

TOWN OF KINGSTON

Memorandum

Office of the  
Board of Selectmen and Town Administrator

TO: Honorable Board of Selectmen

FROM: Jill R. Myers, Town Administrator

DATE : April 8, 2010

SUBJECT: Town Administrator's Report for the BOS Meeting of April 13, 2010

FY2009 Audit

The Audit has been completed and is available. The exit interview between the Auditor, Audit Committee, and staff will be scheduled soon.

Green Communities Designation

With the approval of Town Meeting, we met Criterion 1, 2, and 5. Criteria 4 was achieved with the BOS adoption of the Fuel Efficient Vehicles policy on 3/30/10. We are in the queue for the energy audit necessary for achieving Criteria 3 (baseline energy reduction plan). The audit had been delayed by the DOER, but a kick-off meeting is scheduled for the week of April 19<sup>th</sup>. Our (unpaid) Intern, Caitlin Mance, from BU is compiling the energy usage information/inventory from various sources to quantify our baseline consumption. Town Planner Bott will prepare the submittal for "Preliminary Consultation" by April 21, 2010 prior to submitting the Green Communities Designation Form due May 12, 2010.

Achievement of Criteria 3 – because the Energy Audit will not be completed by April 21, *I respectfully request that the BOS endorse the intent to adopt an Energy Reduction Plan.* That means that once our baseline is benchmarked, we will establish energy reduction goals and develop a structure to meet those goals over a specific period of time – 20% reduction in 5 years. It is anticipated that any retrofits would be grant funded.

Health Insurance; Plan Design Changes

In February, I reported that the quotes on Health insurance offerings came in higher than the forecasted 10% increases – aprpx 18.9%. In FY10, our Joint Purchase Health Group/Trust (New name – Mayflower Municipal Health Group) subsidized 4% of the increases. Because the surplus funds have diminished, in order to manage the rates for FY11, the Group considered plan design changes with a subsidy to provide for a 10.5% increase across all plan offerings, effective July 1, 2010, and the elimination of two high cost retiree plans – Master Health and Carve-Out B (out of six offered) which provided increases ranging from 20-50%. I have met with the Town's Insurance Advisory Committee (IAC), and they have endorsed the following:

Blue Cross Blue Shield Network Blue HMO

	<u>Current Cost</u>	<u>Cost Eff: 7/1/10</u>
Office Visits	\$5	\$15
Emergency Room	\$25	\$75
Prescriptions		
Retail	\$5/\$15	No change
Mail Order	\$10/\$20/\$35	\$20/\$40/\$70

Harvard Pilgrim HMO

	<u>Current Cost</u>	<u>Cost Eff: 7/1/10</u>
Office Visits	\$10	\$15
Emergency Room	\$50	\$75
Prescriptions		
Retail	\$5/\$15	\$10/\$20
Mail Order	\$5/\$15/\$35	\$20/\$40/\$105

The reason that the Group voted to increase co-payments was that these changes will help to offset premium increases that were expected to be as high as 18.9% for active plans. An 18.9% increase in contributions for the Harvard Pilgrim HMO (Family Plan) would be an additional cost of \$26.30 per week for each employee. For those enrolled in Network Blue (Family), the increase would have been \$22.38 per week. Even with the increases in co-payments, contributions for health insurance will increase 10.5% or approximately \$8.55-\$11.62 per week for those on family plans.

Our Health Insurance budget is currently \$1,863,844. With the 10.5% increase, it will be approximately \$2,059,548 for FY11.

*I respectfully request that the BOS approve the IAC recommendation as noted above.* While we did solicit the input of employees and retirees through the IAC, the Town is obligated to bargain with its unions over the impact of health insurance changes. Notices have been provided to the Unions.

Also, the BOS received correspondence from the FinCom related to health insurance for elected officials.

Annual Town Report: The Report is available in hard copy and [www.kingstonmass.org](http://www.kingstonmass.org).

Miscellaneous:

- Senior Center Building Project – Filed Sub-Bids due 4/13
- Town offices are closed on 4/19 for Patriot’s Day
- Town Election – 4/24
- Senior Center Building Project – General Contractor Bids due 4/27

- The continued date of the BOS Road Lay-Out Hearings is 4/27. They relate to Annual Town Meeting articles 35 and 57 postponed to the continued ATM of June 1, 2010.