

Tilton-Northfield Fire & EMS Commissioners' Meeting

Meeting Called By:	Commissioners	Date, Time:	November 15, 2010 at 17:30
Transcribed By:	Kathy Tobine	Place:	Tilton School, new Academic Building, School Street, 2 nd Floor, Room 213, Tilton

Commissioner Gallant called the Budget Work Session to order at 5:30 PM.

Present: Commissioners Auger, Clark and Gallant; Interim Chief Mike Robinson, Interim Deputy Chief Brad Ober and Administrative Assistant Kathy Tobine.

Health Insurance

Commissioner Gallant stated we will pick up where we left off on the medical coverage. Kathy has, at the request of Commissioner Clark, distributed a spreadsheet comparison of the plans between LGC and Melcher & Prescott. Commissioner Clark had requested an additional column be included on the plan they had discounted previously.

Commissioner Gallant asked Commissioner Clark what he had to say. Commissioner Clark stated it was worthwhile to talk to the consultant Spaulding uses. Coming into the last meeting he felt that Melcher & Prescott was not a bad way to go. She persuaded him otherwise. She recommended a plan that was looked at a couple weeks ago. She said that is has to be good for the Fire District but also good for the men. The co-pays are a lot less than with Melcher & Prescott. Commissioner Clark handed out a copy of the e-mail for all to read. She cautioned about leaving LGC because they will freeze you out for at least a two year minimum. She also cautioned about the prescription plan with Melcher & Prescott. Theirs is 10/35/30% whereas the one with LGC is 10/20/45. The 45 is \$45 whereas Melcher & Prescott has it as 30% of the cost. The LGC plan protects the employee better. By going with the third column it saves the District about 15%. On the third column, LGC does not offer a parent and child plan so that would be a 2-person plan. The monthly premium would be \$14,518.44 for an annual premium of \$174,221.30. The 90% cost would be \$156,799.15. If you compare the \$156,000 to the \$186,000 it is actually a 16% savings. This is good for the District.

Brad asked Commissioner Clark if he was proposing funding the deductible. Commissioner Gallant said no, not with that number. Commissioner Clark stated what he is proposing is that the first \$250 be paid by the firefighter and the other \$750 would be paid by the District. Brad said if he is not proposing to fund the entire deductible they should go back into the second column. Commissioner Clark stated either that or not fund it at all and stay with the third column. Either one is better than Melcher & Prescott. Brad stated having a deductible will put some people over the edge if you add in a 10% contribution. Commissioner Gallant stated this is a cut in benefits. Brad asked about considering an HRA arrangement with LGC similar to what Melcher & Prescott offers. Commissioner Gallant stated LGC does not offer HRA. We could self administer.

Commissioner Clark asked about the deductible. Kathy responded she is assuming it is \$500 per person up to a maximum of \$1,500 for a family. Commissioner Gallant read from the e-mail regarding the deductible that the \$1,500 deductible is for a family plan. Commissioner Clark is willing to propose the employee pays the first \$250 of the deductible for a single plan,

TNFD Commissioner's Meeting
November 15, 2010

\$500 for a 2-person plan and \$750 for a family plan. He asked Commissioner Auger his thoughts. Commissioner Auger feels there should be a deductible. They are offering the family plan to everyone. Commissioner Clark said five would take the family plan. Commissioner Gallant said it depends on what they decide. He brought up again that it is a cut in benefits and asked why they should want to pay 10% of the premium if this is cut in benefits. Commissioner Clark said insurance is set up to take care of the worst case scenario. That's what it is for. He can see where Brad is coming from. It would be worthwhile to pay for part of the deductible out of pocket. Brad stated the first year out that the least amount of impact on the employee would be best received in this situation.

Discussion ensued regarding the deductible ratio. Commissioner Gallant said they should cover the whole deductible. Commissioner Clark recommended they budget 50% of the maximum deductible exposure. They can try it out for a couple of years and see if it works. Brad stated that after the first year they will have a much better idea of what their exposure is.

