

Employee Medical Benefits Board
Regular Meeting
Monday, September 18, 2017 @ 6:15pm
Newtown Municipal Center
3 Primrose Street, Newtown, CT 06470

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE
EMPLOYEE MEDICAL BENEFITS BOARD

The Employee Medical Benefits Board held a regular meeting Monday, September 18, 2017. The meeting was held in Meeting Room 1, Newtown Municipal Center, 3 Primrose Street, Newtown, CT. The meeting was called to order at 6:15pm.

Present: Jim Loring, Donna Van Waalwijk, James O'Sullivan

Also Present: Robert Tait

Absent: Dave Stott, Ron Bienkowski

Chairman Loring called the meeting to order at 6:17pm

Acceptance of Minutes from previous meeting: Ms. Van Waalwijk moved to accept the minutes of May 8, 2017. Mr. O'Sullivan seconded. The minutes were unanimously approved.

Voter Comments: none.

New Business:

Review updated claim months of May, June and July 2017: *(Attachment)* Going back to February 2017 the board was analyzed the medical fund using the first seven months of claims. Claims for the next five months turned out very well. Four months out of five were lower than the prior year. This resulted in a better than expected total claims figure for 2016-17. In February 2017 the estimated total claims figure was \$13,600,000 (rounded). Actual total claims came out to be \$12,400,000.

Review status of Self-Insurance Reserve Fund and estimate for year-end, June 30, 2017: *(Attachment)*. Looking at the unaudited statement of revenues, expenses and changes in net position (income statement) for the year ended June 30, 2017 you can see that the fund balance (net position) went from \$2,743,000 (rounded) to \$4,145,000. This is a great result. It means that most likely next years budgeted contribution to the medical self-insurance fund will remain the same. Hand out of medical self-insurance fund analysis at August 2017. It is too early to make any accurate forecasts. However, it still looks good. The hard part of the analysis is the initial H.S.A. payments in the beginning of the year. However they have been included in the analysis.

Review and discuss Chapter 33, article II Self- Insurance Trust Fund in the Newtown Code Book: *(Attachment)*. The board reviewed their responsibilities according to the code.

Review other information board members, partners, insurance make available – none.

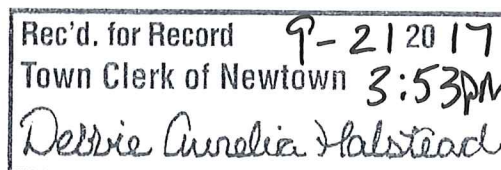
Communications: none.

Announcements: Next scheduled regular meeting is Monday, November 13, 2017

Adjourn: The meeting adjourned 6:49pm

Respectfully submitted,
Sue Marcinek, Clerk Pro-Tem

Attachments



TOWN OF NEWTOWN CLAIMS ANALYSIS

FISCAL YEAR 2012-2013													
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	TOTALS
TOWN	247,000	226,000	168,000	198,000	190,000	266,000	242,000	246,000	279,000	262,000	304,000	215,000	2,843,000
BOE	722,000	764,000	611,000	812,000	694,000	739,000	596,000	754,000	677,000	763,000	843,000	709,000	8,684,000
TOTAL	969,000	990,000	779,000	1,010,000	884,000	1,005,000	838,000	1,000,000	956,000	1,025,000	1,147,000	924,000	11,527,000
												JAN=	56%
FISCAL YEAR 2011-2012													
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	TOTALS
TOWN	213,000	304,000	266,000	171,000	223,000	302,000	238,000	227,000	298,000	276,000	312,000	318,000	3,148,000
BOE	860,000	618,000	742,000	561,000	573,000	621,000	601,000	657,000	692,000	726,000	659,000	802,000	8,112,000
TOTAL	1,073,000	922,000	1,008,000	732,000	796,000	923,000	839,000	884,000	990,000	1,002,000	971,000	1,120,000	11,260,000
												JAN=	56%
FISCAL YEAR 2013-2014													
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	TOTALS
TOWN	275,000	238,000	389,000	180,000	276,000	280,000	220,000	203,000	336,000	261,000	403,000	462,000	3,523,000
BOE	958,000	865,000	493,000	741,000	649,000	804,000	546,000	721,000	856,000	739,000	623,000	803,000	8,798,000
TOTAL	1,233,000	1,103,000	882,000	921,000	925,000	1,084,000	766,000	924,000	1,192,000	1,000,000	1,026,000	1,265,000	12,321,000
												JAN=	56%
FISCAL YEAR 2014-2015													
	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	TOTALS
TOWN	331,000	221,000	352,000	475,000	307,000	304,000	234,000	365,000	361,000	304,000	340,000	202,000	3,843,000
BOE	834,000	821,000	543,000	599,000	644,000	652,000	603,000	728,000	782,000	801,000	843,000	701,000	8,730,000
TOTAL	1,165,000	1,042,000	895,000	1,074,000	951,000	956,000	837,000	1,093,000	1,143,000	1,105,000	1,183,000	903,000	12,573,000
									NAF fees		179,000	47,000	JAN=
													55%
FISCAL YEAR 2015-2016													
	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	TOTALS
TOWN	268,000	291,000	258,000	571,000	288,000	228,000	320,000	268,000	425,000	268,000	221,000	264,000	3,670,000
BOE	1,080,000	817,000	737,000	701,000	655,000	848,000	671,000	753,000	1,005,000	690,000	693,000	1,055,000	9,705,000
TOTAL	1,348,000	1,108,000	995,000	1,272,000	943,000	1,076,000	991,000	1,021,000	1,430,000	958,000	914,000	1,319,000	13,375,000
												JAN=	58%
FISCAL YEAR 2016-2017													
	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	TOTALS
TOWN	327,000	300,000	242,000	375,000	296,000	295,000	218,000						2,053,000
BOE	891,000	781,000	619,000	643,000	909,000	800,000	626,000						5,269,000
TOTAL	1,218,000	1,081,000	861,000	1,018,000	1,205,000	1,095,000	844,000						7,322,000
													plus H.S.A. pmts
													\$ 13,312,727
													\$ 311,000
													\$ 13,623,727
													48%

