

Minutes of the Health Insurance Trustee Meeting
August 25, 2011
8:00 a.m.
Junior High Conference Room #2

Members Present: Bob Evans, Mike Gowing, John Petersen, Tess Summers

Also Present: Peter Savage, Pat Haras

The meeting was called to order at 8:05 by Chairman Evans.

Approval of Minutes: On the motion of Sharon Summers, seconded by Mike Gowing, the minutes of the July 21 meeting were approved as written.

Financial Update: Peter Savage reviewed the Cash Flow Report that shows a current deficit of \$195,930 (Total costs less Contribution to Trust) for this fiscal year. The annual projected loss is stated as \$962,674; however, Mr. Savage noted that the enrollment numbers are not final, and should be final by the end of this month. This is due to new school enrollees who are just going into the system. He stated that there have been dramatic changes in the enrollment, and that he would reforecast projections in next month's report, which will be a normal report. He will also forward new head counts as soon as received.

Discussion of new insurance law: On Mr. Evans motion, seconded by Mr. Gowing the trustees voted to approve in principle the finalized Segal contracts to analyze the financial impact of migrating from the Acton Health Insurance Trust to GIC, in compliance with the new municipal health insurance legislation. The Phase I cost of this project is \$32,000, and will be paid from the health insurance trust. The trustees expressed concern over the compression of time involved in the study, and asked that efforts be synchronized among the town and schools. Peter Savage stated that Blue Cross has a plan that looks like the GIC plan, and he will forward information to the trustees. It was noted that the new law requires at least 5% savings in current plans to join the GIC. The trustees agreed that one of their goals is to minimize the number of plans offered to employees.

John Petersen and Mike Gowing, along with a staff member from each the school and the town, will work with Segal on the plan design, and the final date to deliver the plan to the trustees. When finalized, John Petersen will send out the schedule to trustees.

Discussion of trust fund for retiree health costs: Mr. Evans reported that the Acton Finance Committee has suggested the approval of a trust fund to cover retiree health costs. (Chapter 68 of the Acts of 2011 provides a local option to establish an Other Post-Employment Benefits Liability Trust Fund.) GASB 45 requires that studies be conducted every two years to determine the future liability of these costs. The trustees discussed the placement of funds received for retiree pharmacy reimbursement in such a fund; however, these funds are scheduled to end during this year. Trustees also discussed the need to review the Health Insurance Trust Agreement for disposition of funds.

Next Meeting: The next meeting will be held on September 29, 2011 at 8 a.m. in the Junior High Conference Room.

The meeting was adjourned at 9:12 a.m.

Respectfully submitted,

Sharon Summers, Secretary