

Memorandum

Office of the
Board of Selectmen and Town Administrator

TO: Honorable Board of Selectmen

FROM: Jill R. Myers, Town Administrator

DATE : June 4, 2009

SUBJECT: Town Administrator's Report for the BOS Meeting of June 9, 2009

FY2010 BUDGET PREPARATION

As you are aware, the focus of the last two weeks has been FY10 budget and Town Meeting preparation. At a special BOS meeting on June 1, 2009, the BOS and Firefighters Union ratified a MOA for a wage freeze (0%) increase for FY10, and communicated the same to FinCom that same night in order for the Fire Department budget to be funded. Funding reinstated two sworn positions, however, funding constraints provided for the elimination of the part-time Call force. Notification letters (with regrets and appreciation) have been sent by the Fire Chief to the Call force.

Correspondence was sent to our Legislators regarding opposition to SB2045 – the transfer of the county sheriff's department assets to the Commonwealth, but retaining some liability with municipalities for pension and health insurance claims. While there is no objection to the transfer of assets, we asked that any liabilities be assumed by the Commonwealth as well. This has a potential FY10 budget/cherry sheet impact to the Town.

FY2009 BUDGET STATUS

The Town Accountant has provided a Year-end Bill memo to all departments. Bills for the final warrant must be received by July 9. Additionally, all payments/deposits to the Town must be turned over for deposit before June 30 to be credited as FY09 revenue. We are reviewing the year-end Department account balances. At this time, the Street Lights budget will be over-expended. Staff will put forth an end of year transfer request for BOS and FinCom for approval before June 30. MGL provides for such intra/inter departmental transfers for amounts up to \$5,000 or 3% of the operating budget, whichever is greater. This is separate from Reserve Fund transfer requests.

INSURANCE ADVISORY COMMITTEE (IAC)

On June 1, 2009, I met with our Benefits Consultant, Joe McCarthy, and it was brought to my attention that an Insurance Advisory Committee (IAC) meeting had not been convened for the FY10 benefit renewals (July 1, 2009) and the open enrollment concluded on May 30, 2009.

M.G.L. c. 32B, § 3 provides that:

Prior to the purchase of said insurance, and execution of all such agreements or contracts within the limits established by said sections, the appropriate public authority shall consult with an advisory committee for the purpose of securing the written recommendations of a majority of the membership of said committee. Said committee shall consist of eight members as follows: seven persons to be duly elected or appointed to membership on such committee by organizations of the employees affected, and one person who shall be a retiree of a governmental unit who shall be duly appointed to membership on said committee by the appropriate public authority.

As you may know, the rates for the for FY10 (July 1, 2009) have increased from the current year (FY09) by 4.2% for BCBS Network Blue to 11% on HPHC HMO, with new voluntary options for lower premium/higher co-pay “rate saver” plans. At this time, no one has selected the “rate saver” plans.

Unfortunately, the highest cost increase affected the most expensive plan offering – BCBS Master Health Plus – a 50% increase to FY09 rates for a monthly renewal rate of \$1,605 for an individual and \$3,825 for a family plan which is split 60%(er):40%(ee). We currently have a total of four employees on that plan – one active and three retirees. Mr. McCarthy has offered to reach out to the Master Health Plus participants to suggest comparable plan offerings provided from other plans currently offered. I understand that this voluntary/informal approach was successful in recent years, and could potentially save \$40,000 over the next fiscal year – shared 60:40 with the affected employees.

The IAC should meet on an annual basis to discuss insurance related issues. While there has been a renewal of current offerings, I offered to schedule a meeting for Thursday, June 11. If a majority of the representatives feel the meeting is not needed, I will cancel the meeting.

ANNUAL RE-APPOINTMENTS

The final list of annual re-appointments is being prepared and will be on the Board’s June 9th meeting. There will also be a meeting with the members of the Housing Authority to fill the vacancy by joint appointment. The listing of vacant positions has been updated on the Town’s website.

MISCELLANEOUS:

- June 8: 40R Hearing before the Planning Board
- June 10: IBPO Police Union Arbitration on collective bargaining agreement negotiations
- June 11: Insurance Advisory Committee (Tentative)
- June 16: Council of SEMASS Communities

Should you have any questions regarding the foregoing, please do not hesitate to contact me. Thank you!