

**MINUTES OF THE SELECTMEN'S MEETING
NOVEMBER 28, 2011**

PRESENT: Daniel W. Trabucco (Chairman), Lewis W. Stone (Vice Chairman), Gregory M. Hanley (Clerk), Arthur P. Boyle, Jr. (Selectman), Edwin J. Thorne (Town Administrator), Sabrina Chilcott (Executive Assistant), Renee Dunphy-Bock (Pembroke Teachers Association), Richard Wall (Police Lieutenant), Brendan Sharkey (MTA Attorney), Peg Struzik, George Stagno (Teacher PHS), Tim O'Leary (Custodian), Paul MacDonald (Teacher Hobomock), Ken McCormick (Fire Captain), Karyn Townsend (Teacher PHS), Kathy Faulkner (Teacher Bryantville), Dorothy La Beauf (Teacher), Jessica Quill-Conant (Teacher PHS), Martha Haddock (Teacher Bryantville), John Mattinson (PMB Cable), WATD reporter and many others.

ANNOUNCEMENTS

Mr. Trabucco updated the Board on the PHS Titans undefeated football program and their scheduled game Tuesday night at 7:30 pm against Oliver Ames in Franklin at the High School on Phillips Street. Mr. Hanley wanted to thank Frank Hackett, School Superintendant for granting permission for Sunday night's bonfire Pep Rally at PHS where over 300 residents came out to support the team. He also thanked Austin Glass, Cathy Holt and Coach Bob Bancroft along with the students and players. He also thanked Bob Morissette, Rick Holbrook, Ken Horn, the Fire Department and Police Department, the DPW and Gridiron Club, the Pembroke Chamber of Commerce, and Arthur Boyle. Mr. Boyle announced that the Pembroke Community Group has begun its annual fund drive for the 2011 Holiday Season. Any Pembroke family, elder or person in need is given assistance for the holidays and is provided with food, gifts and clothing when funds permit. They are conducting a toy and clothing drive; anyone wishing to drop off new items only may do so during the day to the recreation department or weekends and evenings at the Center Fire Station. Always in need of items and gift certificates for teens and adults. If you wish to make a financial contribution, checks are payable to Pembroke Community Group, P.O. Box 1387, Pembroke MA 02359 and may be dropped off in the Selectman's Office at Town Hall. Any questions may be directed to Linda Porazzo, 617-851-3798. Mr. Stone announced that State Representative Daniel Webster is holding his second constituent forum Tuesday, November 29th at 7:00 pm at the Old Hitching Post Restaurant in Hanson. Mr. Stone then announced that the South Shore Recycling Cooperative is coordinating a free electronics waste collection day on Saturday, December 10th from 9:00 am to 3:00 pm at the South Shore VoTech High School at 476 Webster St, Route 123 in Hanover sponsored by Samsung. It is a free event. It includes any small item with an electrical cord; some items include tvs, dvd and cd players, laptops, computers and monitors, irons, toaster ovens, etc. No large appliances. Mr. Boulter addressed the Board on the 300th Anniversary committee update; Senator Therese Murray donated \$500.00. Other individual donors were acknowledged. The Raffle drawing will be held on December 4th at the Pembroke Tree Lighting Event and January 15th will be the big kickoff event; eight numbered commemorative plates are still available. Mr. Boulter's contact information is available on the website: <http://www.pembroke300.com>.

**7:15 DISCUSSION OF AND VOTE ON ENGAGING IN THE PROCESS TO
CHANGE HEALTH INSURANCE BENEFITS UNDER M.G.L. c.32B, §§ 21-23**

Chairman Trabucco requested that the Town Administrator open the discussion of this item. Mr. Thorne explained that the Health Care Reform Act has several steps involved. Mr. Thorne distributed a schedule of the threshold events in a three page memorandum.

Mr. Thorne then reviewed the details of the Schedule with the Board, stating that other towns are also going through this process. January 6th is an important date as that is when the new Health Plan designs will be made available to the Town. Several towns have gotten together and are

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working with a consultant to look more closely at options. Mr. Trabucco stating that tonight's vote is a vote to begin the process of investigating the Town's options. He requested comments from the Board, then proponents of the proposal may speak, then those opposed will have an opportunity.

