

Call to Order

The meeting was called to order by Chairman Morris at 7:30 a.m. in the Third Floor Selectmen's Conference Room A. The meeting was taped but not live cablecast.

In attendance were Chairman Michael Morris, Vice-Chairman Mark Baldwin and Thomas Hartwell. Absent were Steven Caron and School Committee Liaison Paula Colby-Clements. Also in attendance were Finance Committee Liaison John Barry, Selectman Liaison Robert Landry and Finance Director Donna Walsh. Mark Wickersham has resigned from the Committee.

Mr. Morris introduced the day's invited guests Tom Lombardi and Bill Bryan of NFP, the Town's healthcare consultants and Phil Collins, Collins, Loughran, the Town's labor counsel.

Approval of Minutes – September 3, 2015

Upon motion duly made by Mr. Baldwin and seconded by Mr. Hartwell, it was unanimously voted to approve the above minutes as amended. Motion passed 3-0.

Summary of Mr. Hartwell

Mr. Hartwell summarized the last meeting with legislators. Representative Lyons agreed to refile House Bill 59, now House Bill 4151. He also summarized his attendance at the PERAC meeting. The communities of Needham and Dedham fully fund its liability to the ARC, thereby enabling a higher discount rate. If Andover fully funded to the ARC, \$12-13M would be the annual contribution. We are underfunding by \$6M.

Presentation by Ken Lombardi and Phil Collins

Mr. Lombardi reported that reforms began in FY2009 resulting in a lower base rate, and by working collaboratively with the unions, significant changes were made to FY2016 healthcare benefit plan design for active employees resulting in higher deductibles. In FY2015 two separate risk pools were joined through the acquisition of teachers from GIC to the Town's program.

Mr. Collins reported that no changes could be made to the retiree health plan until the state moratorium is lifted on June 30, 2016, and that municipalities are obligated to abide by the mandates of Chapter 32B. Significant reforms were made four years ago resulting in plan designs reflective of the GIC and the formation of employees' representation in the PEC.

Mr. Hartwell suggested increasing retiree contribution rate and dropping spousal and dependent coverage. Mr. Collins will research. He also reported that the requirement for 65+ retirees to be covered by Medicare was not achievable by all retirees, since prior to 1986 the 1.45% contribution to Medicare was not deducted. A total of 53 retirees did not contribute and therefore are not eligible for Medicare.

In answer to Mr. Landry's question whether two different plan designs could be developed for active employees and retirees under 65, Mr. Collins responded that he would research whether this option was allowable under Chapter 32B. Mr. Lombardi added that separating the two plans would not result in significant dollars and that having both groups in one program would result in the optimal savings.

Mr. Hartwell referenced the “Beverly Hills” buyout program resulting in 57% of retiree participation and questioned whether this program could be offered to our retirees. Mr. Collins will research. More than 50 active employees had opted out of insurance coverage, resulting in significant savings.

In answer to Mr. Hartwell’s question when the new actuarial report would be available, she responded in November. Mr. Lombardi opined that the actuary would look favorably at the new plan designs.

In answer to Mr. Morris’ question on the coordination of collective bargaining efforts, Mr. Collins responded there is very little among the unions, with the school and town having two separate counsel. Both agreed that coordination efforts was critical going forward in the negotiating process. School counsel will be invited to attend the next meeting.

Next Meeting

Mr. Morris stated that the Committee is concluding its fact-finding mode and is ready to make its recommendation. One more presentation is needed.

The next meeting is scheduled for Tuesday, October 6th at 7:30 AM. School labor counsel has been invited to attend

Adjournment

Upon motion duly made by Mr. Baldwin and seconded by Mr. Hartwell, it was unanimously voted to adjourn. Motion passed 3-0.

Meeting adjourned at 9:05 a.m.

Respectfully submitted,

Christine Martin Barraford
Recording Secretary