

SECOND TAXING DISTRICT COMMISSIONERS

Regular Meeting Minutes

December 15, 2015

Present: David Westmoreland Chairman
Maria Borges-Lopez Vice Chairperson
Mary Geake
Mary Mann
Sandra Stokes
Martha Wooten-Dumas

Absent: Cèsar Ramirez

Also Present: Paul Yatcko General Manager
Lisa Roland District Clerk
Frank Murphy Tierney Zullo Flaherty & Murphy
Kara Murphy Tierney Zullo Flaherty & Murphy
Mike Sutton Benefit Planning Services

Public Present: None

Call To Order:

Commissioner Westmoreland called the Regular Meeting of The Second Taxing District Commissioners to order at 7:04 p.m. on Tuesday, December 15, 2015. The meeting was held at South Norwalk Electric and Water, One State Street, Norwalk, Connecticut.

1. Acceptance of the Minutes (7:01 pm)

Commissioner Westmoreland: “Alright, I will call the Second Taxing District Regular monthly meeting to order, if the District Clerk would read the Legal Notice.”

(Lisa Roland, District Clerk read the Legal Notice for the record)

Commissioner Westmoreland: “Alright, the first item on the agenda is the Acceptance of the Minutes. We have two sets of minutes to accept. We will do them individually, if I can have a motion to accept the regular meeting minutes of November 10, 2015.”

Commissioner Geake: “So moved.”

Commissioner Westmoreland: “Mary?”

Commissioner Borges-Lopez: “Second.”

Commissioner Geake: “Maria seconded.”

Commissioner Westmoreland: "Maria seconded it."

Commissioner Borges-Lopez: "Second, yes."

Commissioner Westmoreland: "Any corrections, changes, discussions?"

Commissioner Mann: "Yes, on the minutes of November 10th. I don't believe I was here. I wasn't here, I wasn't here on November the 10th."

Commissioner Westmoreland: "You weren't?"

Lisa Roland: "Ok, I will have to look at my notes."

Commissioner Westmoreland: "Any other changes? All those in favor of accepting the minutes as amended?"

Commissioners Geake, Wooten-Dumas, Stokes and Borges-Lopez: "Aye."

Commissioner Westmoreland: "Opposed, abstentions? Mary, you abstain?"

Commissioner Mann: "Yes, I abstain, I'm sorry."

Commissioner Westmoreland: "Motion carries. And now I need a motion to accept the Annual Electors' Meeting Minutes of November 17, 2015."

Commissioner Borges-Lopez: "So moved."

Commissioner Mann: "Second."

Commissioner Westmoreland: "Second Mary. Any corrections or changes? Hearing none, all those in favor of accepting the meeting minutes of November 17th?"

Commissioners Wooten-Dumas, Borges-Lopez, Geake and Mann: "Aye."

Commissioner Stokes: "I abstain."

Commissioner Westmoreland: "Opposed, abstentions? One abstention, Sandra Stokes. Alright, seeing that there are no members of the public here this evening, we will move on pass the Public Participation."

PUBLIC PARTICIPATION

No Public

Commissioner Westmoreland: "We have our attorneys here this evening. We need a motion to move into Executive Session to discuss pending litigation regarding the Wilton

Tax Appeal and the Friends of Ryan Park appeal. Do I have a motion to move into Executive Session, Maria?”

Commissioner Borges-Lopez: “So moved.”

Commissioner Wooten-Dumas: “Second.”

Commissioner Westmoreland: “Martha seconds. Alright.”

Commissioners Unanimously: “Aye.”

2. Executive Session (7:04 pm)

Commissioner Westmoreland: “Ok, I need a motion to come out of Executive Session and return to our regular meeting.”

Commissioner Wooten-Dumas: “So moved.”

Commissioner Westmoreland: “Martha.”

Commissioner Borges-Lopez: “Second.”

Commissioner Westmoreland: “Maria seconds. All those in favor?”

Commissioners Unanimously: “Aye.”

Commissioner Westmoreland: “Opposed, abstention, motion carries. We are returning from Executive Session where we discussed the pending litigation regarding Wilton Tax Appeal and the Friends of Ryan Park vs DEEP et al litigation and there’s no action to be taken.”

(Attorneys Murphy leave)

Commissioner Borges-Lopez: “Thank you.”