Commissioner Gallant recommended they go with the LGC MTB15IPDED in the third column and budget an additional \$6,500 for maximum exposure on the deductible. This brings the total to \$163,299 for insurance with the District covering the deductibles. This brings the budget line up \$20,000 over last year.

Commissioner Gallant asked about the insurance buy-back. The Towns offer \$1,500, \$3,000 and \$5,000 for single, 2-person and family. Commissioner Clark handed out another paper. He stated that if you look at the third page that out of 29 organizations only nine of them even offer a buy-out. This information is needed when you go before the voters and talk to them. Commissioner Gallant stated the Budget Committee goes before voters. One member of the Board of Commissioners goes to the Budget Committee meetings. Brad stated it's an odd concept to wrap your head around. The concept is to reduce the overall insurance cost. Commissioner Gallant stated that is obviously true. Brad put the numbers up. Most of the Towns in the study give a percentage. They give 50% of a single plan, 25% of a 2-person plan and 25% of a family plan. This is the average of nine communities. Discussion ensued. It was agreed that the buy-outs will be set at \$1,500, \$2,250 and \$3,500. Commissioner Gallant stated this needs to be taken up as a policy change.

Commissioner Gallant stated that in summary they propose to set the buy-outs at \$1,500 for a single plan, \$2,250 for a 2-person plan and \$3,500 for a family plan and go with the Local Government Center plan of MTB5IPED-RX10/20/45. There will be a 90/10 split. They are mutually in agreement that they will calculate the maximum deductible exposure based on people to deductible and will fund 50% of that. This needs to be added to the bottom line of budget. All agreed to fund 50% of the maximum exposure.

Dental Insurance

Commissioner Gallant brought up Delta Dental. Currently the District doesn't pay anything. He feels what they have done is enough for this year. All agreed.

Long Term Disability Insurance

Commissioner Gallant asked about the Long Term Disability quotes. Brad gave an annual premium of \$3,400 for the Long Term Disability. Commissioner Gallant asked what the reaction would be if they went 50/50 on the premium of the Long Term Disability. This is a

TNFD Commissioner's Meeting
November 15, 2010

good compromise. It is giving them a benefit they currently don't have. He wants the figures for what the weekly cost would be.

Meeting Schedule

Commissioner Gallant asked about changing the meetings from the third Thursday to Wednesday and changing the time from 6:00 PM to 5:30 PM. All agreed that the meetings would still be held on the third Thursday of the month but the time would change to 5:30 PM. Commissioner Gallant stated that once we go to 5:30 PM for our meetings the first thing on the agenda will be to review the minutes and then public input.

Kathy brought up the December meeting. LGC requested they be on the agenda in a non-public session as names will be mentioned. The meeting is scheduled for December 16th. It was decided to reschedule the meeting to Wednesday, December 8th due to scheduling conflicts. It will begin at 5:30 PM with the non-public session and the public session will be at 6:00 PM. The non-public will be held in the Admin Conference Room with the three Commissioners and Interim Chief Robinson present.

Other Business

Commissioner Gallant stated this meeting concludes the meetings dealing with the Wages & Benefits. Wednesday's meeting is on the budget. He believes they will need only one more meeting to pass it over to the Budget Committee and proposed the Monday of Thanksgiving week to wrap up the budget.

Commissioner Gallant asked Brad his overall feelings on what has been done. Brad replied they are good. Commissioner Gallant stated these are positive steps they have taken. Brad stated they just have to follow through now.

Adjournment

Commissioner Clark made a motion to adjourn. Commissioner Auger seconded the motion. There being no discussion, vote was taken. Vote was unanimous.

The meeting adjourned at 7:00 PM.

Respectfully submitted,

Kathy Tobine
Administrative Assistant

Next Meeting Date, Time, Place: November 17, 2010 at 17:30. Meeting to be held at Tilton School, new Academic Building, School Street, 2nd Floor, Room 213, Tilton.