h.s.a. payments not in monthly claims above.

2/6/2017

TOWN OF NEWTOWN CLAIMS ANALYSIS
2017 - 18

		FISCAL YEAR 2012 - 2013													
		Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	TOTALS	
TOWN		247,000	226,000	168,000	198,000	190,000	266,000	242,000	246,000	279,000	262,000	304,000	215,000	2,843,000	25%
BOE		722,000	764,000	611,000	812,000	694,000	739,000	596,000	754,000	677,000	763,000	843,000	709,000	8,684,000	75%
TOTAL		969,000	990,000	779,000	1,010,000	884,000	1,005,000	838,000	1,000,000	956,000	1,025,000	1,147,000	924,000	11,527,000	17%
														111,750	h.s.a.
		FISCAL YEAR 2013 - 2014													
		Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	TOTALS	
TOWN		275,000	238,000	389,000	180,000	276,000	280,000	220,000	203,000	336,000	261,000	403,000	462,000	3,523,000	27%
BOE		958,000	865,000	493,000	741,000	649,000	804,000	546,000	721,000	856,000	739,000	623,000	803,000	8,798,000	73%
TOTAL		1,233,000	1,103,000	882,000	921,000	925,000	1,084,000	766,000	924,000	1,192,000	1,000,000	1,026,000	1,265,000	12,321,000	
														20%	
		FISCAL YEAR 2014 - 2015													
		Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	TOTALS	
TOWN		331,000	221,000	352,000	475,000	307,000	304,000	234,000	365,000	361,000	304,000	340,000	202,000	3,843,000	32%
BOE		834,000	821,000	543,000	599,000	644,000	652,000	603,000	728,000	782,000	801,000	843,000	701,000	8,730,000	68%
TOTAL		1,165,000	1,042,000	895,000	1,074,000	951,000	956,000	837,000	1,093,000	1,143,000	1,105,000	1,183,000	903,000	12,573,000	18%
														171,250	h.s.a.
		FISCAL YEAR 2015 - 2016													
		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	TOTALS	
TOWN		268,000	291,000	258,000	571,000	288,000	228,000	320,000	268,000	425,000	268,000	221,000	264,000	3,670,000	29%
BOE		1,080,000	817,000	737,000	701,000	655,000	848,000	671,000	753,000	1,005,000	690,000	693,000	1,055,000	9,705,000	71%
TOTAL		1,348,000	1,108,000	995,000	1,272,000	943,000	1,076,000	991,000	1,021,000	1,430,000	958,000	914,000	1,319,000	13,375,000	19%
														314,000	h.s.a.
		FISCAL YEAR 2016 - 2017													
		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	TOTALS	
TOWN		327,000	300,000	242,000	375,000	296,000	295,000	218,000	219,000	310,000	260,000	332,000	241,000	3,415,000	28%
BOE		891,000	781,000	619,000	643,000	909,000	800,000	626,000	547,000	833,000	587,000	825,000	920,000	8,981,000	72%
TOTAL		1,218,000	1,081,000	861,000	1,018,000	1,205,000	1,095,000	844,000	766,000	1,143,000	847,000	1,157,000	1,161,000	12,396,000	21%
														628,000	h.s.a.
		FISCAL YEAR 2017 - 2018													
		Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	TOTALS	
TOWN		265,000	269,000	-	-	-	-	-	-	-	-	-	-	534,000	27%
BOE		698,000	723,000	-	-	-	-	-	-	-	-	-	-	1,421,000	73%
TOTAL		963,000	992,000	-	-	-	-	-	-	-	-	-	-	1,955,000	
														12,915,000	\$

