

FINANCE AND ADMINISTRATION COMMITTEE

December 7, 2015

Present: M. Amoroso, R. Carlson, S. Galloway, C. Quinn, B. Clark and T. Sander

Review of 2016 Draft Budget

Mr. Carlson distributed possible Open Enrollment options for the Committee to consider. He stated that the numbers shown were the renewal figures and if everyone went into a Health Reimbursement Arrangement (HRA) with specified deductibles, the cost savings was noted. The HRA would stipulate that the Township would reimburse certain amounts for this coverage. Therefore, the employees would only be responsible for a portion of the cost of coverage. If this is done, then the hospital co-pay reimbursement currently in place would be eliminated. The deductible would apply to everything except prescriptions.

Mr. Clark asked if there would only be one plan and Mr. Carlson answered in the affirmative. He explained that the savings comes from the deductible plan and from hopefully not needing to spend it all. Another bonus of this plan would be that it would be upgraded to a PPO so there would be no more referrals.

Mr. Sander asked how the employees would use the HRA. Mr. Carlson explained that the employees would get a debit card. When they go to a provider, they would not be charged. Instead, they would be billed and the explanation of benefits provided by the insurance carrier should match the bill. The employees would use the debit card to pay the bill.

Ms. Amoroso asked who would be responsible for out of network services. Mr. Carlson stated that out of network services don't really affect this plan since it is a nationwide plan.

Mr. Carlson asked if Mr. Clark learned what other Townships are doing. Mr. Clark reported on data he had collected from a number of municipalities in the area.

Mr. Galloway asked for the deadline for making a decision on health plan changes and Mr. Carlson reported January 15, 2016. However, he recommended deciding prior to this deadline in order to allow time for updating the plan administration.

The Committee then moved on to review the budget. Mr. Clark reported that there was a variance of \$311,000 between expenses and revenues. \$150,000 from the Parks Facilities Fund would be used towards the purchase of the Roosevelt School. He expressed the easiest thing to do was to shift the \$175,000 needed for the dump truck from the general fund to the capital budget. He also noted that there is money available to spend for Sleighton Park and the Smedley Tract, but there are no plans to use all of it in 2016. This money could be used to balance the payments moving forward. Mr. Clark also reported that the Township has been carrying a cost for future projects, like the Darlington Bridge, Township parking lot and Roosevelt School,

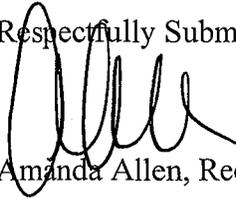
which is included in the capital budget. All this considered, the budget is left with only \$13,000 in excess.

Mr. Clark noted that a salary increase has not been considered yet. If the Township did 2%, then that would be an expense of \$22,000. This would put the Township budget in a negative situation. Mr. Clark stated that this was prior to considering employees paying a portion of the health insurance premium, nor does it consider projected staffing savings. This should balance the budget. Mr. Clark commented that there were a few adjustments to pay ranges that he still wished to discuss with the Committee in an executive session.

Adjournment

This meeting was adjourned by Mr. Quinn at 6:19 PM.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Allen', written over the printed name 'Amanda Allen, Recorder'.

Amanda Allen, Recorder