Commissioner Westmoreland: “Thank you folks.”

Commissioner Wooten-Dumas: “Thank you.”

(Executive session ended 8:00 pm)

4. Consent Agenda

Commissioner Westmoreland: “Next item on the Agenda is items 4, 5, and 6 which constitute the Consent Agenda. We will be filling the Library Board Vacancy with Jannie

Williams. We'll be approving the 2016 DC Monthly Meeting Schedule for the District Commission and approving the 2016 Holiday Schedule. May I have a motion to approve the Consent Agenda? Sandra."

Commissioner Stokes: "Yes."

Commissioner Westmoreland: "Mary seconds it."

Commissioner Geake: "Yes."

Commissioner Westmoreland: "All those in favor?"

Commissioners Unanimously: "Aye."

Commissioner Westmoreland: "Opposed, abstention, motion carries. Great, item 7 on the Regular Agenda is a discussion of Salary, Benefits & Employee Manual Report."

Commissioner Geake: "Ok."

Commissioner Westmoreland: "Paul you want to?"

Mike Sutton: "I will sit here and move to the middle."

[Laughter]

Commissioner Mann: "That's the hot seat."

Commissioner Wooten-Dumas: "Hi how are you?"

Commissioner Westmoreland: "I don't know if this is good or bad."

[Laughter]

Paul Yatcko: "Are we on item 7 now?"

Commissioner Westmoreland: "We are on item 7."

Commissioner Borges Lopez: "Yes item 7."

7. Regular Agenda

Paul Yatcko: "Ok if you to turn to tab to number 7 in your book please, we can discuss the Annual Salary Benefits and Employee Manual Report. As you will recall, the Commission approved the new organization structure on the Job Description Manual back in October and we implemented those, so we don't have any recommendations for any additional changes at this time. We also have no recommended changes to the

Employee Manual as well. Excuse me, which leads us to our salary recommendation. Exhibit A, which is the 11 x 14 or 17 piece of paper, that's the existing salary and wage structure that we have in place right now, while with all of our new titles populating the top of it. Exhibit B is really the meat of what I want to talk with you about tonight. If you turn to Exhibit B you'll see that there are two sets of data for the Consumer Price Index for New York, New Jersey, Long Island. These are taken from the website of the Bureau of Labor Statistics. The first series on the top is called CPI-U or the CPI for all Urban Consumers. If you look over to the column labeled October, you'll see the October, 2015 indexes 261.515 and the index for the prior year in October is 260.50.

Commissioner Stokes: "Where is that?"

Paul Yatcko: "There you go."

Commissioner Stokes: "Thank you."

Paul Yatcko: "If you do the arithmetic, the year-to-year increase in a CPI-U is 0.39%. So its 4/10 of a percent. The lower set of numbers is for the CPI-W, which is the Consumer Price Index for urban wage earners and clerical employees, performing the same calculation the year-to-year increase in CPI-W is a negative .04%. So that's essentially a zero. Now, we have some new data that just appeared on the BLS website this morning, the new release for November. For the same two sets of data, the CPI-U, the year-to-year increase is 0.627% and for the CPI-W its 0.293%. I think it's very easy to make a case for a half a % increase in a salary structure to adjust it for the cost-of-living. That's awfully small, almost to the point where you would wonder why we would do it at all, so I'm recommending to you that we adopt a 1% increase in the salary structure, I mean in effect I'm taking those numbers and rounding them up to whole percent."

Commissioner Westmoreland: "Discussion, questions for Paul? Sandra?"

Commissioner Stokes: "And you said this data here is from the BLS as of today?"

Paul Yatcko: "As of today, that was posted this morning."

Commissioner Stokes: "Ok."

Paul Yatcko: "And that gives you the November to November increase."

Commissioner Westmoreland: "I don't have a problem with it, I mean I think I agree with you, half a percent is sort of why bother and I think that given that the employees, you know have gone through a lot of change and uncertainty in the last year or so, it seems like a pretty minimal thing to do for them."

Paul Yatcko: "Well, the impact on our salary structure is actually shown on Exhibit D. The 1% increase for all employees costs us about \$734.16 a week or on an annual basis, a little over \$38,000."

