding balance. The following year everyone went into the "benchmark plan", which was the

Mr. Dahlen asked if Mr. Savage was prepared to discuss any plan changes. Ms. Horne explained that the 12% increase is needed to close the shortfall gap. The Board of Selectmen is not voting a plan design change tonight, but rather to allow for the Town to meet with the Committees, established by statute to negotiate any plan changes. And once those Sections 21-23 are voted, then there is a process with specified timeframes. So what they are looking at is by starting the process now any plan design changes would not be implemented until either January 1, 2018 or July 1, 2018. So this was an attempt to give lots of advance notice and with the understanding that the teachers are off during the summer so the expectation is that most of the negotiation would not begin until the fall.

Mr. Savage said that there aren't specific changes at this point, but Mr. Savage can express the limits based on the GIC-plans. This would be a negotiation.

At this point, there were some questions raised about when the Town knew the 12% increase would be needed. Ms. Horne said that it was at the March 22, 2017 Insurance Committee Meeting. Before continuing, since there was some obvious confusion, Ms. Horne clarified the "insurance" committees that exist. There are 3 different "insurance" committees, which are as follows:

- 1) **The Insurance Committee**, which consists of: Town Manager, 2 members of the Finance Committee, 1 Selectman, School HR Manager, School Business Manager, School Superintendent, 1 School Committee member, the Town HR Manager and HR Staff, Finance Director, Town's Health Consultant, and a BCBS representative. This was a Town-established committee, which has met regularly to review health insurance costs and claims experience, etc.
- 2) **The Insurance Advisory Committee (IAC)**: This is a committee set up by State statute. It consists of one representative from each of the labor organizations (i.e., unions) and a retiree representative appointed by the Selectmen. This is an autonomous committee that is responsible for calling its' own meetings. Along the way it was mentioned that the IAC were involved with the plan designs back in 2012, but other than a handful of times that the Town has suggested a meeting, they have not met.
- 3) **Public Employee Committee (PEC)**: The PEC consists of a representative from each of the unions and a retiree representative. The retiree representative is designated by the Plymouth County Retirement Board.

Getting back to the questions raised about when the Town knew that the 12% increase was needed, the following explanations were given:

- Ms. Horne said that the Insurance Committee had its monthly meeting on March 22, 2017 and at that meeting the claims experience from February, 2017 was reviewed. Since that was the second month in a row that there had been extraordinary claims, they immediately reacted. Initially the thought was to discuss the experience in an executive session with the School Committee, but then it was decided to have the discussion in an open meeting for which tonight was the first opportunity. Since notice to the union representatives only went out last week about this meeting, it was expressed by one union rep. that some "felt a lack of transparency."
- Mr. Savage mentioned 2 things: (a) He mentioned that in the past the IAC did meet regularly, but since a change in the membership have not. He advocated that the IAC should meet more regularly and suggested at least on a quarterly basis. He did add that in this particular case it would not necessarily have helped because it was the unanticipated spike in claims in January and February 2017 that has made the 12% increase necessary. And (b) he responded to the comment that premium holidays shouldn't have been taken. He pointed out that had the Trust

the savings in the first year goes back to the employees, and then if it is a 75% Town -25% employee split the premium savings is split accordingly. The 30-day discussion period is really to figure out how the 25% savings is to be used and there are a lot of options regarding that. After that if there is agreement, that's great, but if not it is referred to a 3-person panel with one person named by the Town, one person named by the PEC and one neutral person. And employees have to be given 60-notice before the changes can be implemented.

Mr. Savage clarified that Section 23 would be going to the GIC. That is not being suggested. Section 21-22 would allow the discussion of plan design changes similar to the GIC. He mentioned some of the potential changes based on the GIC plans are as follows, and these are the maximums you would be allowed:

- Deductible increases. GIC max. \$500 indiv. / \$1000 family
- Drug deductible GIC: \$100 indiv. / \$200
- Specialist Visits: GIC: \$60.
- Hospital Visits GIC: \$500/ \$1000
- Outpatient GIC: \$250.
- Drug Copays GIC \$10-30-\$65 and \$25-\$65-\$175

Mr. Mike Mahoney, Public Safety Communication Rep.:

- Asked about the overall dollar amount of the 12% increase. Answer had to be researched. Towards the end of the meeting the without knowing all the variables the rough answer given by Mr. Savage was that roughly the 12% would give—last year the combined was \$10,733,000. and it would increase to about \$11,850,000. It would be about a 5% reduction if the shift were made towards GIC plans
- Questioned about the “insurance” committees as he had not been notified of any of the insurance meetings. The committees were briefly explained again and it was pointed out the IAC and PEC have not met since the formation of his labor group, which is why he has not been notified.
- He agrees that the rate increases are inevitable, but is concerned about the notifications to the union rep and that was explained. He was assured he will be notified.
- He said that he hates that we are talking about employees and co-worker in dollars and cents.