Health Care Reform Act Schedule

1. November 28, 2011 – Selectmen's Public Hearing on acceptance of G.L. 32B, Sections 21-23 (see Health Reform Law Summary Memo below, page three).
2. December 5-16, 2011 – Informal meeting with Insurance Advisory Committee (IAC) with copies of Health Reform Law and proposed schedule (see Committee List Memo below).
3. January 6, 2012 – Mayflower Health Group to present FY2013 plan design options and rates.
4. Late January, 2012 – Notice to Insurance Advisory Committee. Information to IAC contains current plan data, proposed changes, estimate of anticipated savings, mitigation proposal.
5. Mid February, 2012 – Thirty day negotiation phase with newly formed Public Employee Committee (PEC).
6. Late March, 2012 – If no agreement is reached with the PEC then a Health Insurance Review Panel makes final determination. Panel's decision by April 13, 2012.
7. Mid April, 2012 – Implementation Notice sent to all employees to meet the 60 day requirement.
8. July 1, 2012 – Implementation Date.

Health Reform Law Summary

M.G.L. c.32B, §§ 21

- a. Requires Board of Selectmen's vote to accept sections 21 – 23 in order to adopt provisions in Sections 22 and 23.
- b. BOS shall evaluate health insurance coverage and determine savings if implementing plan design changes (sec. 22) or transfer subscribers to the GIC (sec. 23).
- c. BOS notifies the Insurance Advisory Committee (IAC) of analysis and estimated savings.
- d. BOS notifies each bargaining unit (now called the Public Employee Committee or PEC) of its intention to enter into negotiations to implement changes.
- e. 30 day negotiating period – Majority vote of PEC needed for approval.
- f. If no agreement is reached under section 22 or 23, the matter is submitted to a three person Municipal Health Insurance Review Panel (one from the Town, one from the PEC, one from the Secretary of Administration and Finance).
- g. Panel has ten (10) days to accept the BOS proposal, or require additional savings from the BOS. Decision shall be binding.

M.G.L. c.32B, §§ 22

- a. BOS may submit a new plan which offers new deductibles, co-pays, and other plan design features as long as they are not greater than those features in the GIC.
- b. Higher co-pays, deductibles proposed by the BOS must be bargained.

M.G.L. c.32B, §§ 23

- a. Upon meeting the requirements of Section 21, the BOS may elect to transfer subscribers to the GIC.
- b. BOS shall give notice to the GIC on or before December 1 of each year to transfer subscribers by July 1.

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Committee List Memo Insurance Advisory Committee

1. DPW Union AFSCME Local 1700
2. Clerical Union AFSCME Local 1700
3. Pembroke Police Union
4. Pembroke Permanent Firefighters Association
5. Pembroke Teachers Association
6. Paraprofessionals
7. Food Service
8. Educational Support Staff

Mr. Boyle stated that he feels the timeline is narrow and the Board does not yet have figures. He would like to hear from the people who will be affected. Mr. Boulter said that wants the opportunity to look into it and research the savings; the process is to look into and either go with it or not. He also feels the window is too short, particularly the negotiating window. Mr. Thorne wanted to clarify that this does not affect the contribution rates at which employees contribute now; the law states that the contribution levels can only be changed through bargaining. Mr. Hanley stated that his understanding is that this is a management tool and that the vote is to authorize the Town to adopt the act for the purposes of discussion. It doesn't speak to whether anyone is for or against it but the Board needs to become involved in potential cost savings because of FY2013 with a large deficit. One time funds of \$800,000 that the school department had are now depleted. The Plymouth County Retirement assessment based on the current rate of retirement shows an additional \$200,000 for the coming year so FY2013 opens with \$1M deficit. Mr. Hanley then said the three potential outcomes would be to stay with current plan, move to GIC or choose the GIC look a like plan through Mayflower. The look a like plan offer a potential savings to the Town of approximately \$750,000 if the plan design includes increased copayments, deductibles but no change in percentage of contribution.

