

Board members present: Chairwoman Dennis, Selectman Bugbee and Selectman LaCourse

Others present: Larry Kindberg, Bill Stevens, Caren Rossi, Roger Rice, Ruth Eifert, Chip Belyea, Robin Estee, Chief Dronsfield, Annie Gasowski, Erick Sawtelle, Randy Stevens, Warren Hatch, Officer Don Laliberte, Officer Mike Lyczak, Rachel Deane, Town Secretary Denise Duval and Town Administrator Julie Glover.

1. Chairwoman Dennis calls the meeting to order at 6:00 pm and asks if the Select Board accepts the Agenda as presented. It does.

Chairwoman Dennis asks to start with introductions beginning with Ruth Eifert, Library Director. Then as follows; Roger Rice, Transfer Station; Chip Belyea, Transfer Station; Caren Rossi, Planning, Zoning and Health; Robin Estee, Police Dept.; Tom Dronsfield, Police Dept.; Bill Stevens, Maintenance; Denise Duval, Town Secretary; Julie Glover, Town Administrator; Carole Dennis, Chair; John LaCourse, Selectman; Scott Bugbee, Selectman; Joe Lombardo; Assistant Fire Chief.

2. TA Glover leads off with the Health Insurance discussion and begins by referring to two handouts. One is a large spreadsheet and the other is a HealthTrust Benefit Comparison spreadsheet which was prepared by our benefit advisor from the HealthTrust. Most of the cost is driven by claims experience. The HealthTrust administrative cost now after the breakup of the LGC and the PLT is less than 7% of the premium cost which is very low. The plan the Town has now is a very good plan, a very generous plan but it's a very expensive plan. There are a number of our employees are grandfathered meaning they do not contribute anything to the cost of the insurance and right now the policy is that anyone who has a single plan does not contribute to the cost of the insurance. In addition to that there are two employees who are currently taking the buyout meaning they don't have the Town's health insurance so they receive 40% of the cost of a single plan. Under the Affordable Care Act in 2018, unless Congress changes things, employers who have what is considered to be a Cadillac health insurance plan (which Lee has) will have to pay a 40% tax on the amount exceeding the cap, per employee. Right now the way the law is written, employees with a single plan have a cap of \$850 and family is \$2291.67. Police and Fire has a slightly higher cap. It is not clear whether the higher cap is only for those employees or for those employers with those types of employees. The HealthTrust is not writing any new plans with the prescription plan that the Town currently has. The basic plan now is the Rx10/20/40. If employers who are moving their employees to a deductible plan, they are funding some or all of the deductible. Funding all of the deductible is generally not a good idea because it takes away the incentive that the deductible creates for everybody to start paying attention to and managing their health care costs. If an employee has deductibles of \$1000 or more on a single plan and the employer funds more than 25% of the deductible, the HealthTrust won't make it available. Currently employees have an out of pocket maximum - \$5000 per member per year, \$10,000 per family per year. Other cost sharing plans which have higher co-pays and higher co-insurance you would become more likely to reach your maximum deductible. These types of plans would warrant FSA's and HSA's which the TA did not think the Board was asking to jump into at this time.

Officer Don Laliberte recognizes that the Board has budgets to be concerned and that the Town has very good benefits. He would like to keep it that way because it attracts a better pool of

employees with good benefits. He states that the Town has good employees and the good benefits keep them here. He just wants the Board to keep this in mind during their decision making process.

Bill Stevens adds that from personal experience insurance in the past has cost him a lot out of his pocket. When he applied for this job, he told the Board that he was here for the benefits. It has helped him out during the 11 years that he has been here.

Selectman LaCourse agrees that they need to balance salary and benefits. Benefits are important.

Caren Rossi who is a grandfathered employee would prefer higher co-pay than paying a portion of the premium. That way she would only pay if she were to go to the doctor. Bill Stevens agrees and Chief Dronsfield states that most at the department meetings said the same thing.

Chairwoman Dennis asks if there is an option to just look at co-pays. TA Glover refers to the HealthTrust chart MTB5 and MTB20. Chairwoman Dennis asks about funding the employee's deductible. TA Glover states that if the deductible is more than \$1000 the HealthTrust only lets the Town fund 25%. TA Glover does not think that the Town should fund any at the \$500 level.

