

IN BOARD OF SELECTMEN
MONDAY, JULY 20, 1992

Present: Judith A. Cope and Lawrence L. Blacker.

The statutory requirements as to notice having been met, the meeting convened at 7:30 p.m. at the Fairbank Senior Center.

Bond Sale - Unisys and Melone Properties

The Board acknowledged receipt of a communication dated July 10, 1992 from Treasurer/Collector Mary Ellen Normen Dunn, relative to the Bond sale for the Unisys Land and Melone Property, stating the winning bid was awarded to State Street Bank & Trust Co., and Assoc. for an 18 year issue at the rate of 5.2395%. In addition, a communication dated July 15, 1992 was received from Ms. Dunn which shows a revised Debt Service Projection sheet reflecting the Unisys/Melone borrowing and the amount of money available to the Town for future bonding within guidelines set by Five-Year Planning Committee.

On the recommendation of Executive Secretary Thompson, it was on motion unanimously

VOTED: That the sale of the \$2,010,000 Land Acquisition Bonds of the Town dated July 15, 1992, to State Street Bank and Trust Company and Associates at par and accrued interest is hereby confirmed. The bonds shall be payable on July 15 of the years and in the principal amounts and bear interest at the respective rates, as follows, subject to earlier redemption at the option of the Town as provided in the Preliminary Official Statement dated June 25, 1992:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
1993	\$115,000	6.20%	2002	\$110,000	5.10%
1994	115,000	6.20	2003	110,000	5.10
1995	115,000	6.20	2004	110,000	5.20
1996	115,000	4.00	2005	110,000	5.30
1997	115,000	4.25	2006	110,000	5.50
1998	115,000	4.50	2007	110,000	5.60
1999	110,000	4.75	2008	110,000	5.60
2000	110,000	4.80	2009	110,000	5.60
2001	110,000	4.90	2010	110,000	5.60

And it was further

VOTED: That the consent dated July 9, 1992 to the financial advisor bidding for the bonds is hereby confirmed.

Minutes

It was on motion unanimously

VOTED: To approve the regular session minutes of July 7, 1992 as amended.

Fire Department Ambulance Gift Account - Donation

In response to a communication dated July 13, 1992, from Fire Chief Michael Dunne, it was on motion unanimously

VOTED: To accept and acknowledge a donation of \$50 from Sarah E. Osborn, 37 Brooks Street, Maynard, to be deposited into the Fire Department Ambulance Gift Account.

Fire Headquarters Landscaping - Donation

In response to a communication dated July 13, 1992, from Fire Chief Michael Dunne relative to donations of time and materials from Steve Weir Landscape Company and plant donations from Paul Cavicchio to the Fire Department, it was on motion unanimously

VOTED: To accept and acknowledge 1) donation of time and materials from Steve Weir Landscape Company and 2) donation of approximately 500 plants from Paul Cavicchio in landscaping the new Hudson Road Fire Headquarters. Selectman Cope asked that a "letter of Thanks" be sent to both parties.

Landham Road and Dutton Road Bridges - Replacement

The Board acknowledged receipt of a communication dated July 10, 1992 from Stephen T. O'Donnell, Acting Utilities Engineer for the Commonwealth of Massachusetts, to Highway Surveyor Robert A. Noyes relative to the reconstruction of the above mentioned bridges.

On motion by Selectman Cope, it was unanimously

VOTED: To execute the contract with the Commonwealth of Massachusetts Highway Department, entitled "Utility Force Account Agreement Number 6302", in the amount of \$74,947 relative to reconstruction of two Town-owned bridges on Landham Road and Dutton Road.

Election Officers

It was on motion unanimously

VOTED: To appoint Election Officers for the year commencing August 15, 1992, as recommended by the Democratic and Republican Town Committee Chairmen and the Town Clerk.

Memorandum of Understanding - Town and Engineering Local 105

On motion by Selectman Cope it was unanimously

VOTED: To ratify the Memorandum of Understanding dated July 10, 1992, between the Town and Engineering Local 105, relative to salary for FY93 and FY94 and reclassification of one employee.

Secretary Thompson stated the Board understands the Engineering Local 105 is taking a lesser increase than any employee group.

Performance Review

Budget and Personnel Officer Terri Ackerman

Present: Terri Ackerman.

The Board is in receipt of a performance report, dated July 9, 1992, from Ms. Ackerman concerning her Annual Performance Review.

Selectman Cope asked if Ms. Ackerman wanted to add anything to her report. Ms. Ackerman responded she believes it will be an exciting year and is interested in any comments or suggestions from the Board.

Mrs. Cope prefaced her questions with the fact that she is appreciative of the fact that Ms. Ackerman is always honest and upfront. With regard to salaries and benefits packages, Mrs. Cope asked how one sorts out how to determine real salaries--to realize the total compensation package that some employees have.

Ms. Ackerman responded that in the new budget format, the Finance Committee wants to do a separate section in the Warrant, which would include salary and benefit information. She commented that she does not think it is a good idea to do this for each person, but rather by group; however, it is important to find out what the total cost is of hiring each person.

Selectman Cope commented that several employees have been displeased with the way their salaries have been debated on the floor of Town Meeting, and while she sympathizes with them, she realizes that sometimes it is the only time available to do this, but asked if another opportunity could be provided other than at the Finance Committee hearings because the public really does not get a chance to voice their comments then.