There is also a one time, 25% mitigation fund of the savings, allowing for a premium-free holiday. Mr. Hanley read off the list of groups in the Insurance Advisory Committee and stated they would all "have a seat at the table" with the Town Administrator. Mr. Thorne stated there would also be a representative from RCSME as well. Mr. Hanley ended his remarks by saying the schedule of events is timed to implement any potential change for July 1, 2012, beginning of FY2013. Mr. Stone explained that the reason the legislation was passed was to give cities and towns relief in the rising cost of health insurance. The Board of Selectmen wants to proceed but, aside from saving money, they want to preserve benefits. Here they have an opportunity to do both. Mr. Trabucco advised that insurance costs represent 20% of the overall budget and that cost rises 10% each year. He states the Board needs to look at the numbers and determine how much the Town will save and what the employees save or lose. Mr. Trabucco asked for public comment. Renee Dunphy-Bock addressed the Board as the representative from the Pembroke Teachers Association; read a statement and requested the BOS reconsider vote; stay with MHG and not switch to the GIC. Rick Wall told the Board he felt this was short notice; BOS should have sat down with each union to save money to reach a better deal negotiated without the state. Brendan Sharkey appeared before the Board to advise that they can enter negotiations with each union under section 19 to realize some savings tomorrow. The MHG has a \$20M reserve fund and the GIC has none; the GIC is not the answer. He states everyone is willing to negotiate but they require coalition bargaining; give retirees a seat at the table. He requests the BOS adopt section 19 instead. Peg Struzik asked for clarification of process; Mr. Thorne reiterated three choices once data from Mayflower is received and process continues. Options become stay with current plans, switch to GIC or choose MHG look a like plans. The preliminary estimates didn't account for seven different contribution levels in Pembroke ranging from 13.5%-25%.

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Mr. Thorne stated seven towns considering a consultant to provide more accurate figures. George Stagno concurred with short notice and no need for BOS to vote tonight; requested BOS take more time to study. Tim O'Leary agreed. Paul MacDonald appeared before the Board to advise that good health care is a cost savings to the Town in healthy employees. Ken McCormick reiterated Mr. Stagno's position to consider but not vote; he also asked if once the process could be stopped once it was started. Mr. Thorne said yes. The BOS may stop the process and stay with the current plans at any time. Karyn Townsend stated that this frightens her and she doesn't understand. Mr. Wall stated timelines are unrealistic. Ms. Dunphy-Bock reiterated Mr. Sharkey's comments and requested the BOS meet with each union to recognize cost savings. Selectman Boyle stated his main concern with switching is coverage for pre-existing conditions; he stated that he will not vote for that. He also stated that the BOS wouldn't be doing their due diligence if they didn't look into this. Mr. Boyle reiterated he feels the time frame is unrealistic but feels if the BOS is given a chance to do the right thing, the right thing will happen. Mr. Boulter stated if program isn't the same or better, his vote will be to keep the program the way it is. Mr. Hanley explained the first deadline is December 5th and the BOS wanted to get the employees involved in the process as quickly as possible; this is why everyone is here so quickly. Mr. Hanley stated he is the only Selectman with Town insurance. He also stated the taxpayers deserve an opportunity to save some money and until the research is done there are no answers. Mr. Hanley stated he will not vote for a plan that puts too high a burden on the employees. Mr. Stone stated that he has attended MHG meeting and clarified that the GIC is not being seriously considered; they have no reserve fund. The towns attending the meetings are waiting for the MHG look a like plans as Mayflower has a very large reserve fund and we've been happy with them. Insurance expert will come in and put the look a like plan side by side with the plans employees have now; refuses to vote for a plan that takes away what the employees have. Mr. Stone advised that this is the BOS job, to investigate potential savings to the Town and the deadlines are not optional. This vote doesn't commit the Board to anything but finding out facts. Mr. Trabucco stated the MHG plan is the ideal; the vote tonight is necessary. Mr. Wall observed that the law is complicated on its face and requested no vote by the BOS, just investigate options. Ms. Dunphy-Bock requested the BOS consider section 19 in lieu of sections 21-23 and thanked the BOS for listening. Mr. McCormick echoed Mr. Wall's statements. Ms. Struzik wanted verification that process can be stopped at anytime. Mr. Hanley confirmed that the BOS can stop the process and that this process won't get to the Health Insurance Review Board as the Town and the employees need to work this out together which will be in March 2012. Kathy Faulkner stated that if the GIC comes in to Pembroke they will never leave. Dorothea La Beauf raised the concern that doctors don't take GIC plans. She also asked who is on the review panel. Mr. Thorne clarified one member is from the Town, one member is from the PEC, one member is from the office of the Secretary of Administration and Finance. Jessica Quill-Conant states that tonight's vote prevents the employees from being represented at "the table". Mr. Thorne again clarified that once the plans are presented by MHG, the thirty day negotiation period with the PEC begins with employee reps "at the table". Ms. Quill-Conant then asked if the BOS then made the decision and Mr. Thorne said no; the decision is made either by joint agreement of the employee reps and the Town or by the three person panel. The question was raised as to whether or not this was insulting to the unions. Mr. Trabucco stated that the Board of Selectmen are also responsible to the taxpayers who see the other side when union contract packages are presented at Town Meeting and the BOS have an obligation to examine this new law; this law has merit. Martha Haddock inquired as to what is negotiable in the thirty-day negotiation period. Mr. Thorne stated that before the thirty day period starts, the newly formed PEC (or IAC) will be given the information from MHG and the Town's healthcare consultant. Then there will be discussion as to whether the GIC lookalike