Commissioner Westmoreland: "Any other thoughts, concerns? Somebody want to make a motion?"

Commissioner Borges-Lopez: "I'll make a motion for the increase of 1%."

Commissioner Westmoreland: "Is there a second?"

Commissioner Geake: "I'll second it."

Commissioner Westmoreland: "Mary seconds it. Any other discussion? All those in favor?"

Commissioners Unanimously: "Aye."

Commissioner Westmoreland: "Opposed, abstentions? Motion carries."

Paul Yatcko: "Thank you."

Commissioner Westmoreland: "Alright, item 8."

Paul Yatcko: "Item number 8 is the employee health insurance plan for the year. The current employee health plan costs us a little over \$808,000 a year. Mike brought us the initial quote from the United Healthcare/Oxford, for a renewal of that plan and I indicated a 10.8% increase in cost or almost an \$87,000 increase. Subsequent negotiation by Mike and the people at Benefit Planning, has reduced the new plan cost to \$846,000 and change, which is an increase of \$38,400 or about 4.8%. The plan for the retirees over the age of 65 with Anthem currently costs us about \$458 a month. The quote from Anthem for the renewal of that plan is \$502.68 and the Hartford gave us a quote of \$483.90. Mike, what would you like to add there?"

Mike Sutton: "Well, in looking at it, since we went out and got that quote, I also got the actual Anthem renewals in front of me and some options and one thing...it's one thing obviously to look at overall numbers and that, but making a change with the retiree plan or contemplating that, making a change, a lot of thinking...you have to look at too it's not just going from Anthem to Hartford it's not that Hartford is a bad company, but with regard to prescription drugs. You know, when you go to another company the list of drugs that they cover sometimes can change. So we're not sure how that's going to affect people because we don't know what all the drugs they are taking. So there is that issue that makes you know, you want to be sure, it's just a little uncertain. One of the things I looked at when I saw the... let me back up one step, also the Hartford drug component of their plan, what you have with the Anthem plan is you have a simple two tier co-payment system for their drugs, \$10 for generic, \$20 for brand name, ok. The Hartford would take it to a four tier and you would have generic, preferred brand, non-preferred brand and a specialty drug category ok. And if you're going to seriously contemplate switching to that type of a plan, we could in essence do the same thing with Anthem and just go to a three tier structure, which would be a \$10, \$25, \$40 co-pay system and that actually litigates the increase. The driver on the retiree plan is really coming more on the prescription drug

side of the plan than it is on the medical plan, ok and so if we were to contemplate making a change, I would be more comfortable not making a change in carrier, but making a change to the co-payment system of going from two tier to three tier and staying with Anthem because then you mitigate the whole changes to the formulary and everything else that goes with that type of a change. And you end up, if you went to Hartford you'd have to make that co-payment change anyway. So, if we did something, if we went to a three tier system with Anthem the total cost than becomes \$475, which is still an increase, but it is more of a 4% increase than the 10% we are looking at in the original plan numbers. And I know this is due because we just got this in. So, I was looking at this the other day and just trying to have all options available for you so. That's the only thing I would add as far as the retiree plan. As far as the medical renewal, I think the 4.8, you know, we talked about this in the past, when we get a renewal in, it's almost nowadays it's not that they put it to you like it's a requested renewal. It's almost like they expect you to come back and negotiate with them, which we always do anyway, but one of the things is they'll give you their best number, if you agree not to market it out, you know take it out to bid, ok."

Commissioner Mann: "Take it out to bid, right?"

Mike Sutton: "And that's how we got to the 4.8 and I feel that it's actually one of the better numbers we've had in the last few years with them and even if we were to go out to bid, you risk then going getting stuck back with the 10.8 if we don't get anything better and what I'm seeing out in the market is, even if you got something a few points less are you going to switch for a 3 or 4 percentage points or 5 percentage points, you wouldn't anyway really for the whole upheaval. You really want to see about a 10% savings, 8% savings to make justification to talk about switching health carriers I think. So I feel that the 4.8 is a good number, I mean it's an increase I know...a good number would be a flat, I understand that, but 4.8 is a fair increase I think for renewal in today's market."

Commissioner Westmoreland: "Questions? Sandra."

Commissioner Stokes: "I have a question."

Mike Sutton: "Yes."

