

Members present: Kevin M. McCormick Christopher A. Rucho
John W. Hadley Siobhan M. Bohnson

Mr. McCormick convened the meeting at 6:05 p.m.

Ken Lombardi, EBS Foran

The town regularly invites Mr. Lombardi in to report on the state of health insurance. EBS Foran was purchased by National Financial Partners, which will expand the services they can offer to their clients. Nothing will change with what they offer to our town. They also currently offer the town onsite services with Sarah Gruhin one day a week. Mr. Lombardi reports that the town is services by a number of plans. Most are in Harvard Pilgrim and renew on July 1. They just completed most of the work activity. The retiree plan renews January 1 and we have 160 seniors in the plan. A couple of things are impacting our health care plan. When it comes to health care plan rates they look at experience data, historical claims and what they think the cost of health care will be in our general area, which is now about a 6% increase. Of that 6%, 2.5% is attributable to the Affordable Health Care Act and provide for in The Act. If we had no negative loss experience we would have a 2.5% increase. What could increase or decrease that cost would be historical data and medical loss ratio. It is running slightly high with some large claims. We have 600-700 members under the claims. Things they evaluated with the Insurance Advisory Committee (IAC) were plan design options and joint purchasing. They started the negotiation process today with Harvard Pilgrim. What is also out there is the GIC, the state's health plan and they are looking at a large rate increase this year. In our geographic market, carriers can some times look at what the GIC is doing. Our premium rates are competitive with the GIC, we benchmark well today, and GIC could go up 9.5%. It may be one of those things that if the state needs 9.5% they may feel justified looking at that rate. The IAC will continue to study options and look at design plan changes. We are currently at 70/30 for new employees.

Mr. Lombardi feels the thing that is slightly concerning this year is that the GIC is sort of out there. The Board of Selectmen has the legislative right at any time to change the benefit. If they would like a 0% we could modify the co-pay benefit to get that number. Ms. Bohnson questioned when we will have the number. Mr. Lombardi advised early to mid February. If there is a catastrophic issue we could modify benefits. Currently 20 of the 200 insured are on the 30/70 plan. They are new hires and most of them are on the school side. Each 1% increase is \$25,000. Our rate is similar to the GIC, however, we offer a better plan. Mr. McCormick questioned why a 9.5% increase in the GIC would impact us. Mr. Lombardi explained that the threat that any community can join the GIC. Now what is happening is it takes away the incentive to join the GIC because the rates would be the same. Prior to that we would use any market conditions to keep the rates as low as possible. Their job is to conclude renewals as soon as possible so we do not have to worry about that. Mr. Rucho asked if the GIC said the more customers they had would lower the rates when they first allowed cities and towns to join the GIC. Mr. Lombardi clarified that they did not; however, by accepting everyone it had an impact.

Mr. Lombardi reports that the IAC has been meeting regularly to make sure everyone is aware of all the options. Ms. Bohnson asked how our claims were based on the size of the town and the numbers in the group. Mr. Lombardi advised that this year is the first time in a while that we have a couple of large claims. If you have one large claim often it is ignored. Ms. Bohnson asked if we have more family members on now than one year ago. Mr. Lombardi explained that we have seen a decrease in our enrollment. We have lower co-pays than most and anyone can join at open enrollment. When preparing the health insurance budget Mr. Gaumond does so based on eligible employees being in the plan. Mr. Lombardi added that they use two, 12-month periods to look at our risk. We have to

make sure we get as fair a deal as possible. We have a very good working relationship with the IAC, which is made up of employees and retirees. They have made some dramatic changes over the last few years and their mission is to make sure we are being diligent and doing our job. Mr. Gaumond noted that when we get down to the nitty gritty, we may find that by raising co-pays by \$5 may have a small impact. The IAC discussed a two-tiered system, previously raised emergency room visits from \$50 to \$150, and we offered flexible spending accounts beginning the year we made contribution changes.

Consider Recommendation to Declare State of Emergency as of 12:00 a.m. on January 27, 2015

Mr. Gaumond reports that Tom Welsh, Fire Chief and Emergency Management Director recommended that we declare a local State of Emergency, which was concurred on by the police chief. Mr. McCormick spoke with the Fire Chief and Mr. Gaumond. Mr. Rucho asked about the advantages of doing so. Mr. Gaumond explained that in the event that the state or federal government reimbursed for costs we will be asked if the town declared a State of Emergency which allows us to deficit spend to bring the community back into a safe, passable location. We had that situation in 2008 with the ice storm. He added that we are still under a State of Emergency. Ms. Bohnson asked if we have the authority to extend just for the town. Mr. Gaumond advised that we could. He also feels the Governor made that declaration as a presumptive strike. A community could make its own State of Emergency.

Motion Mr. Hadley that the Board vote to ratify, validate and confirm the declaration by the Chairman of the Board of Selectmen of a Local State of Emergency in the Town of West Boylston, Massachusetts on January 27, 2015 as a result of the blizzard and repercussions thereof; at that time, blizzard conditions and record breaking snow, and such conditions posed an immediate and significant threat to the health and safety of persons and property in the Town, seconded by Mr. Rucho, all in favor.

Motion Mr. Rucho at 6:38 p.m. to enter into executive session under the provisions of MGL, Ch. 30a, Section 21(A), Part 6 to consider the purchase, exchange, lease or value of real estate if the chairman declares that an open meeting may have a detrimental effect on the negotiating position of the public body, seconded by Mr. Rucho. The Chairman declared that an open meeting may have a detrimental effect on the negotiating position of the public body. Roll call vote: Mr. Hadley yes, Mr. McCormick yes, Ms. Bohnson yes, Mr. Rucho yes. The Board will not reconvene in open session.

Motion Mr. Hadley at 7:00 p.m. to come out of executive session, seconded by Ms. Bohnson. Roll call vote: Mr. McCormick yes, Mr. Hadley yes, Ms. Bohnson yes, Mr. Rucho yes.

With no further business to come before the Board, motion Ms. Bohnson at 7:01 p.m. to adjourn, seconded by Mr. Rucho, all in favor.

Respectfully submitted,

Nancy E. Lucier, Municipal Assistant

Siobhan M. Bohnson, Selectman

Approved: February 4, 2015

Kevin M. McCormick, Chairman

John W. Hadley, Vice Chairman

Christopher A. Rucho, Clerk