

~~Unapproved~~**APPROVED**
Candia Selectmen's Public Meeting Minutes
November 19, 2012

Attendance: Chairman Joe Duarte, Vice-Chair Richard Snow, Selectman Fred Kelley, Selectman Amanda Soares, Selectman David DePuy, Selectmen's Assistant Cheryl Eastman, and Administrative Assistant Andria Hansen.

Cindy Thiberge and Kelly Mitchell of Granite Group Benefits to discuss health insurance rates. Cindy Thiberge and Kelly Mitchell of Granite Group Benefits were present. Mrs. Thiberge noted last year there was an 11% decrease, so they knew they were going to take a hit this year. This year to stay on the plan there is a 24% increase. This has nothing to do with the claims it's based on your demographics, average age and family size. The SIC (Standard Industrial Classification) code didn't change. There are new age categories which are 40 to 44 and 50 to 55. They would still get the same medical care this year as they did last year. This is basically where you see the increase come from. She explained 11% of it was based on trend which is the difference in cost. The other thing that they are seeing is if you remember a couple of years ago they had a \$250 deductible and that went away. It then went to a \$1,000 deductible and even those are starting to go away. The average deductible now is about \$2,000. She proceeded to go over the various healthcare proposals with the Board. Selectman Snow asked if they changed the employees plan from an EPO (Exclusive Provider Organization) to an HMO (Health Maintenance Organization) would they have to change their providers. Mrs. Thiberge explained any provider whether it's an HMO or an EPO would have different networks. Selectman Snow said he was concerned that the employees would have to change. This is a significant portion of the compensation they are getting. Mrs. Thiberge explained the next option (MVP – HE002N) goes from a \$2,000 to \$4,000 deductible. She mentioned looking at these plans is one year at a time. In 2014 the Affordable Care Act will go into place. One of the thoughts she and Kelly talked about is there are no option of going to an Anthem \$1,000 deductible. It would be a really big hit for the employees. Chairman Duarte said he would specifically look at the Anthem BCBS and the current plan. He asked if Mrs. Thiberge could highlight the differences. Mrs. Thiberge noted the biggest thing would be the deductible. This is going to be the big hit, but they really don't have a choice but to go to a \$2,000 deductible. She noted one of the things that is nice about the Anthem BCBS plan is that surgeries, hospitalizations, MRI's, etc are subject to the deductible currently and they will still be subject on the new plan. All outpatient procedures would be a flat \$100. They have a list of all of the ambulatory surgical centers. This has been in place with Anthem and it's the only plan they sell to a small group market. It's done very well and has brought the cost of health care down as much as anyone has been able to. She noted lab tests right now regardless where they go are covered in full. In the new Anthem plan they can still be covered in full but they need to go to free standing laboratories. These are all separate from the hospital. This will require the member to ask where the blood sample is going. Emergency Room Care is going from \$100 to \$250 and the deductible does apply. More people could hit their deductible then have hit it in the past, because if they have an emergency service the emergency room is the \$250. If there are any additional services needed they are going

