



**Mount Joy Borough Council
Mount Joy Borough Authority
May 25, 2016, Joint Meeting Minutes**

Council President Glessner called the meeting to order at 6:00 PM

Borough Council Roll Call- Present were Councilors, Deering, Ginder, Millar, Smeltz, Youngerman, President Glessner, and Mayor Bradley arrived at 6:15 PM. Councilor Reese arrived at 6:18 PM. Councilors Murray and Seidel were unable to attend.

Borough Authority Board Roll Call- Present were Chairman Rebman, Board Members Golicher, Hamm and Metzler. Board Member Derr was unable to attend.

Also present were Borough Authority Manager, John Leaman; Borough Manger, Scott Hershey; Borough Administrative Assistant, Andrea Zell, Borough Accounting Specialist, Jill Frey; and Police Department Administrative Assistant Denine Ward, and Borough resident Ned Sterling

Borough Council- on a **MOTION** by Ginder and second by Millar Council approved the meeting agenda. *Motion carries unanimously*

Public Input Period- Comments of Any Borough Resident or Property Owner- none

Discussion of Employee Health Insurance- Hershey and Leaman presented general information about their research. It was noted that through their research over the past few years they have found that there is no magic bullet for generating substantial savings in health insurance costs. Two different insurance companies/brokers have reviewed coverages including not only health insurance, but also property, liability, etc. The response from both was that there was nothing they could offer that would be competitive with what was already in place. Utilization drives health insurance costs. Implementation of a three tier coverage structure- single, two party, or family (more than two) was researched, but that scenario is not available with the current carrier.

Hershey and Leaman then presented information on a proposed health care plan that would implement a High Deductible Health Savings Account (HDHSA) and other changes to health insurance for the non-uniformed employees who have coverage through the Borough/Borough Authority's health insurance plan. Hershey noted that in a joint meeting of the Council and the Authority Board in 2015, he and Leaman were directed to research the implementation of a Health Savings Account. Hershey reported that the memo that Council and the Authority Board received in their meeting packets included a summary of the direction from the Borough Council Administration Committee and that the hope was that this could be a starting point for discussions between the Council and Authority Board on changes, if any, that should be made to the health insurance plan. The information provided in the memo was as follows:

- The current Health Reimbursement Account (HRA) would be discontinued.
- \$2,000/\$4,000 Deductibles through Highmark would continue with the employee being responsible for entire deductible. These costs would be eligible to be covered from HDHSA and the employee would pay the full negotiated cost for services and prescriptions up to the established deductible. (Negotiated means the cost negotiated with the provider by the insurance company.)
- Establish an 80/20 coinsurance for major medical expenses, i.e.: hospital/surgery costs
- Establish a \$3,000 Single/\$6,000 family max out of pocket, which could be done by instituting a \$1,000 single/\$2,000 family coinsurance limit
- Establish a \$20.00 co-pay at time of service for "regular" Doctor visits. A schedule was proposed as follows:
 - \$20 time of service co-pay for Primary Care/Retail Clinic visits
 - \$40 time of service co-pay for Specialist Visits
 - \$50 time of service co-pay for Urgent Care Visits
 - \$100 time of service co-pay for Emergency Room visits.
 - It was noted that the time of service and prescription co-pays would continue even after the employee has met the maximum out of pocket outlined previously. The maximum out of pocket on co-pays would be \$4,000 single/\$7,000 family.

- Employee Contributions continue with the funds being deposited into the employees' HDHSA. Currently, it is not known if these funds will count in the computation for the Cadillac Tax now scheduled to be implemented in 2020.
- Borough/Borough Authority contribute to the HDHSA possibly on a schedule which reduces that contribution each year. A possible contribution schedule was presented. The schedule would use a combination of employee contributions and contributions from the Borough/Borough Authority to fully fund the employee deductible in year 1 (2017), with the Borough/Borough Authority's contribution reducing by 25% in year 2, by 33% in year 3 and by 50% in year 4. It was suggested that through this time, insurance utilization and costs be monitored to make decisions about additional and future revisions to the schedule.
- Consider the "donut hole" between Borough/Authority contribution to HDHSA and meeting the employees' maximum out of pocket for major medical costs. The potential out of pocket expenses could be as much as \$3,700 for those with family coverage in year 4 of the proposal.
- Impact on insurance costs- implementing the HDHSA with co-pays at time of service would produce an estimated 2.7% savings over current 2016 rates, but there would not be an overall savings through the plan as presented unless utilization and hence the actual insurance cost were reduced. That would be one of the goals of implementing the HDHSA as presented.
- Establish an incentive for employees to not use Borough insurance. Current cost for single coverage is about \$10,000 per year. An incentive of \$3,000 or \$4,000 could be offered and the Borough/Borough Authority would realize substantial return on investment.
- Implement a policy of no coverage of spouse if other insurance is available with the policy being effective for all employees hired on or after January 1, 2017.

There was lengthy discussion about the current health insurance and the proposal. Council President Glessner asked if the Council and Authority Board would consider a motion to approve the proposed HDHSA and other changes to the health insurance. Authority Board Chairman Rebman responded that the Board would like to discuss it among themselves before considering any official action.

NOTE: Councilor Deering left the meeting at 7:00 PM

Any Other Matter to Come Before the Council and/or Authority Board- none

The joint meeting was adjourned at 7:20 PM

The Borough Council went into Executive Session to discuss litigation and personnel matters at 7:23 PM and came out of Executive Session at 7:50 PM.

Hershey reported that Stormwater Enforcement Officer, Ken Barto, tendered a letter advising that he would be retiring with his last day worked being November 18, 2016. Hershey reported that the 2016 budget included funding for a replacement Stormwater Enforcement Office for the last quarter and that was a relatively short time to train the new Officer. There is a position currently vacant in the Parks Department which is expected to be filled in the near future, but with the savings by not having the position filled, the net cost of hiring the Stormwater Enforcement Officer on or after July 1 would be just under \$4,000.00. There was brief discussion by the Council.

On a **MOTION** by Ginder and a second by Millar, Council approved authorizing the hiring of a Stormwater Enforcement Officer on or after July 1, 2016. *Motion carries unanimously.*

On a **MOTION** by Ginder and a second by Millar, the meeting was adjourned at 7:55 PM.

Respectfully Submitted,

Scott Hershey
Borough Manager/Secretary