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with the deductibles, copays and reduced premiums, going with the GIC or staying with original plans. Mr. Sharkey stated this is not correct. He stated that it is a new law and the only thing that is negotiable is how the 25% savings is returned but the plans are not negotiable. Mr. Thorne disagreed. Mr. Thorne stated that the plans are negotiable. Mr. Stone explained that this vote tonight is necessary to begin the timeline to implement for July 1, 2012. Mr. Hanley stated that supports the motion to engage in the process. Mr. Boulter stated that he looks forward to sitting down with members of the School Department for the first time and this vote is required to begin that process. Mr. Boyle stated in this case the BOS are "trying to be loyal to two Gods" by equally representing the taxpayers and employees in this situation. He repeated if even one employee is adversely affected he will not vote for it. Mr. Hanley moved that the Town of Pembroke elect to engage in the process to change health insurance benefits under M.G.L. c.32B §§ 21-23. Mr. Boulter seconded the motion. The vote was unanimously in favor.

MINUTES

Mr. Boulter moved and Mr. Hanley seconded to accept the minutes of the meeting of November 21, 2011 as presented. The vote was unanimously in favor.

SET HOLIDAY AND YEAR END MEETING SCHEDULE

Mr. Stone moved that the following meeting schedule from December 5th to January 17th as presented by the Town Administrator be accepted and implemented with the Tuesday meeting dates be convened as deemed necessary by the Chairman. Mr. Boulter seconded the motion. Vote was unanimously in favor.

Monday, December 5, 2011	*Tuesday, January 3, 2012
Monday, December 12, 2011	Monday, January 9, 2012
Monday, December 19, 2011	*Tuesday January 17, 2012
*Tuesday, December 27, 2011	

ASK THE SELECTMEN

Mr. Stone updated the Board on the messages of thanks from the residents concerning the recycling center hours adjustment to address the fall foliage issues. He also wanted to advise the Board that he would be attending a meeting of the Council on SEAMASS Communities on Thursday, December 1, 2011 from 10:00 am to noon at the John Carver Inn. The agenda contains an update on SEAMASS and contracts. Mr. Stone will report back to the Board.

EXECUTIVE SESSION

Mr. Stone moved, seconded by Mr. Boyle, to go into executive session to discuss strategy with respect to collective bargaining or litigation if an open meeting may have a detrimental effect on the bargaining or litigating position of the public body and the chair so declares, and upon conclusion no further votes or public business to be discussed.

Roll call vote: Boyle, yes - Boulter, yes – Stone, yes – Hanley, yes – Trabucco, yes

The meeting was adjourned at 8:57 pm.