to pay that deductible on top of the \$250. The office visit for specialist is currently \$40 and it will go to \$50. There is a nice benefit for the routine vision, which includes \$100 for contacts and \$140 for frames. Chiropractic Care is currently \$25 and will go to \$50, because Anthem treats everything outside of your primary care doctor's office as a specialist. They don't have the ability to tweak any of these they are cookie cutter plans. The prescription drugs are a take away. It is currently \$10/\$25/\$45 (generic/preferred brand/co-pay for non-preferred) and it will go to \$10/\$35/30%. Selectman Snow asked how the 30% compared to the \$45 for non-preferred. Mrs. Mitchell explained they looked at the top 50 most frequently prescribed medications and for most people you would look at paying just under \$45 for that tier. The majority of the drugs will be under \$45. Mrs. Thiberge said if someone is on Humira or inject able drugs they would get crushed. It does stop at \$250 per month per co-pay, so if you need a \$1,000 drug it's not going to be 30% of the whole it's going to cap out at \$250. This is per year per person. They specifically kept it in the New England wide network, so the employees have access to Boston. If you go to this plan one of the things the Board can think about doing is putting in an HRA (Health Reimbursement Arrangement). She explained the Town could set it up to pay the second half of the deductible or \$500 of the deductible. She recommended the Town have a bona fide HRA. There are companies that do this and they charge a \$500 set up fee and around \$60 - \$65 per year per person. If you assume half of the people hit that deductible and you pay for the \$1,200 to run the program and a renewal fee every year after that this would put you at a 10% increase. Selectman Snow asked what the implications of not having this program. Mrs. Thiberge replied it's could be dangerous, because you have to be careful of discrimination. There are a couple of things that come into play. If you said the Town of Candia is going to keep this pot of money and whoever comes has to show they actually met the deductible. She noted as part of the Affordable Care Act regulations is if the Town has an HRA they need to have a file for SBC's (summary of benefits and coverage). The Town would have to create this. She has one group that is doing this on their own, but they are a church. She would be worried if the Town tried to do this on their own, because what if one person gets it and one person doesn't and what if there is a union situation. She wouldn't want to see them do this. If they go with a company they could structure it so they don't get any money until they reach their \$1,000 deductible, so the Town is only paying the second half of the deductible. Selectman Snow said they were already pseudo doing this. Mrs. Thiberge replied they should really consider doing this with a vendor. She will send a benefits survey to Selectmen's Assistant Eastman. Selectman Snow would like to see some more information, so they can see that it makes it in the budget. He reiterated they are doing this as a pseudo thing and he doesn't want it to be a liability. Mrs. Thiberge replied it's not a risk worth taking and doing it a year or two ago wasn't as big of a deal as it is now with all the regulations. There are so many fines for doing something wrong. She can get the Board a quote on a couple of vendors. They probably won't see half hit the deductible, it's usually about a third. Chairman Duarte said they had three people hit it last year and three people hit it the year before. Mrs. Thiberge replied that is very typical. Selectman Snow asked if the population was all employees and are some people buying into the plan. Selectmen's Assistant Eastman said it was all employees and you have to be a full-time employee in order to be in the health plan. Selectman Snow asked what if an official wanted to get involved with the plan. Selectman's Assistant Eastman

replied it's only for full-time employees. Selectman Snow asked if that was because of our policy. Selectmen's Assistant Eastman replied yes. Chairman Duarte said if they take a look at the difference of what they were paying and Anthem they are looking at \$4,200 (towards deductibles). Selectman Kelley said he didn't want to get into a situation where they have someone coming in saying you're paying \$500 for one and not the other. Chairman Duarte noted everyone will be the same. Mrs. Thiberge said its \$1,200 to set it up with an outside vendor, but it gets you out of something like this happening. Selectman DePuy asked what the retail drug copayment. Mrs. Thiberge explained that it's buying the medication in the pharmacy versus buying the medication mail order where you would get a 90 day supply. This would be 2 ½ times the copayment. There would be a saving by ordering by mail order. There was further discussion about the cost of prescription drugs. Selectman Kelley would like to see some paperwork on this before they make a decision. Selectman Soares said they figured \$175,000 for the total insurance line. Last year they paid \$69,000 for insurance, if they go with the \$58,000 at least they will have some cost savings. Mrs. Thiberge said that benefits are effective at the 1st of the year and you need to make a decision as early as possible in December. They need to have a meeting with the employees and they need to do new applications and they need to get them I.D. cards. She said the Board should finalize the decision by the December 3rd meeting. In the meantime they should schedule the employee meeting. The Board thanked Mrs. Thiberge and Mrs. Mitchell for their time.

