

SELECTBOARD MEETING

Approved Minutes

January 24, 2011

7pm Calais Elementary School

Attending: Denise Wheeler, John Brabant, Cy Lamberton, Mike Garand, Scott Bassage, Peter Harvey, Alfred Larrabee, Larry Smith, Jeff Fothergill and Rose Pelchuck.

Actions:

Approval of the December 27th Meeting Minutes – postponed.

Approval of the January 10th Meeting Minutes – postponed.

Approval of the January 17th Meeting Minutes – postponed.

Approval of the January 20th Meeting Minutes – postponed.

VLCT Health Insurance Plan Update – Larry Smith, Insurance Representative from the Vermont League of Cities & Towns, presented various health insurance options to the Selectboard with the comparison of the 2010 and 2011 plan with changes. Larry reported many municipalities have moved to a high deductible plan. The Town of Calais is in the gold plan; Larry estimated maybe only 10 towns are in the gold plan now. There are five different High Deductible Plans offered with differing amounts of deductible for single and family plans. Some towns offer a **health reimbursement account** that is an account that is town funded to help pay for the deductible. Whatever is not used in the account goes back to the town. There is usually an administrative cost to the town (for example VLCT uses a firm in Waterbury that administers their health reimbursement account).

Another idea is to open a **health savings account** funded by employee pretax money; all funds belongs to the employee, rolls over year after year, and is tax free. The employee or the employer funds this health savings account. At the end of the year, the employee can get a statement to see how much was put in and how much was spent. There are other plans available at VLCT. Scott Bassage asked how many towns fully fund health insurance for their employees. Larry said very few. Larry Smith spoke about different plans including the Value Plan, which goes up to \$2,500.00 total out of pocket expenses for the employee and then receives 100% coverage after that. The plan year begins in January, so if the town wanted to change plans Larry may be able to have an exception made by requesting one from the VLCT Board.

This year Calais will spend \$93,576.00 for the gold plan health insurance coverage for employees. As a comparison, the Value Plan, with full funding of the deductible \$1,500.00 single or \$3,000.00 family plan and you paid 100% of the premium and part of out of pocket cost would be \$79,452.00, which is a savings of \$14,000.00. Employees out of pocket costs would be \$41.00 single plan monthly or \$83.00 for family plan per month. Larry Smith is willing to have an educational meeting with the town employees to outline how it works and what to expect. After Larry left, the Selectboard further discussed how the price increased on the current plan this year and the Selectboard and Alfred Larrabee were uninformed. Denise Wheeler will put it on the agenda to further discuss health insurance and possibly changing plans in an effort to gain cost savings.

Town Auditor Update with Jeff Fothergill – Jeff Fothergill, CPA and town resident, firstly gave an overview about his take on health savings accounts and how they are used. His accounting business has used them successfully for about four or five years.

Jeff Fothergill noted in March, we are getting a new town treasurer and we are going to get a new person that doesn't have to use Eva's accounting system. While Eva's system has served her well, efficiencies can be made using technology. Quick Books has been installed at the Town Office and is being used to process payroll; the software was paid for last year. A junior accountant from Jeff's office is doing data entry (Jeff is giving the town a 50% discount for this work). Come March 2nd it will be a new system to hand off to the new treasurer. Jeff, in his capacity as auditor along with Toby Talbot, will have some recommendations going forward. He suggested revising the statutory fees kept by the town clerk. The fees get deposited into the town account and have FICA deducted and we pay the town's share of the FICA contribution. Jeff suggested changing things now during this transition. The town can opt out of doing it this way and pay the town clerk a straight salary. Another recommendation would be putting the cemetery endowment under professional supervision where it can be managed independently and gain the best return. Overall, the transition is okay and

Jeff thinks Eva is relieved that things will work out with a new system in place. Jeff offered to be a volunteer consultant to the auditors. VLCT has a nice guide for conducting an audit. Jeff and Toby are going one step further to write a manual of how to conduct an audit for Calais. Their manual will have six sections, with the school board audited separately by a CPA as done presently. Jeff said if we have a guide for town auditors, it will hopefully keep some people interested in it then we don't need an outside firm (our small town and budget size) to do an audit. If you have an easy to understand system, it should work well communicating between the Selectboard and treasurer. Jeff and Toby expect to complete the audit soon. There are three auditor seats. Formal recommendations will be forth coming.

Denise Wheeler will check with VLCT about what the process is for changing the fees collected going to the town instead of the town clerk and update the full Selectboard at the next meeting. This was discussion only and no decision was made. Scott made a motion to check to see what the process is to have the various town fees go to the town rather than town clerk. Scott would like it in a resolution. The motion was seconded, voted and carried 4-0-1. Cy Lamberton abstained from the vote.

Town Warning – A draft Warning from Eva was reviewed. The Warning has to be signed Saturday by the Selectboard members. An Article was added for the new town truck and numbering was moved around. The annual report Denise is writing and will get it to Eva by next week.

Selectboard Budget – small change to town hall maintenance budget; Cemetery Commission is requesting \$30,000.00 because they aren't getting enough money from their endowment. Discussion ensued about different figures in the annual report book. Denise will add \$30,000.00 in the budget for cemetery commission. Scott will bring the budget to Eva tomorrow.

Old Business: Cy Lamberton reported the town is receiving \$7,843.23 additional grant funds from the State of Vermont AOT for work the town did on the Marshfield Road project last summer.

Mike Garand made a motion to adjourn at 9:35pm. The motion was seconded, voted on carried 5-0.

Respectfully submitted,

Rose Pelchuck
Selectboard Secretary