9/18/2017

TOWN OF NEWTOWN

MEDICAL SELF INSURANCE FUND ANALYSIS @ AUG 30, 2017

FISCAL YEAR 2017 - 2018 FORCAST

FUND BALANCE @ JULY 1, 2017

4,145,237

ESTIMATED REVENUES

EMPLOYER CONTRIBUTIONS:

MUNICIPAL	3,181,000
EDUCATION	8,686,000
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EMPLOYEE CONTRIBUTIONS:

MUNICIPAL	385,000
EDUCATION	2,100,000
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RETIREE/COBRA/AGENCY CONTRIBUTIONS:

MUNICIPAL	350,000
EDUCATION	392,000
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INTEREST EARNED ON INVESTMENTS

20,000

15,114,000

TOTAL REVENUES

ESTIMATED EXPENSES

CLAIMS/NAF:

MUNICIPAL	FROM CLAIMS
EDUCATION	ANALYSIS
	<hr/>

13,500,000

ADMINISTRATIVE FEES:

MUNICIPAL	1,050,000
EDUCATION	
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CONSULTANT FEES

55,000

14,605,000

TOTAL EXPENSES

ESTIMATED FUND BALANCE @ JUNE 30, 2018

4,654,237

34%

25% OF TOTAL CLAIMS =

3,375,000

TOWN OF NEWTOWN

MEDICAL SELF INSURANCE FUND ANALYSIS @ AUG 30, 2017

FISCAL YEAR 2018 - 2019 FORECAST

ESTIMATED FUND BALANCE @ JULY 1, 2018

4,654,237

ESTIMATED REVENUES

EMPLOYER CONTRIBUTIONS:

MUNICIPAL	3,181,000
EDUCATION	8,686,000
	<hr/>

11,867,000

EMPLOYEE CONTRIBUTIONS:

MUNICIPAL	385,000
EDUCATION	2,100,000
	<hr/>

2,485,000

RETIREE/COBRA/AGENCY CONTRIBUTIONS:

MUNICIPAL	350,000
EDUCATION	392,000
	<hr/>

742,000

INTEREST EARNED ON INVESTMENTS

20,000

15,114,000

TOTAL REVENUES

ESTIMATED EXPENSES

CLAIMS/NAF:

MUNICIPAL	14,512,500
EDUCATION	(7.5%)
	<hr/>

14,512,500

ADMINISTRATIVE FEES:

MUNICIPAL	1,050,000
EDUCATION	
	<hr/>

1,050,000

CONSULTANT FEES

55,000

15,617,500

TOTAL EXPENSES

ESTIMATED FUND BALANCE @ JUNE 30, 2019

4,150,737

29%

25% OF TOTAL CLAIMS =

3,628,125

TOWN OF NEWTOWN
MEDICAL SELF INSURANCE FUND ANALYSIS @ JAN 31, 2016
FISCAL YEAR 2016 - 2017 FORECAST

FUND BALANCE @ JULY 1, 2016

2,743,000

ESTIMATED REVENUES

EMPLOYER CONTRIBUTIONS:

MUNICIPAL
EDUCATION

3,163,000
8,685,000

11,848,000

EMPLOYEE CONTRIBUTIONS:

MUNICIPAL
EDUCATION

353,000
2,200,000

2,553,000

RETIREE/COBRA/AGENCY CONTRIBUTIONS:

MUNICIPAL
EDUCATION

350,000
392,000

742,000

INTEREST EARNED ON INVESTMENTS
TOTAL REVENUES

10,000
15,153,000

ESTIMATED EXPENSES

CLAIMS/NAF:

MUNICIPAL
EDUCATION

13,625,000
FROM CLAIMS ANALYSIS

ADMINISTRATIVE FEES:

MUNICIPAL
EDUCATION

1,050,000

CONSULTANT FEES

TOTAL EXPENSES

55,000
14,730,000

ESTIMATED FUND BALANCE @ JUNE 30, 2017

25% OF TOTAL CLAIMS =

3,406,250

3,166,000 23%

UNAUDITED

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
MEDICAL SELF-INSURANCE INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Governmental Activities Internal Service Fund</u>
OPERATING REVENUES	
Charges for services	\$ 14,802,444
Total operating revenues	<u>14,802,444</u>
OPERATING EXPENSES	
Premiums and claims	12,246,338
Administrative and other	1,171,751
Total operating expenses	<u>13,418,089</u>
Operating Income (loss)	1,384,355
NON-OPERATING INCOME (EXPENSE)	
Interest income	17,249
Total non-operating expense, net	<u>17,249</u>
Change in net position	1,401,604
Net position - beginning	<u>2,743,633</u>
Net position - ending	<u><u>\$ 4,145,237</u></u>