The Board to formally approve holiday schedule for 2013. Selectman Snow said on the recycling center schedule it specifically says if the holiday falls on one of their days off they can take another day during that holiday week. He felt it shouldn't limit them to just that week and why not some point in time like a comp day. Selectman Soares noted they don't do comp days. Selectman Snow would like to add "without the supervisors permission" to the end of the sentence "No time slip will be in excess of 40 hours". There could be a time where there may be overtime required. Chairman Duarte said if they run into an exceptional case they can bring it to a Board meeting. If it's an emergency they can vote on it and make a decision. Selectman Kelley thought if a holiday landed on a Monday they were able to take another day off during that week. Facility Operator Whitcher said that is how it is now not how it used to be. Selectman DePuy asked if this was legitimate to do under the labor laws to do it this way. Selectmen's Assistant Eastman replied this is the policy in our employee hand book and if the Board decided to have this as a policy it is legitimate. She noted overtime is only paid over 40 working hours. Selectman Kelley asked Facility Operator Whitcher if he would like to leave it like this or would he like to do something different. Facility Operator Whitcher thought it worked well they way they did it before and they could leave it as an option. He acknowledged it's not overtime it's all just straight time. Selectman Kelley said he would rather see the time used like a floating holiday instead of making the employees take it in the same week. Selectman Snow asked if this would be a change to the personnel policy. Selectmen's Assistant Eastman said they would have to change the employee handbook. Selectman Soares thought they should leave it the way it is. She thought since the recycling center guys get a little shafted maybe they could give them five floating holidays. Selectman Snow said they are going to need to change

the employee policy. Selectman DePuy would like to look at the personnel policy. Selectman Kelly motioned to accept as submitted and Selectman DePuy will get back to the Board on the recycling center schedule. Seconded by Selectman Snow. All were in favor. Motion carried.

The Board to authorize payment of payroll checks and accounts payable checks. Chairman Duarte announced the grand total of payroll and accounts payable checks for November 15th and November 21st is \$62,032.42. Selectman Snow motioned to accept the total payroll and accounts payable checks in the amount of \$62,032.42 for November 15th and November 21st. Seconded by Selectman Kelley. All were in favor. Motion carried.

Approval of Previous Minutes: Public meeting minutes of 11/5/12. Selectman Soares motioned to accept the minutes of November 5, 2012 Selectmen's meeting minutes as amended. Seconded by Selectman Kelley. All were in favor. Motion carried.

Other Business

Selectman Kelley noted that a few of the Selectmen went to the Firemen's dinner the other night. They did a great job and they had a good time. He thanked everyone that came.

CIP Committee: Selectman Snow said he would like to be on the CIP Committee with Selectman Kelley as a representative of the Board of Selectmen and Conservation Commission.

Smyth Memorial Building: Selectman Snow noted he was putting out an email in regards to the Smyth Memorial Building. He will be putting together a package for the Board to look at for the next meeting. The next meeting is December 3rd and they will need to make a decision on how they would like to handle the septic system and well. Selectman Kelley thought they made a decision on the septic and the well. Selectman Snow replied not on whether we want to fund them this year or not. He thought this was a marvelous project and they need to move it along.

Warrant Articles: Selectman Snow explained he is putting them together so they can come up with funding methods for 2013. They talked about bonding and floating loans. He is looking at the possibility of suggesting that they refinance their existing bond. It is currently at 4 ½% and due to go up to 5%. The interest rate now is a lot less. If they refinance the bond and add in the cost of the \$150,000 for the Smyth Memorial Building, \$183,000 for Podunk Road, and \$100,000 for the closure. If you take those and refinance the bond and move it out a bit they could actually not impact the tax rate at all. He is going to try to put this into a warrant article. He will need to talk with Atty. Mayer to see how they can do this. Selectman Kelley thought that Road Agent Lewis wasn't going to put that warrant article in this year. Road Agent Lewis clarified that it was going to be Currier Road not Podunk Road. Selectman Soares asked if the citizens would have to vote on refinancing the bond. Selectman Snow replied it would have to be a warrant