Commissioner Stokes: "What about I see it listed here about the HSA Account and what SNEW is contributing right now for employees."

Mike Sutton: "Sure."

Commissioner Stokes: "And also when you...so I understand the risks of sending them out for bids, but there are also advantages of doing that too, but I mean you are the expert with that I just..."

Mike Sutton: "Let me, well let's go a little further. The risk, it's not just also in history, the past history, whenever we're gone out to bid, we get a lot of declinations."

Commissioner Stokes: "That was my question, how many times have you done that?"

Mike Sutton: "We get a lot, we used to get almost all declinations because the carriers, you have a large percentage of your group that's under 65 retirees. A lot of carriers don't want to cover that."

Commissioner Stokes: "Right."

Mike Sutton: "That's the issue. The last couple of years we had been able to get a couple of carriers that have been willing to quote, but we still usually lose half. There's not that many anymore. There used to be a lot more, we use lose half with declinations and so you know, if we were looking at an 8 or 9 or 10% increase, I would have been out the bid already."

Commissioner Sutton: "Ok."

Mike Sutton: "But my goal, I try to get under 5 and as close to even as a starting point as I can. And I felt they made a good faith effort in coming in at 4.8."

Commissioner Stokes: "Ok, and then with the different tiers, what are the deductibles?"

Mike Sutton: "No deductibles."

Commissioner Stokes: "No deductibles."

Mike Sutton: "You still have unlimited coverage through the gap, unlimited coverage, it's just that you would go from \$10 generic or a \$20 brand name."

Commissioner Stokes: "For prescription drugs."

Mike Sutton: "For prescriptions you would go to \$10 generic, \$25 preferred brand, \$40 non-preferred, so there'll be, that's the payout."

Commissioner Stokes: "That's good."

Mike Sutton: "At 10/20 that's like one of the first options that came out of the gate back in 10 to 15 years ago, you know it's a very, it's a great benefit, but it's starting to get a little pricey."

Commissioner Stokes: "Yes, and then with the HSA's when you say lowering it, where are we right now and what is SNEW contributing right now for HSAs?"

Mike Sutton: "I believe you're still contributing 100%."

Commissioner Geake: Yes."

Commissioner Wooten-Dumas: "Yes."

Mike Sutton: "And, you know, if you ask me what's going on out there, you know, it's not a 100%."

Commissioner Stokes: "Definitely."

Mike Sutton: "My larger, that's been more than generous, and you know I don't like to... but well I just finished an open enrollment meetings for one of my larger clients with over 400 employees, and they fund 50% you know. That's I would say, if funding is being done by an employer nowadays a larger employer, it's no more that 50%. And small employers have these types of plans and don't fund anything."

Commissioner Geake: "They don't even have it."

Commissioner Mann: "That's right."

Mike Sutton: "I mean that's what's going on. That's what's out there."

Commissioner Westmoreland: "Yea."

Commissioner Borges-Lopez: "But last year for example, although we did not contribute it to the HSA, we did some form of cost sharing by allowing the employees to pay the hospitalization co-pays."

Mike Sutton: "Co-pays and things after paying the deductibles."

Commissioner Borges-Lopez: "So basically that's what we did to minimize the cost. And as for every year, we have gone for proposals and I think this is the only year since I've been on the board that we're just taking the 4.8 because quite frankly it's a very, very good deal."

Commissioner Mann: "Good deal, yes."

Commissioner Borges-Lopez" "I mean I go through this every year with the company where I work and it's nowhere near 4.8%."

Mike Sutton: "No, it's a...I did a little checking on the history and yea, we had a couple, we had one at 4½ and one at 5 in 2012 and 2013, but other than that they've been closer to 9, 10, 12%."

Paul Yatcko: "Because the increase is relatively modest this year, my recommendation would be not to have any impact on the HSA contribution or the employee contribution to premiums this year, but I think we do need to revisit it next year."

Commissioner Westmoreland: “So I agree, I think that the 4.8% for the employee plan is probably as good as it is going to get. I think that improving going to the three tier thing for the retirees would help a lot. Once again and you were not here for this two years ago, I have a huge issue with being asked to make a decision that impacts the employees negatively two weeks before its implement. I want to discuss this issue on HSA contributions in June, not in December.”

