

**ADVISORY BUDGET COMMITTEE
TOWN OF MADISON
September 27, 2016
MINUTES**

Members Present – Bill Lord; Selectmen Representative John Arruda; School Board Representative Cheryl Littlefield; Nicole Nordlund; Jeffrey Balogh

Members Absent – Hersh Sosnoff; Ron Force

Others Present – Selectmen Josh L. Shackford and Robert J. King, Jr.; Finance Director Sue Stacey; Recording Secretary Linda Farinella; Health Trust Benefits Advisor Peter Chapel; Madison TV Videographer Carol Dandeneau

Where and When Posted – Town Hall upper & lower bulletin boards and Madison & Silver Lake Post Offices on August 2, 2016.

Meeting Called to Order – By Lord at 6:00 p.m.

APPROVAL OF MINUTES:

There were no minutes.

DISCUSSION ITEMS/NEW BUSINESS:

Health Trust Benefits Advisor Peter Chapel: Lord introduced Mr. Chapel to the Board and thanked him for attending. Chapel's presentation was prompted by the Board of Selectmen with Lord adding that the committee's year-end report mentioned a concern of rising health insurance costs for town employees. Chapel presented booklets to each member to be reviewed during the presentation. Chapel's responsibility is ensure all services available are understood by the employer and employee. Better healthcare consumers help to limit claims.

Health Trust is a public-sector risk pool that offers health, dental, life, short and long term insurances. A finance committee recommends the premiums each year after public hearings are held. 2017 rates will not be available until October 18th at the second public hearing.

Madison is in a '50 and under' pool which relates to the number of employees insured.

Several changes to policies will go into effect as of January 2017. Discussion regarding SOS – Site of Service – that works to bring costs down. SOS utilizes pre-determined labs and ambulatory out-patient companies that allow employees to have procedures done with lower or even no deductible.

Stacey noted plans differ with the amount of therapy appointments. Stacey questioned if the 20 visits allowed is per year or per incident. Chapel would find that answer.

Much discussion was had as to the particulars of each health insurance and prescription plans. A benefits comparison sheet specific to Madison was present by Chapel was used; it included five different plan options one of which Madison is currently enrolled. The comparison sheet used rates from 2016, as 2017 rates have not yet been decided.

Chapel explained that some employers offer two plans to their employees. Often paying only a percentage – 90/10 – to incentivize employees to choose a less expensive plan that the employer pays 100%. At the same time, Chapel explained that if the employee pays towards their health insurance they are more likely to use it carefully and with thought.

King asked about incentives for employees that do not utilize the towns insurance. Chapel knows employers use that quite often, it involves a set amount paid to the employee, with the amount usually based on a single person plan.

Nordlund asked about joining the school and town for insurance. Chapel said it is possible, but usually the June vs January rating dates and contract negotiations make coordinating it difficult.

The committee thanked Chapel for his presentation, time and information. Chapel offered to return and do a benefit exercise with employees on wellness. This would inform employees of options they would have to reduce costs. Chapel would introduce and explain the difference in those options such as hospital care, urgent care facilities, PC, and video visits.

DRAWDOWN REVIEW:

Arruda noted that we are 75% of the year with 64% of the budget utilized.

The Fire Department new equipment line is over because the department purchased a used rescue truck after a public hearing was held, which included the budget committee.

The Road Agent is on target with a plan to pave High Street next year. The board agreed to something new at their last meeting, a pre-buy with F.R. Carroll for the liquid to do the project next year. The board was confident that oil prices would not go any lower and the \$65/ton price is locked in.

Lord asked if that agreement would include the proposed project at the library. Arruda stated, no; but there has been other discussion about several projects., nothing has been scheduled as of yet.

Littlefield asked about the insurance liability line being at 186.3%. Stacey will check that line.

Balogh requested to go back to the insurance discussion asking who makes the final decisions about health insurance. The Board of Selectmen are the decision-makers. Balogh asked if there is an employee contribution. Some grandfathered employees contribute 10% for a more expensive plan; others have 100% paid for less expensive plan. Balogh feels this is generous compared to private sector. King explained that many town's run into retention issues and keep employees through benefits, as salaries are not as high as the private sector. Balogh commented that in some companies the employee pays for the amount over and above, sometimes by several times a single rate, to insure their family. Arruda asked what other option are there. Stacey noted she offered the selectmen information from Health Trust and Interlocal Trust. The prices were not significantly different which brought up the question if it is worth the effort of changing companies.

UPCOMING LARGE EXPENSES:

Lord asked if there are any big-ticket items coming up for the next fiscal year. 1) The school would be looking into a new bus and the addition of four new students, of which two are special needs. 2) Town employee health insurance. 3) The highway department would be paving High Street, 4) looking into a future plan for a new grader which is in the CIP, and 5) a need for a new 1-ton truck. 6) The police department will be on the rotation for a new cruiser.

ENERGY ADVISORY COMMITTEE UPDATE;

Nordlund, as the Budget Committee member to the Energy Advisory Committee, provided an update. The EAC has plans to submit a warrant article for the envelope 'tightening up' of the Town Hall and school through insulation, caulking, etc. A possible warrant article for LED lighting is being considered.

TOWN CENTER COMMITTEE UPDATE:

Arruda offered a Town Center Committee update in the absence of Force. The committee disbanded as it was finding that the plan would require tax payer investment in a private enterprise, and the committee saw little potential support for such a plan.

PUBLIC COMMENTS: There was none.

NEXT ADVISORY BUDGET COMMITTEE MEETING – The next Advisory Budget Committee Meeting will be on Tuesday, October 25, 2016 at 6:00 p.m. in the lower level of Town Hall.

ELECTION OF OFFICERS:

Motion by Balogh, seconded by Arruda to nominate Bill Lord as Chairman for the 2016-2017 Advisory Budget Committee. The motion passed unanimously with Lord accepting.

Motion by Balogh, seconded by Littlefield to nominate Hersh Sosnoff as Vice-Chairman for the 2016-2017 Advisory Budget Committee. Lord has spoken with Sosnoff earlier and Sosnoff would accept if nominated. The motion passed unanimously.

7:30 PM – Balogh made a **motion** to adjourn, seconded by Littlefield. The motion passed unanimously.

Respectfully Submitted,

Linda Farinella
Recording Secretary