article. He reiterated if they do this right he felt there would be no impact on the tax. He noted current interest rates are 1 ½ - 2% as opposed to 5%. Selectman Soares replied that's not always the case and according to the Department of Agriculture a bond for the Smyth Library is at 3.2%. She felt the lowest right now is 3%. Citizen Ingrid Byrd commented if you lump everything together you are liable to lose everything. If you do individual warrant articles for the individual items people will probably vote for some of them. For example, the road work because they all use the roads. They may not vote for one or two of the other things. You are going to get all of the people who dislike one part voting it down. You're better off segmenting it and giving the voters the feeling that they have something of value in their vote. Selectman Snow said he is attempting to come up with a way to accomplish this like they used to do it. Citizen Ingrid Byrd replied which was with individual warrant articles. Selectman Snow said this is much more complicated but he thought they could accomplish the same thing. He understood the concerns and he agreed with them. Citizen Ingrid Byrd replied then why are you lumping them all together. Selectman Snow explained because the bond article would have to be a single one.

COLA discussion: Chairman Duarte said he was extremely pleased with our employees. They've had another good year and have kept their costs in line. He got some information on the CPI (Consumer Price Index). He noted the price of gas, energy, and fuel oil has all gone up. He noted that the COLA increase is 1.7% according to SSA. It looks like the Department of Agriculture is pushing 3 - 4% increase on food. He noted they gave a COLA last year and he would like to give one in 2013. He felt 1.7% was small enough that there would be no increase in their existing budget. *Chairman Duarte motioned to give a 1.7% COLA increase to all of the employees. Selectman Snow seconded for discussion.* Chairman Kelley said they were going to get crucified by the citizens of the town for giving another raise. Chairman Duarte replied it's not a raise. Selectman Kelley noted you just gave them a 3% COLA. Chairman Duarte replied there is a difference between a COLA and a raise. Selectman Soares stated they have not received anything above what we normally get as far as work output from the employees by giving them a 3% COLA raise. They have not received any significant benefits by giving the employees a 3% COLA. Everybody is replaceable and it's not fair for you to keep increasing these things on the taxpayers for no reason. The cost of living has gone up, but peoples salaries are not going up businesses are not giving raises. You are just throwing money away by giving employees raises. There are people waiting in line to do these jobs for less amounts of money and it will cost the taxpayers less money. We don't have it in our budget or have it within our means in this town to be giving COLA increase. She is sorry if he thinks this is the best way to go and it will make him look good, but it's not good for the town or the budget. Everybody is replaceable including the Selectmen and everyone can have someone else do their job much better, much more efficiently, and for less money. We are not a huge business; we do not have the means to increase the employee's salaries when we don't have enough money coming in. Chairman Duarte said she made some good points but he doesn't give anyone raises the Board does. They vote on these things. When you look at what we are doing for the employees, you may not see it but he sees it in morale. It's not like they are giving the employees a raise they are offsetting what they are losing because of the cost of