Caren Rossi points out that going from the \$20 co-pay to a plan with a deductible does not really save the Town any money - \$13.

Erick Sawtelle suggests running the numbers to find out where the threshold is. In other words work your way backwards to figure out where the Town would start paying the Cadillac tax. TA can easily do that but they will all be estimates. Mr. Sawtelle thinks that figuring out a base line would be a good place to start. TA Glover says aside from the Cadillac tax, as the health insurance costs rises towards a half a million dollars a year at what point does the Board feel it have a fiduciary responsibility to the taxpayers while recognized the responsibility to the employees to try to affect some balance. Caren Rossi asks if the insurance costs went up or down this year. TA says they went down by less than a %.

TA Glover runs through the MTB15IPDED plan details. Office visit copay is \$15. ER copay is \$100. Urgent care Copay is \$50. Standard deductible is \$1000/\$3000 per year. No co-insurance except for durable medical equipment which has a \$100 deductible plus a 20% co-insurance. The out-of-pocket limit is still \$5000/\$10,000 per year. Under the Affordable Care Act, preventative services are zero not even a copay. See pamphlet at Town Hall for more. HSA is used when there is a high deductible plan. The Employee contributes through pre or post tax payroll contributions and employers may also contribute. The money belongs to the employee. In an HRA the money belongs to the employer. The FSA is for reimbursement of things that are not normally covered by the health insurance but still come under the list of things that the IRS deems to be medical such as contact lenses. The money is the employees except any unused funds are forfeited at the end of the year. Funds are available January 1<sup>st</sup> to the employee. One needs to be very careful about estimating how much will be needed for the year.

Ruth Eifert asks how soon the Board thinks they will make a decision. Chairwoman Dennis states it will be at least a couple months.

Bill Stevens asks if there will be another workshop before a decision is made. The Board agrees that another meeting would be doable.

Selectman Bugbee asks if there is an a la carte option. TA Glover states that would be a true cafeteria plan. Right now the Town has a cafeteria plan in that we follow the IRS regulations and our premiums are paid pre-tax. A true cafeteria plan gives each employee x number of dollars or points and they have different benefits to choose how they want to spend their health care dollars. It could be made simple or difficult.

Warren Hatch asks if the Town has looked into other options. TA Glover states that Primex no longer does health insurance. School Care and NH Inter Local Trust are other pooled plans. Mr. Hatch asks if she is going to shop around. The focus seems to be on Health Trust. TA Glover states that from experience the Town would definitely in the first year get lower premiums but then they would just go right back up. Selectman Bugbee asks if the Town has access to the Healthcare Marketplace. TA Glover does not know if the Town can join the Marketplace as a small employer. She will look into it. She does know that the Town cannot send its employees to the Marketplace to get their own insurance.

Selectman LaCourse wants to see the costs of all other benefits as well as the health insurance.

Selectman Bugbee would like the employees to be invited to the next Board discussion regarding health insurance.

TA Glover will fix her spreadsheets, calculate the Cadillac tax for all of the options, find out whether the Town can join the Exchange as a small employer and present the costs of the other benefits the next time everyone meets.

3. Chairwoman Dennis states that the discussion for FY2015 would be that the department heads would need to determine what their essential needs are and then once they determine them make sure they send the request in writing prior to June 22<sup>nd</sup> so that the Board can address them. Essential needs would be the essential purchases that need to be encumbered. TA Glover reiterates that requests to encumber funds for FY15 must be in a memo and presented to the Select Board meeting on June 22<sup>nd</sup>. The balance at the end of the year will be approximately \$200,000.

Chairwoman Dennis states that one of the major questions to answer for FY2016 is whether or not the Board chooses to move forward with the additional personnel or holding out until after the new tax rate is worked out.

Chief Dronsfield states that his department has been wanting and looking forward to and preparing for this position. He feels that the presentation he previously made justified the need for it. Moral has been affected just by the possibility of not having this person. Having this extra person helps especially when there is just one person on at night. The Chief cannot keep covering the open shifts due to not enough people. The week prior to Memorial Day he worked 65 hours and 14 hours on Memorial Day by himself. He does not want to start forcing people

in. He indicates that they have been at a critical point in needing somebody else for a while now. The number of calls and severity of calls have increased.

