



**Mount Joy Borough Council
Mount Joy Borough Authority
June 21, 2017, Joint Meeting Minutes**

Council President Glessner called the meeting to order at 7:05 PM

Borough Council Roll Call- Present were Councilors, Deering, Ginder, Millar, Reese, President Glessner, and Mayor Bradley. Councilors Youngerman, Smeltz and Seidel were unable to attend. A quorum of Council was present.

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

Also present were Borough Authority Manager, John Leaman; Borough Manger, Samuel Sulkosky; MSMJ Director Kim Brewer and Borough resident Sue Sterling. Also attending were Dan Derr of Integrated Medical Transport, Jeff Shatzer and Nicole Warfield of Shatzer Insurance, Toby Heishman and Robert Creason Christian Baker Company.

Borough Council: on a **MOTION** by Mike Reese and second by Josh Deering 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- John Leaman gave a brief introduction of what has occurred of the past year or so concerning the Borough's and Authority's insurance coverages. Leaman introduced our presenters for this evening. The initial group that will cover the health insurance is Dan Derr, Jeff Shatzer and Nicole Warfield. The second group of Toby Heishman and Robert Creason will cover the property, casualty and other coverages.

Dan Derr thanked everyone for the opportunity to be here this evening. Derr explained that there have been some changes in the health insurance industry. Derr said that they had previously looked at the group health insurance and at the time was unable to do anything. Derr stated that he has partnered Jeff Shatzer who has done most of the work for this proposal. Dan turned it over to Jeff Shatzer.

Shatzer explained that they approached this with a goal of addressing the high premiums and looking at the HRA and HSA accounts. They took the view of two separate smaller groups instead of the current mid market group. Under the ACA, groups of 50 or more are rated on a risk basis. As a smaller group, premium rates would be age banded thus less volatile. Shatzer reviewed Affordable Care Act (ACA) such as the pre-existing condition and age 26 provisions. Jeff explained that the renewal rates would be stable and based on published rate cards approved for all of Lancaster County. Jeff explained going fully insured would put the reporting requirements back on the insurer. Jeff reviewed the costs of the Borough and Authority's current coverage as compared to various PPO plans with different deductible amounts. After questioning, Jeff reviewed the difference on out of pocket expenses and copay amounts. The Council and Authority Board asked Jeff Shatzer and Nicole Warfield a series of Councilor, Board and staff questions ranging from rate increases, small group size, runout costs, overlapping of coverage, affordable care act provisions, HSA/HRA provisions, employee customer service, health insurance trends, participating doctors/medical providers, uniform/non-uniform employees, collective bargaining agreement,

John Leaman informed the Council and Board that a notice to terminate to Benecon can be withdrawn up to November 30, 2017. John Leaman announced that the Authority Board voted the previous night to encourage the Borough to send a Notice of Termination to Benecon.

Councilor Ginder made a **motion** to authorize the Borough Manager to send an official letter to Benecon's Board of Directors, pursuant to Article VI – Member Obligations, giving notification of the Borough of Mount Joy's intention to terminate membership from the Cooperative. Furthermore, Council desires to request the Cooperative's Board of Directors consider waiving the December 31, 2017 of the plan year termination effective date. Councilor Deering seconded the motion. *Motioned carries unanimously.*

President Glessner announced Toby Heishman and Robert Creason Christian Baker Company who will give a presentation on property, liability and umbrella insurance coverages.

Heishman presented a summary/comparison between the Borough/Authority current coverage with Philadelphia Insurance and Travelers Insurance. Heishman explained that they felt current Property limits were low so Travelers has increased coverages. Some new coverages under Travelers that are not currently provided include \$1 million each of earthquake, flood, underground pipe, failure to supply, pollution and sewage backup coverages. Some other coverages were Employee Benefits, Cyber Liability and Key Employee.

A question and answer session ensued concerning Cyber Liability coverages and what entails coverage and what would be the proper coverage levels under Cyber Liability. Heishman explained this would include system breaches, lost or stolen laptops and leaking of meeting information.

Heishman stated that the biggest difference in the new coverage is the current umbrella coverage is only over the general liability and commercial automobile but does not cover police and public officials. The Travelers coverage would provide \$2 million umbrella coverage over everything. Heishman recommended an optional \$5 million umbrella coverage. Heishman explained the new coverage would go from \$2 million to \$4 million and with the optional \$5 million would increase total coverage to \$7 million.

Heishman explained that travelers have a public official's unit which would review policies, procedures and risk control consultants. Heishman recommended having a safety committee and stated they would assist in setting up a safety committee. They would also provide claim control specialist that would assist with minimizing and resolving claims as quickly as possible.

In response to a question on Employee Benefits Liability, Heishman explained that current coverage was \$1 million thus one large claim would exhaust the benefit. The new coverage would cover \$1 million per claim with a total coverage of \$3 million. Thus, three \$1 million claims could be paid.

Heishman explained that even with the new and increased coverage, there was a \$12,000 savings. John Leaman pointed out that with our current coverage, the Trust does provide a non-guaranteed dividend. Leaman pointed out that a true comparison would require going to the current carrier and having them quote the increased and new coverages. Leaman stated that the travelers quote is for less money for better coverages.

Mayor Bradley asked what would be the cost of \$1 million in Cyber Liability coverage. Heishman said about \$4,000 annually.

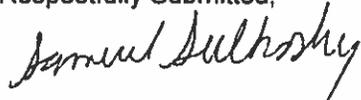
A brief discussion occurred concerning when coverage could start, how current claims would be handled and any penalties in early termination of current coverage. Heishman stated coverage could start right away, current claims would be paid by the current carrier and time limitation under the health insurance do not apply in this case.

The Council and Authority Board thanked Ms. Heishman for her presentation.

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

On a **motion** by Councilor Ginder, seconded by Councilor Deering, the joint meeting was adjourned at 8:39 PM.

Respectfully Submitted,



Samuel Sulkosky
Borough Manager/Secretary