

BOARD OF SELECTMEN Workshop
Minutes of 04-05-10
4:15 p.m.

Selectmen:

Charles G. Palm, Chairman
Colette Worsman, Vice Chairman
Peter F. Brothers
Miller C. Lovett
Nathan J. Torr

(Absent with Notice)

Town Manager:

Phillip L. Warren

Recording Clerk:

Karin Landry

W 10-16 Massachusetts Avenue Extension

Community Development Director John Edgar used visual aids to set forth the location of Massachusetts Avenue Extension, and a five-lot subdivision that gained final Planning Board approval in 2005 that is accessed by the road. The word "Extension" is used to distinguish the section of the road from the previous Massachusetts Avenue continuation. As a condition of final Planning Board approval of the subdivision, 600' of road improvements were made. Three of the five lots have been developed and four additional lots benefit from the improved access. The subdivision has been sufficiently developed for purposes of considering the road acceptance. The Board of Selectman have authority to accept the dedication. A homeowners' association is in place to provide for private maintenance until if and when the road is taken over by the governing body. Easements have been obtained from two property owners allowing for maintenance of the hammerhead by the homeowners' association. The easements are ready to be reconveyed to the Town. The easement descriptions will be added to the as built. Sign offs were recently obtained from Public Works Director Mike Faller and Water & Sewer Superintendent Brian Carroll.

The Board reviewed recent photographs depicting a variety of views of the road. Michelle Ricutti, President of Leia Lane LLC, and Carl Johnson, Jr., who shepherded the project through the approval process, were in attendance.

Selectman Brothers expressed his appreciation for the Planning Departments thorough staff report.

The Town Manager visited the site approximately two weeks ago, and the conditions are what is on the as built. He recommends acceptance of the utilities, as the property is in the water source protection district, and is in close proximity to the Lake.

Mr. Edgar responded to various questions posed by the Board. He explained that that the road width of this new section is substantially the same as the existing Massachusetts Avenue continuation, and he does not foresee an interconnection of roads in the area in the future. The road fared well during the recent rain events. Dialogue ensued regarding the extent of the

dedication of the road. Selectman Palm suggested dedicating the entire road to avoid problems that could arise with an undedicated section in the middle of the road.

Dialogue ensued regarding acceptance of utilities. Ms. Ricutti consulted with an attorney when the homeowners' association was formed, and the association documents were crafted to allow for the conveyance of the roadway, water, and sewer lines to the Town. For purposes of conveyance, it must be verified who the current owner of the roadway and utilities is (i.e. the Association, Ms. Ricutti). In addition, it should be clarified that the pumps on private property will not be conveyed to the Town. It should be clear that what is in the roadway is what will be accepted, not the private property leading to the roadway.

Mr. Warren explained that the down side of not taking over a utility is a right of entry conflict that could result in potential delays in emergency situations. Potential delays could cause damage to the water resource area.

Selectman Worsman is concerned with additional expenses incurred by the Town in accepting the road. She is not in favor of taking over and extending roads that the Town has to maintain in any way shape or form. Mr. Edgar explained that access fees are paid for water and sewer connections as properties come on line, regardless of who is responsible for the roadway and utilities. Massachusetts Avenue is currently plowed by the Town, and the Town would plow 600' additional feet of road if it is accepted.

The Chair summarized by verifying that all retainage has been properly handled and released, the concerns of Leia Lane LLC and the water and sewer department have been met, and a modification will be made to include the easement around the hammerhead. Mr. Edgar will review the title work relative to the water and sewer lines, and whether the homeowners' association has a role relative to any of the conveyance issues.

The Town Manager recommends the matter be scheduled for a public hearing and Board action at the May 3 regular Board meeting. It is likely that Selectman Brothers will be unable to attend the meeting, but he will share his thoughts in terms of acceptance in written form.

Messrs. Edgar and Warren will have all documents reviewed by legal counsel.