Paul Yatcko: “You got that District Clerk?”

Commissioner Westmoreland: “It’s hugely, I’m just not going to do that to our employees.”

Paul Yatcko: “Understood.”

Commissioner Westmoreland: “Who are standing outside in rain and lightning fixing my electricity. I do care and we have to...we have a fiduciary responsibility, but we are also responsible to the employees and I can’t do that on December 15th, Merry Christmas you have to pay an extra couple of grand. That’s just not right, I don’t want to have this discussion again in December.”

Paul Yatcko: “I hear you loud and clear.”

Commissioner Westmoreland: “And again and even with you, I’d rather see you in October than December, especially if you have bad news.”

Mike Sutton: “No, I understand.”

Commissioner Westmoreland: “If you have good news, you’ll get a free pass.”

Mike Sutton: “No, I understand. I would like to be here in September, but the renewals aren’t required to be released until 60 days, so I don’t have the renewal in hand until the end of October and then we were down, it’s getting it on the agenda, it’s tough, I know I understand. I push them every year; I’m pushing them.”

Commissioner Westmoreland: “You can be here in November.”

Mike Sutton: “I’ll do that. I can do that.”

[Laughter]

Mike Sutton: “I can do that. Anywhere any place.”

Commissioner Borges-Lopez: “I couldn’t get any of our brokers to get it in November, as a matter of fact we just renewed yesterday. It’s tough.”

Mike Sutton: “I know it drives me crazy too. I hear you.”

Commissioner Borges-Lopez: "They wait until the last minute. I don't understand why but..."

Commissioner Westmoreland: "Ok, I think we need like three motions, is that correct?"

Paul Yatcko: "You probably need two. You need one for the employee health plan for active employees and one for the over 65 retirees, since we are not doing anything with the contribution."

Commissioner Westmoreland: "Ok and no action on the contribution part, ok."

Commissioner Borges-Lopez: "Ok, I make a motion to renew our plan with the current carrier at a 4.8% increase."

Commissioner Wooten-Dumas: "Second."

Commissioner Westmoreland: "Martha seconds. All those in favor?"

Commissioners Unanimously: "Aye."

Commissioner Westmoreland: "Opposed, abstentions? Motion carries. We need another motion for the retiree plan."

Commissioner Borges-Lopez: "Ok, I make a motion that we renew the retiree plan at a 10.8% increase? Is that it?"

Commissioner Westmoreland: "No."

[Laughter]

Paul Yatcko: "We did discuss the three tier plan."

Commissioner Borges-Lopez: "Oh the three tiers, I am sorry. What was it \$5, \$20 and \$40?"

Commissioner Westmoreland: "\$475 or something."

Mike Sutton: "It totals out at \$475.22. That's about a 4% increase. A Three tier of \$10, \$25, \$40."

Commissioner Borges-Lopez: "I'll make a motion, I'll take it back and I'll make a motion that we will renew the retiree plan with a three tier prescription drug co-pay. How was that?"

Commissioner Wooten-Dumas: "That was close enough."

Commissioner Westmoreland: "Second?"

Commissioner Wooten-Dumas: "Second."

Commissioner Westmoreland: "Martha seconds, any more discussion?"

Commissioner Geake: "Just for the record, it's going to be with Anthem, it's not going to switch to Hartford."

Mike Sutton: "Correct."

Commissioner Geake: "I just wanted to verify that."

Commissioner Westmoreland: "All those in favor?"

Commissioners Unanimously: "Aye."

Commissioner Westmoreland: "Opposed, abstentions, motion carries, alright."

Mike Sutton: "Thank you. See you in November."

Commissioner Borges-Lopez: "Thank you Mike."

Mike Sutton: "Have a good evening and a great holiday."

Commissioner Borges-Lopez: "You too."

Commissioner Wooten-Dumas: "You too."

Commissioner Westmoreland: "I need a motion to adjourn?"

Commissioners Geake: "So moved."

Commissioner Borges-Lopez: "Second."

Commissioner Westmoreland: "Maria seconds."

Commissioner Geake: "All those in favor?"

Commissioners Unanimously: "Aye."

Commissioner Westmoreland: "Thank you."

Adjournment

The meeting adjourned at 8:20 p.m.

Attest:

Lisa G. Roland
District Clerk