

Minutes of the Acton Finance Committee Meeting JULY 20, 2011 7:30 pm
Acton Public Safety Facility

Pursuant to a notice duly posted with the Town Clerk and with a quorum of members present, the Acton Finance Committee convened at 7:30 p.m. on July 20, 2011, to review various matters.

Members Present: Maynard Brandon, Patricia Clifford, Robert Evans, William Mullin, Steve Noone, and Clint Seward.

Members Absent: Mary Ann Ashton, Doug Tindal, and Paulina Knibbe

Chairman Mullin called the meeting to order at 7:30 pm. There was no response to the invitation for public participation.

Minutes

Mr. Noone moved approval of the minutes from the June 28 meeting. Mr. Seward supported the motion which was unanimously adopted.

Health Insurance

Mr. Mullin introduced Assistant Town Manager John Murray to present material relating to the recently passed state legislation providing for changes in the manner in which health insurance is offered to local government employees, both current and retired.

Mr. Murray explained that in order to affect FY13 and meet the notification deadlines, the Finance Committee, the Board of Selectmen, the Regional School Committee and the Health Insurance Trustees all have to act in concert within a tight schedule focusing on notification to the GIC (if needed) in early December. Although regulations outlining specific implementation issues have not been written, the structure of the decision process has enough clarity to plan a schedule for analysis and decisions.

He reviewed the potential impact of two different approaches: opting into the GIC or tailoring the current program (plan design) to match the potential savings in the GIC. Because the burden of proof in regard to savings falls on the government entity, both approaches would require extensive analysis. HIT is the appropriate group to study the programs, but the Board of Selectmen and the Regional School Committee would both be required to vote on the recommendation made by the HIT.

At the conclusion of his presentation, Mr. Murray asked the Finance Committee to consider a recommendation to the HIT that they engage Segal and Company as consultants to quantify the options in comparison to the current structure. In response to Mr. Mullin's question, he said there was not a proposal from Segal, but that he believed they had developed a model in anticipation of the final legislation that would meet Acton's needs. There were no cost estimates for either Segal's cost or any commensurate legal work; the study costs would be borne by the health trust.

After further discussion on the potential impact of the change on labor negotiations and the value proposition of making such any changes, Mr. Noone moved that the Finance Committee recommend the Health Insurance Trust, Board of Selectmen and Regional School Committee undertake a study of implementing the new health insurance law. Mr. Brandon seconded the motion, saying that we needed the tools to make this decision.

Mr. Mullin said he was of two minds about the motion as there was no cost information available, but that he agreed that we need the tools to bring forward a solid decision. In support of his motion, Mr. Noone reflected that the single biggest problem facing government in the years he has served on the Finance Committee has been health insurance costs. The new legislation represents a sea change in the decision framework and while he did not endorsing a specific approach, he believed that the town should not sit on the sidelines. Mrs. Clifford agreed that the Health Insurance Trust had an enormous task under considerable pressure and that they should be given the tools they need so that all parties had a common platform. Mr. Brandon concurred that the information would raise the level of debate and make the process easier.

Before calling for the vote, the Chair asked the Town Manager his opinion; Mr. Ledoux said he would favor the motion because management needed all the information it could get. The final vote on the motion was unanimous.

At 8:30, Mr. Brandon moved adjournment, seconded by Mr. Noone.

Respectfully submitted,

Patricia Clifford, Clerk

Attachment: Power Point slides of Mr. Murray's presentation