Deputy Joe Lombardo is present to speak on behalf of the Fire Department. He refers to the gaps in coverage and states that the department sees these extra hours as being essential.

Selectman LaCourse asks about the cost associated with bringing on new police and fire personnel. Chief Dronsfield said about \$2500 to fully clothe. The overtime budget should decrease. Deputy Chief Lombardo states that it would cost about \$3000 to cover the uniform cost of a new firefighter.

Eric Sawtelle is concerned with change that was made with regards to the Emergency Management Director. He believes that during an actual emergency both of the Chiefs will be too busy to be able to concentrate on the duties that this position demands. He asks if anyone has researched how much it would cost to fund this position.

TA Glover reminds the Board that they need to decide on whether there is going to be a COLA and how much it is going to be so that plans can be made to include it in the next payroll. The tax rate without the Town cost will still be at \$26 per thousand.

Chairwoman Dennis wants to recap what the unknown information is:

1. Estimate of \$100 - \$200k balance
2. Last audit shows \$2.1 million in unassigned fund balance
3. Total tax rate won't know until November
4. State budget won't know until before 7/1/2015

Chairwoman Dennis would like to think about all of this for a week. Selectman LaCourse agrees. This would include whether there is a Cola. Selectman LaCourse would like to ask DRA about assessed values of Durham compared to Lee. The equalization evaluation plus attendance equals how much we pay into the school system.

Caren Rossi adds that Current Use Penalty Checks should be coming in soon for somewhere between \$100 – 200,000. 50% goes into the general fund and 50% goes into the land use change tax fund. This fund is currently up to \$300,000+.

4. Chairwoman Dennis moves to enter into non-public session under RSA 91-A: 3 II (c) at 7:38 pm. Selectman LaCourse, seconds. All in favor. **Motion Carries.** The Board returns to public session at 7:45 pm.

Chairwoman Dennis announces that her father-in-law Wallace Dennis born in September 1920 is the oldest living citizen in Lee and the next recipient of the Boston Post Cane since Mrs. Cathcart's recent passing. She will be presenting the Boston Post Cane next Sunday on Father's Day at the Public Safety Complex at 1pm. The first holder in Lee was 1911, Moses V. Davis.

5. Chairwoman Dennis motions to adjourn at **7:35 pm**. Selectman Bugbee, seconds. All in favor. **Motion Carries.**

**SELECT BOARD WORKSHOP MINUTES**

**June 15, 2015**

**PAGE 5**

Minutes transcribed by:


Minutes accepted by The Lee Select Board:

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Denise Duval, Town Secretary

  
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Carole Dennis, Chairwoman

7/6/15  
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Date

  
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Scott Bugbee

  
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John LaCourse



**NON-PUBLIC MINUTES OF THE BOARD OF SELECTMEN'S MEETING**

**June 15, 2015**

Board members present: Chairwoman Dennis, Selectman Bugbee, Selectman LaCourse

Others present: Town Administrator Julie Glover

1. Chairwoman Dennis motions to enter into Non-Public Session at 7:28 pm per RSA 91-A: 3II (c) matters that, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the body itself, unless such person requests an open meeting. This exemption shall extend to any application for assistance or tax abatement or waiver of a fee, fine or other levy, if based on inability to pay or poverty of the applicant. Selectman LaCourse seconds. Roll Call Vote. **All Agree following Roll Call Vote.**
2. TA Glover presents for Select Board signature an agreement drafted by the Town's attorney to resolve the ownership issue of the property located at 4 Hills Acres. If Mr. Hancock, the presumed current owner, agrees to it the Town will take the property by tax deed, and sell it to Mr. Hancock for \$5,000.
3. The minutes are not to be sealed.
4. Chairwoman Dennis motions to reconvene to public session at **7:38pm**. Selectman Bugbee, seconds. Roll Call Vote. **All Agree following Roll Call Vote.**

Minutes typed by:

Julie Glover, Town Administrator

Minutes accepted by Lee Select Board on 7/6/15.

  
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Carole Dennis, Chairwoman

  
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Scott Bugbee

  
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John LaCourse