

Minutes
Group Insurance Subcommittee
March 21, 2024 – 4:30pm
Second Floor Town Hall Conference Room and via Zoom

Meeting called to order by Don Ravenelle via Zoom at 4:33 PM

Members Present: Don Ravenelle Sub Committee Chair, Ellie Zuccaro, and Dan Sherman.

Town Hall Department Attendees Present: Stephen Maio Town Administrator, Kevin Gill Town Accountant, Amy B. Forziati Human Resources Director and Karin Doucette Payroll and Benefits Manager all in person

- 1) Public Participation: No members of the Public were present.
- 2) Kevin Gill presented an overview of the FY2025 Group Insurance Budget. The Budget covers the insurance costs of 1408 plans including 812 retirees. The total budget displays an increase of 1.2% or 204,144. On the average GIC plans have increased by 10%. Stephen Maio explained that the Town HR staff does an excellent job working with Town employees to fit them into the most appropriate and cost-effective plan. The staff also explained the Opt-out program and that the dollar amounts for opt out would be increasing to \$2100 for an individual plan and \$4200 for a family Plan. Since the average family plan costs the Town \$19,000.00 per year and the average individual is \$4500 there is great savings here. It was noted that employees who are in the Opt-out program can still be eligible for coverage when they retire. It was noted that open enrollment had not yet occurred, and it is anticipated that employees will be moving from plans that are no longer offered into new plans. Kevin Gill indicated that YTD expenditures are running behind budget by \$1.055M and it is anticipated that approximately \$1 Million will be returned to free cash for FY24. A potential of 25 new plans have been included in the budget. The OPEB contribution is being continued at \$1 Million in FY2025.

The committee reviewed the components of the budget and discussed the effects of the Opt-out Program, anticipating new subscribers and enrollment in the Retirement plans. This is a very lean budget and essentially, the ten percent GIC increase in premiums is mitigated by utilizing the recent history of budget returns (\$1 Million per year) and reducing OPEB by \$400,000 for FY2025 (a new valuation still projects fully funded by FY2040). A discussion ensued about the contingent liability if all eligible employees enrolled. This budget will be carefully monitored.

- 3) Motion to adjourn at 5:17 PM by Dan Sherman seconded by Ellie Zuccaro and so voted.