

IN BOARD OF SUDBURY SELECTMEN  
EXECUTIVE SESSION  
March 6, 2009

Present: Lawrence W. O'Brien, Chairman, William J. Keller, Jr. and John C. Drobinski, Selectmen, Town Manager Maureen G. Valente, Assistant Town Manager Wayne R. Walker and Labor Attorney Kevin Feeley.

The statutory requirements as to notice having been complied with, the meeting was convened at 8:30 a.m. in the Flynn Building Thompson Conference Room, 278 Old Sudbury Road.

At 8:35 a.m., by unanimous roll call vote on a motion by Selectman Keller, seconded by Selectman Drobinski, the meeting convened in Executive Session for the purpose of discussing strategy with respect to collective bargaining.

Collective bargaining agreements currently in force with the largest collective bargaining units under contract will expire on June 30, 2009. Negotiations for successor labor agreements have begun or will soon begin with the police, fire and Supervisory Association collective bargaining units on the Town side and the Sudbury Public School teachers, support staff and custodians, and Lincoln-Sudbury Regional School teachers and support staff on the school side. In view of this fact, discussion focused on the goals the Board would like to achieve in the collective bargaining negotiations covering the next three year period.

Based on previous discussions with members of the SPS School Committee, during which a consensus of agreement was reached that the issue of the cost of providing health insurance to Town and school employees would be the most critical subject of the negotiations, several goals were proposed by Town Manager Valente and discussed in further detail. Recognizing that employee layoffs and reductions in staff in both the Town and School workforces would be necessary absent either a significant increase in revenues or reduction in expenses, the focus of discussion was on strategies to reduce expenses by modifying the current health insurance program offered to Town and School employees.

Conceptual objectives were established as follows:

1. Implement changes in both the proportionate contribution levels paid for health insurance coverage by the Town and by its employees, and in the level of benefits available to employees through the plan design features of our self-insured health insurance plans.
2. Develop a financial model for implementation so that any reduction in health insurance benefits does not result in any employees being subject to a decrease in total compensation.
3. Seek to achieve sufficient savings through contribution level and plan design modifications to preserve the total number of jobs it would have been necessary to eliminate under the current no-override FY10 budget scenario in both Town and school workforces.
4. Seek to design, with assistance from our current predominant health plan carrier, Blue Cross/Blue Shield, a self-insured health insurance plan with benefit features similar to those available through health plans offered by the state Group Insurance Commission (GIC), thereby achieving savings in an amount reasonably equivalent to the savings that may have been achieved if the Town elected to join the GIC for employee health insurance.
5. Consult with the Lincoln-Sudbury Regional School Committee and advocate that the Committee develop a negotiating strategy consistent with that to be employed by the Town and SPS.
6. Contemplate a prospective change in the contribution level split in favor of Town retirees who are Medicare eligible and therefore participate in one of the Town's optional Medicare extension plans.

Board members then reviewed and discussed several possible options prepared by the Town Manager intended to meet these objectives. Each possible alternative would potentially achieve varying levels of savings, although two particular options were designed to achieve savings of approximately \$1 million. Such a level of savings would be required at a minimum in order to restore the job cuts projected by the SPS administration in the current FY10 no-override budget scenario. A smaller level of savings would be sufficient to restore projected cuts in the Town workforce.

Following further discussion, a clear consensus emerged from the Board that the underlying intent of their bargaining strategy would be to insure to the greatest extent possible the long-term preservation of jobs. It was felt that the best prospect for accomplishing this objective would be to aggressively pursue both contribution level and plan design modifications in the health insurance program beginning at the earliest practicable three-year contract duration.

Accordingly, it was voted by unanimous individual roll call vote on a motion by Selectman Drobinski, seconded by Selectman Keller, to employ the following collective bargaining strategy.

- Seek contribution level changes from 90%/10% to 75%/25% for the Town's Blue Cross/ Blue Shield HMO Blue plan effective July 1, 2009, the first year of the proposed three- year contract duration, with a change in the Blue Cross/Blue Shield Blue Choice plan from 75%/25% to 60%/40% at the same time and eliminate the Harvard Pilgrim Health Care EPO plan as well;
- Create a Blue Cross/Blue Shield sponsored GIC-comparable health plan with modified plan design benefit features superseding both current HMO and POS/PPO plans;
- Establish an employer-funded Health Reimbursement Account (HRA) or similar program to financially assist employees with the proposed higher co-pays and deductibles in the new health plans;
- **REDACTED**
- Provide a minimum 2% cost of living adjustment (COLA) to all employees for FY10 and also allow for annual step increases for eligible employees. COLA increases for the second and third years of the proposed labor agreements will be determined at a later date.

There being no further business, the meeting adjourned at 10:15 a.m.

Attest: \_\_\_\_\_  
Maureen G. Valente  
Town Manager – Clerk