everything going up. He noted awhile back they did a chart of 8 or 9 towns and just about all of them have given a COLA this year. He thought that Deerfield gave a 4% COLA and Auburn gave 2%. This is a Board decision that is why they are discussing it. The employee's are entitled to this. They are going to try to get this in without increasing the budget. They have a difference of opinion that's why they are discussing it. Selectman DePuy said he wasn't ready to vote on a COLA this evening. He would like to look at the numbers and see what we have already done and see if this would be in the budget. Chairman Duarte said they could discuss it next meeting. Selectman Snow noted 1.7% is what social security is paying. He felt the employees in town are worth what they are paying them and they need to do something to adequately compensate them for their efforts. He suggested giving a 1.5% COLA. It would be half of last year. He is looking at where we are at next meeting. Selectman Soares asked why he thought the employees were entitled. They are employees they have chosen to work here and they have every right to look for another job that pays more money. They are not entitled no one is entitled. You work for what you get paid. If you are a good worker you may get a raise, but no one is entitled. This is problem and this is what is wrong with today's society. You have to work for what you get and for you to sit there and say the employees are entitled is not fair. Every taxpayer in this town may not agree with you. You are making this decision for other people's money. The Budget Committee is not agreeing with some of the stuff you have come up with for the budget. Chairman Duarte said he understood what she was saying. If she thought he was giving the raises he doesn't. There are 5 Selectmen and they vote on it. If he had an idea and he wants to express it with the Board he discusses it with them and they can vote on it. He understands the taxpayers want the Board to look out for them. He doesn't want to lose a key employee especially when they aren't asking for anything. The Board needs to consider what's going on and he thought it was a small enough amount so they wouldn't have to mess with the budget. They can find a job somewhere else, but the law of reciprocation works well and if we treat them right they'll treat us right. He has no problem with our employees and we are lucky to have them. He is not giving them a raise he's just trying to show the Board some numbers. We are just trying to offset some costs. He felt they should look out for the employees. Citizen Ingrid Byrd understood we have a half a million dollars in outstanding in taxes. They have a lot of people in town that are really hard up and maybe 1.7% doesn't sound like a lot but for some people \$5.00 a month is a lot. She mentioned that there were no social security increases four years ago and our employees have had increases all along. You can't compare the increases to social security because it's misleading. Chairman Duarte said he didn't know about four years ago, but social security is increasing 1.7% now. Citizen Ingrid Byrd said he shouldn't compare those two. There are a lot of people in town that are desperately hard up. They are New Englander's who are proud and will not come for help. People are hurting and struggling in town. She knows a lady in town who lives on \$575 per month. This is her social security payment and she would like to see him try that. Chairman Duarte understood her point and he was sure there were a lot of people in town struggling. He's not taking anything away from them. All he was trying to do is act like we are a business group that is taking care of the people that are working for us and the town. It may be more difficult if we lose a good employee. He noted the members of the Board are entitled to their feelings, but he felt the morale had picked up

because the Board was at least taking a look at what they are trying to do for them. The only time you give someone a raise is when it's over and above the increase for that year. If you look at all of the budgets we have one of the lowest. Our people are doing a good job and he has been in business for over 30 years. He would like the Board to look at it and they can make a decision at the next meeting. He's not going to give them a raise the Board will decide. He agreed with some of the view points. He hasn't heard anything from the employees as far as any negativity. It would be irresponsible of us to not look at what is going to happen next year for these folk and he can tell you they are going to lose 3 – 4% of their income. He felt they need to come up with the best decision for this town. Selectman Kelley said they are all going to lose - the employee's, the taxpayers, and the Selectmen. He agreed with some of this but not all of it. Chairman Duarte replied they are not all going to agree. He reiterated this would not increase the budget. Selectman Soares stated you think it's irresponsible for us to not pay attention to the increase that is going to come about to the employees, but this increase is going to affect everyone. It is irresponsible for us to not look at our budget and costs. We are not balancing our budget. You can say we have revenue coming in, but we don't have a balanced budget. We can't keep adding more to it and be irresponsible. We only have a certain amount of money. People just don't have the money and it's not going to get any better. There are corporations that are not giving raises, because they are looking out for their bottom line. We need to run this town effectively without burdening our taxpayers. Selectman Snow replied there are corporations that are giving raises and they need to do the same thing. They need to balance the needs of the town, the best interest of our employees and they need to do it by balancing our budget. He is concerned when they talk about just replacing our employees. They are not talking about increasing the budget; they are talking about some type of compensation that lets them know we value them. They haven't given raises in years and the employees have gone along with that. He understands the concern about the people who are having a hard time. They have elderly exemptions and welfare available. Selectman Soares asked where is this extra money coming from. Selectman Snow replied it would come out of the existing budget. Selectman Soares questioned why we have that extra money in the budget. They should have a level funded budget. Chairman Duarte asked the Board to take a look at what will happen next year and how much it would cost for each individual. The total cost will be about \$14,000 which is minor.

Chairman Duarte motioned to adjourn at 8:09 p.m. Seconded by Selectman Snow. All were in favor. Motion carried.

Respectfully submitted,
Andria Hansen, Recording Secretary