Ms. Julia Adams, School Committee member, said with the recent insurance rises it is not clear to her that being self-insured is the way to go. On the other hand, she questions acting on 32B which will shift more of the costs to the employees. As a School Committee member she believes that she has to act in the best interest of the taxpayers and the school employees. She does not feel that heading to the GIC is necessarily the best move. Mentioned salaries are going up only about 3% but employees are now facing a 12% premium rate increase. She wondered if joining a joint purchase group versus staying self-insured should be considered. Mr. Madigan commented that up to this point the self-insurance experience has been good up until some recent experience. Mr. Savage said that even with the 12% rate increase the Town is doing better than the Mayflower Group and the Cape Cod Group. He noted that 5 communities have recently pulled out of the groups for that reason. Overall the Town has done a better job by managing its self-insurance than the surrounding communities or those in joint groups.

Mr. Dahlen is Section 32B the only way that the Town can discuss insurance rates and options with the unions? Mr. Savage explain that what happened with Sections 21-23, is the Plan designs at the Group Insurance Commission are decided by the Commission, which is made up of non-union executives and

comes to the adoption of Sections 21-22 that is set by statute and non-union representation is not included.

Ms. Janet Ritch, a Duxbury resident, opined that another group that does not have representation are the retirees. She then suggested that something we can all do is to take more control of your own health care and suggested the following for doing so:

- Ask questions in advance of recommended procedures because there is a difference in cost depending on where the procedure is done.
- Use websites such as HealthCareBlueBook.com (A free online search tool that allows you to compare costs regarding various procedures.)
- Ask for itemized bills and question items you are billed for and did not receive. Because even though you might not be paying for it if it is paid by your health insurance carrier ultimately it will affect your costs.
- Regarding suggested tests – Ask your medical provider what he or she is going to do with the results and discuss whether the test is really necessary.

Ms. Julia Adams, Duxbury School Committee member, said that earlier someone mentioned they weren't sure what the savings would be if a move was made to the GIC plans. She said the School Committee had received a spreadsheet suggesting the savings would be between 4-5 1/2%. And she suggested that if negotiations are going towards the GIC plans, then the savings should be factored in so that perhaps a 12% increase would not be necessary. It was clarified that based on the claims experience the 12% increase is necessary for the past claims experience. What future increases will be will be dependent upon experience.

Mr. Madigan moved that the Board of Selectmen accept the proposed group life, health and dental insurance rates effective July 1, 2017, as presented. Second by Mr. Flynn. VOTE: 3:0:0.

*[Note the Board was voting on the insurance rate sheet handout, and the handout did refer to the PPO, HMO, Life, and Dental rates from 6/01/17 5/31/18.*

Mr. Madigan moved that the Board direct the Town Manager and Peter Savage to decide what possible changes need to be made with the insurance plans going forward, and that they work with the union representatives right from the beginning regarding the (plan change) discussions. Second by Mr. Flynn. VOTE: 3:0:0.

#### **IV TOWN MANAGER'S REPORT**

Mr. Read reported that there are a total of 22 piping plovers with 7 pairs and no nests yet on Duxbury Beach as of this morning. Both crossovers are open. He didn't have specific numbers to compare with last year, but in general said that, according to the Harbormaster, this is a much earlier arrival in larger numbers. The good news is it expected the birds will leave earlier.

**VI COMMITTEE APPOINTMENTS/RE-APPOINTMENTS/ RESIGNATION** -none

**VII ONE-DAY LIQUOR LICENSE REQUESTS** - none

**VIII EVENT PERMITS** – none

**IX MINUTES** - none

LIST OF DOCUMENTS FOR 04-10-17 SELECTMEN'S MEETING

1. *Agenda for: 04-10-17 Selectmen's Meeting and 04-10-17 School Committee Meeting and amended agendas noting the change in venue of the meeting to the Senior Center, 10 Mayflower ST, Duxbury.*
2. *OPEN FORUM: no documents*
3. *NEW BUSINESS:*
  - a) *7:01 p.m. -Public Hearing: Transfer of liquor license & Change of Manager: Sun Tavern, 500 Congress Street, Duxbury: Packet with suggested motions for opening/closing the Public Hearing and approval of the licenses; Complete Liq. License Application packet from APJ Dining, Inc., copies of the licenses, and abutter notice return receipts.*
  - b) *Common Victualler's License and Entertainment License – Deborah James, Manager – Sun Tavern – See above.*
  - c) *Discussion pertaining to Health Insurance (Rates, Expenses & Plan Design Changes) / HR Director, Jeannie Horne: 04-05-17 Jeannie Horne Memorandum "Health Insurance: FY18 Rates, Expenses, Plan Design Changes in Joint Open Session with BOS/ School Committee"; Health Insurance, Dental Insurance; Life/ ADD Insurance Rate Chart FY'18 and Medex + Managed Blue 12-01-17-11-30-18.*
  - d) *Discussion Pertaining to Heavy Commercial Vehicle Exclusion (HCVE) on Birch ST & Valley ST, Duxbury; 11-03-16 Email regarding support from the Duxbury Highway Safety Advisory Committee; map showing affected streets and proposed alternative route; 01-27-17 Letter from Lewis W. Stone, Pembroke Selectmen's Chair*
  - e) *Arbor Day Proclamation –Copy of the proclamation and as background the 4 Tree City USA Standards*
4. *Town Manager's Report: none*
5. *APPTS./Re-APPTS/RESIGNATIONS: nothing*
6. *ODLLs – none*
7. *EVENT PERMITS: none*
8. *MINUTES: none*
9. *ANNOUNCEMENTS: Suggested Announcements for 03-27-17*