

Melissa Noe

From: Melissa Noe <townmont@verizon.net>
Sent: Tuesday, August 20, 2013 2:14 PM
To: Muriel Lazzarini (malazz@verizon.net); Scott Jensen (aussie001@wildblue.net); 'Wayne Burkhart (wdburkharts@gmail.com)'
Subject: FW: Health Insurance and contracts.

Just some food for thought regarding Jon's continuing concerns about the employee Health Insurance benefits and its impact on a taxpayer. I was curious how much our existing 90/10 split costs the town and what the savings would be if we were to go to Jon's proposed 75/25 split, here is what I calculated and I did run this by Don Clawson and he confirmed that my calculations and how I got there were correct.

90/10 split:

Family plan premium is \$2068.47 a month, 90% of that is \$1861.62 x 12months x 4 employees = a total cost of \$89358.24/yr to the town Couples plan premium is \$1344.27 a month, 90% of that is \$1209.85 x 12months x 3 employees = a total cost of \$43554.60/yr to the town

Total cost to the town is \$132912.84 divided by \$5,015 (which is what the assessors stated is the amount equal to \$0.01 per \$1,000) = \$0.2651 cents per \$1,000 to a taxpayer. Don stated the average tax bill for my purposes is \$300,000 so this benefit currently costs the average taxpayer \$79.53/year for 7 employees total.

If we were to go to a 75/25 split the numbers would be as follows:

Family plan premium is \$2068.47 a month, 75% of that is \$1551.36 x 12months x 4 employees = a total cost of \$74465.28/yr to the town Couples plan premium is \$1344.27 a month, 90% of that is \$1008.21 x 12months x 3 employees = a total cost of \$36295.56/yr to the town

Total cost to the town is \$110760.84 divided by \$5,015 = \$0.2209 cents per \$1,000 to a taxpayer. this would now cost the average taxpayer \$66.27/year for 7 employees total. A savings of \$13.26/yr or \$0.05 per \$1,000.

I would also like to note that the cost to the town will be going down some after Pete leaves as the plan he and his wife will be moving to has a lesser premium per month and the town will only be paying 50% of the premium (\$4925.76/yr to the town, a savings of \$9592.44/yr) and the new employee will be coming on at a lower split (80/20). Don Clawson also mentioned to keep things in perspective that our entire budget is \$3million and the average tax bill is less than \$3,000/year, only 10% of the entire budget. The biggest part of our budget is the school and included in the school's budget is the teachers and other staff health benefits and salaries which are contracted and at an 80/20 split which is the split we will be using going forward.

I will be giving a copy of my calculations to the ECAC to review at their next meeting seeing as Jon likes to read those minutes, I want to be sure he has the correct information for any future arguments he wants to make.

Melissa

TYPO - should be .01% @ 8/26/13

-----Original Message-----

From: jsylbert@mac.com [mailto:jsylbert@mac.com]
Sent: Tuesday, August 20, 2013 8:01 AM
To: Muriel Lazzarini; Wayne Burkhart; Scott Jensen
Cc: townmont@verizon.net
Subject: Health Insurance and contracts.

Dear Muriel, Wayne, and Scott,

Regarding discussion by the ECAC at its 6/25/13 meeting on the subject of employee contracts, I would like to comment on the following from the minutes:

"The employees know that we can't contract wages for three years due to the way salaries are decided at town meeting but contracts would allow that benefits be held at a particular level for 3 years while research and negotiations take place instead of having changes made on a whim. It is important for the employees to feel some sort of stability with regards to wages and benefits..."

Representative Smitty Pignatelli has graciously offered the assistance of Katie Sagarin McCue, a Legislative Analyst at the MMA, to help Monterey understand how An Act Relative to Municipal Health Insurance affects the determination of health insurance premium splits in the Commonwealth. According to the Act, and confirmed by the MMA, adjusting the premium split for employees receiving health insurance in Monterey requires only a majority vote by the Select Board. I do not believe this legislation can be overruled by employee contracts. Please check with town counsel on the matter.

I agree that employees deserve a degree of predictability in their health insurance packages, but it might be better for town officials and employees to look for guidance on health insurance premium splits from current local, state, and national trends in health insurance offerings rather than by creating contracts that are unenforceable. If employees were receiving competitively priced health insurance—and town officials were offering it—they would need to look no further for "stability." Nor would taxpayers, who pay too much for town health insurance through their property taxes, who pay considerably less for state employees' health insurance through their income taxes, and who pay, on average, a great deal more out of their pockets for their own health insurance.

Regular, thorough employee performance reviews would provide better stability for both employees and the town than would contracts, as a written record of performance reviews is the best protection for all parties in an at-will state such as Massachusetts.

Incidentally, employee performance has come up only three times in the ECAC minutes since its resurrection, but each time solely in regard to performance bonuses or merit raises, never regarding evaluations.

Unfortunately, as long as the ECAC continues to focus on employee demands, it will be perceived as a committee of special interests instead of a committee whose priority should be the general welfare of the town.

Sincerely,

Jonathan Sylbert