UNAUDITED

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF NET POSITION
MEDICAL SELF-INSURANCE INTERNAL SERVICE FUND
JUNE 30, 2017

	Governmental Activities
	Internal Service Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,405,084
Investments	-
Receivables:	
Assessments	-
User charges, net	-
Other	15,711
Due from other funds	4,045,600
Total assets	<u>5,466,395</u>
LIABILITIES	
Accounts payable	344,389
Accrued liabilities:	
Claims	975,000
Other	-
Due to other funds	-
Unearned revenue	1,769
Total liabilities	<u>1,321,158</u>
NET POSITION	
Net investment in capital assets	-
Unrestricted	4,145,237
Total net position	<u>\$ 4,145,237</u>

*Town of Newtown, CT
Monday, September 18, 2017*

Chapter 33. Finances

Article II. Self-Insurance Trust Fund

§ 33-4. Title.

This article shall be known and may be cited as the "Self-Funded Health Insurance Fund and Committee Ordinance."

§ 33-5. Creation of fund and committee.

The Town of Newtown, hereinafter referred to as the "Town," by this article, authorizes the creation of the Self-Funded Health Insurance Fund, hereinafter referred to as the "fund," whose purpose is described below; and also authorizes the creation of the Self-Funded Health Insurance Fund Committee, hereinafter referred to as the "Committee," whose responsibilities are described below.

§ 33-6. Purpose of fund.

The purpose of this fund is to hold funds to pay claims made by municipal and school district employees of the Town as required in fulfilling employee health insurance obligations of the Town of Newtown, and other such liabilities relating to those claims and obligations.

§ 33-7. Collaboration between Board of Selectmen and Board of Education.

For the purposes of this article, it is the intention of the Town of Newtown to have the Board of Selectman and Board of Education work collaboratively as "partner" or "partners" in connection with the fund and the benefits paid by the fund pursuant to the above section.

§ 33-8. Responsibilities of Committee.

The Committee shall:

- A. Serve the interests of the municipal and education departments of the Town.
- B. Recommend the level of annual or other contributions to the fund by the Town and apportionment to each of the partners, in consultation with the insurance consultant in his work with the insurance provider.
- C. Serve as an information bridge between the Town insurance consultant and the partners.

- D. Work with the Town and the insurance consultant as needed in any matters pertaining to health benefits.

§ 33-9. Members of Committee; appointment; terms of office.

- A. There shall be three volunteer members of the Committee, with a preference for those who have relevant expertise and knowledge in finance, health care, and/or insurance.
- B. Members shall be appointed by the First Selectman with the approval of the Board of Selectmen to serve three-year terms. Initially, the First Selectman shall appoint one member for a one-year term, one member for a two-year term and one member for a three-year term.
- C. There shall be two alternates, each appointed for a two-year term. The term of the alternates shall run from January 1 of the even year through December 31 of the ensuing year. If a regular member of the Committee is absent, the Chairman of the Committee shall designate an alternate to act in the absent member's place, choosing the alternates in rotation so that they shall act as nearly equal a number of times as possible.

§ 33-10. Committee Chairman and Clerk.

- A. The Committee shall elect a Chairman, to serve for a term of one year. The Chairman shall preside at meetings and public hearings.
- B. The Committee shall utilize a Clerk, whose responsibility is the taking of minutes at all meetings, typing and filing the same, and performing all other clerical or recording services for the Committee.

§ 33-11. Committee meetings.

- A. The Committee shall meet quarterly and at other times as the Chairman deems necessary.
- B. The Chairman shall prepare an agenda prior to each meeting and distribute a copy to each Committee member.

§ 33-12. Fund specifications.

- A. The fund exists only to pay health care claims and related expenses of the plan and shall not be used for any other purpose.
- B. The fund will build a reasonable (not to exceed three months of payments) balance to ensure that claims of covered employees can be paid during a high claim year.
- C. Investments of the fund balance will be made in accordance with the Town's investment policy.
- D. In the event the fund is terminated, any balance shall revert back to the General Fund of the Town (after all self-insurance claims have been paid) and shall be used to defray the partners' future health insurance costs and obligations.
- E. The fund shall continue year to year without lapsing unless terminated by the Town.