10-17 Health Insurance Proposal

The Town Manager reviewed the LGC Healthtrust proposal for health insurance. The initial renewal contained a guaranteed maximum rate increase 26.2%, together with an increase in co-pays and deductibles and a decrease in some benefit levels, all of which will result in an increase to the Town employees. Additional costs would be borne by employees. Although LGC subsequently reduced the increase to 20.9%, there is a concern with additional costs being shifted to the employee in a year where there are no steps or cost of living increases.

A program has been identified through Harvard Pilgrim HealthCare that will amount to a cost savings of approximately \$116,867 in annual premiums. The plan provides employees with an HMO and a PPO (preferred provider option). The plan includes a \$1,000 individual and \$3,000 family deductible that would be covered by the Town. If all persons covered under the plan utilize the full deductible, the cost to the Town would be \$167,000; however, the industry

standard for a group this size is an estimated 20 claimants will utilize their full deductible, for a cost of \$15,000. The plan results in a net savings over LGC's 20.9% increase of a minimum of \$65,000 during the two-year contract. The Town must consider a prior agreement with LGC that provides for discounts on worker's compensation and property & liability insurance when they are combined with the health insurance plan offered by LGC. Those savings have not been identified at this time. The Town Manager is researching options for worker's compensation and property & liability coverage.

Ben Mancuso, Senior Benefits Consultant for CGI Employee Benefits Group, an independent brokerage firm located in Hooksett, New Hampshire, explained that he worked with Mr. Warren to come up with competitive numbers for the Town. There are only a couple carriers in the state, and one of those carriers has network issues in this part of the state. Harvard Pilgrim is the best option for the Town in terms of savings while retaining similar coverage. The Harvard Pilgrim network in this area is good.

Dialogue ensued regarding the health reimbursement account. CGI will request a prefunding of \$2,000 to \$3,000 in order to pay immediate claims. Under the plan, employees are responsible for the co-pays for office visits and prescription drugs, but are paid up front for any deductibles for hospital bills, ambulance services, MRIs, and cat scans. The provider submits a bill for services to CGI at the same time a bill is submitted to the employee, and CGI makes a check out to the employee for the amount owed. It is the employee's responsibility to pay the health care provider. 20% of employees nationwide actually use their health reimbursement account. The employee's flexible spending account is a separate account that can be used for reimbursement of co-pays.

Mr. Mancuso answered questions posed by the Board. CGI has not experienced any problems with individuals not meeting their responsibilities to health care providers. CGI is in contact with providers on at least a weekly basis. Health reimbursement accounts have been utilized in Massachusetts and Vermont for some time.

The Chair does not believe that problems will arise in view of the employer/employee relationship. He would like to know if the auditors have requirements for funding the health reimbursement account. Administrative Services Director Brenda Vittner will investigate the matter. In addition, he would like to investigate if there are any obligations to the school system in pooling together to obtain a health plan. Selectman Brothers agrees that the matter should be explored to see how it impacts the school system and whether a combining of forces could be beneficial to all. The Town Manager will follow through on the matter.

The Board will be updated on the matter at the April 19 workshop, and it will be scheduled for action at the regular meeting following the workshop. Mr. Mancuso will not be available on that date.

Dialogue ensued regarding an educational piece for employees. There was an agreement among the Board that education is a key component. Mr. Mancuso agrees that the educational component for employees is absolutely critical, and he will take steps to prepare an educational piece for the April 19 meeting, with no commitment on the Board's part.

The Chair summarized by saying that in view of the increase in premiums, deductibles, and co-pays, the Board is looking at savings for employees as well as the Town, especially in a year without step increases or a cost of living adjustment.

In closing, Mr. Mancuso told the Board that there is a First Seniority Freedom Program that is offered by Harvard Pilgrim for retirees.

Selectman Brothers motioned to adjourn the Workshop at 5:25 p.m. Seconded by Vice-Chair Worsman. 4-0. All in favor. Motion passed unanimously.

Respectfully submitted,

Phillip L. Warren, Town Manager

Charles G. Palm , Chairman

Karin Landry, Recording Clerk

Colette Worsman, Vice Chairman

Peter F. Brothers

Nathan J. Torr