Ms. Ackerman explained that the Finance Committee cannot do anything about setting most salaries--only the Selectmen, the School Committees, and Personnel Board can.

Mr. Thompson stated that it is difficult to know how to respond to people who want to voice their opinions about someone's salary, but having an open Town Meeting allows this to happen, and while it is not fun being the target, it is part of the process.

Ms. Ackerman responded that last year the Finance Committee had open forums, but only one person showed up. Selectman Cope offered to send out invitations to those the Board knows are interested to encourage better attendance at such meetings. Town Clerk Jean MacKenzie commented that publicizing such meetings would be a good idea, and in fact, further commented that the Town used to hold Warrant review sessions which included a full discussion on what was going to be presented. Mr. Thompson commented that the Finance Committee is reviewing including a separate detailed report in the Town Warrant with regard to salaries and benefits.

Selectman Cope asked Ms. Ackerman about Town sharing of administrative services and hoped that there will not be duplication. Ms. Ackerman noted that of all the sharing of services the most cost savings might come in the area of collective bargaining.

Selectman Blacker stated his appreciation for Ms. Ackerman and the many hours that she works over and above the normal working schedule, and that he finds her to be most helpful in relaying information when requested.

Secretary Thompson commented that he works with Ms. Ackerman every day and feels the Town is very fortunate to have her.

It was on motion unanimously

VOTED: To accept Terri Ackerman's performance review report, dated July 9, 1992, as submitted.

Board of Health - Resignation

The Board is in receipt of a communication dated June 25, 1992, Board of Health members, Hugh Caspe and Donald C. Kern notifying the Board of the resignation of Michael W. Guernsey as indicated in a communication dated June 21, 1992 from Mr. Guernsey to Mr. Caspe.

Mrs. Cope questioned whether the Board should wait to advertise for this vacancy, and Secretary Thompson noted that the Board should start the process of filling the vacancy as soon as possible, and in fact, Mr. Thompson is in receipt of names of persons expressing an interest.

Lincoln-Sudbury High School Boosters - SOS Sign

The Board acknowledged receipt of a communication dated July 6, 1992 from SOS Campaign Chairman Karen Smith with regard to the Committee's request to put up a banner advertising its fund raiser on private business property if given permission by the owner. The Board had previously denied approval of placing this banner again at the entrance to the Sudbury Crossing Shopping Center for last year's scholarship campaign for reasons of having to accommodate several groups that would request the same and because it is on private property and on Rt. 20.

Selectman Blacker commented he does not believe the Board should override the sign bylaw and make a decision one way or another. Mr. Thompson clarified the fact that the Board does not have to respond, because it is understood by the SOS group that the Board previously denied use of the banner at the Sudbury Crossing location, but agreed to the use of the Fire Station signs on Rt. 20 and Rt. 117 to publicize the campaign.

Sudbury Commission on Disabilities

Present: Town Clerk Jean MacKenzie; Representative from State Office of Disabilities Kathy Gibbs; Acton Commission on Disabilities Director Walter Keiper; spokesperson for the Acton Commission Joan Burrows; Acton resident and former Selectman Charles Kostro; Sudbury resident Irena Schmid; Sudbury Access Advisory Group Chairman Robert Williams and several members of the community.

Secretary Thompson noted the purpose of this meeting with Town Clerk Jean MacKenzie and other interested parties is to discuss Mrs. MacKenzie's proposal, dated July 2, 1992, to form a Sudbury Commission on Disabilities.

Mrs. MacKenzie commented that in June she attended a conference on the Americans with Disabilities Act, which is in essence the civil rights legislation for the disabled. Mrs. MacKenzie explained the purpose of the Commission is to be an advocacy group and an advisory group to the disabled. She noted that no longer is there the option of saying there is not a need to address these issues, since the ADA became effective on January 26, 1992. She introduced Ms. Kathy Gibbs, representative from the State Office of Disabilities, who is the Town's contact person with the State and does much of the organizing for such a Commission. Ms. Gibbs explained that, while a Commission is not required by Federal or State Law, but rather a local option, the Commissions have proven to be very effective in the communities. She noted there are over 130 Commissions in Massachusetts and opined people with disabilities need to be involved in the process.

According to Ms. Gibbs, an evaluation needs to be completed by January, 1993 of everything including activities, meetings, etc. to make sure the disabled are included and modifications made. Having an active Commission in the Town would be beneficial in assisting the Town do the real job of planning activities and programs, paperwork, etc., and networking with other Commissions in the area.

Mrs. MacKenzie noted that Charles Kostro, former Selectman and the liaison for Acton's Commission, who started the Commission in Acton, is in attendance and also mentioned that Longfellow Glen has a program for the disabled which has been ongoing for about six years. Sudbury resident Irina Schmid, also in attendance, has met with Mrs. MacKenzie to discuss establishing a Commission and together decided to come to the Board to seek its support. Mrs. MacKenzie further noted she has contacted the Sudbury Visiting Nurse Association (SVNA) who has sent a communication in support of the establishment of a Commission, and also has received support from Ruth Griesel, Co-Director of the Council on Aging in Sudbury. In addition Mrs. MacKenzie reported several families are in support of a Commission and in fact, a citizen came to her house and complained that he could not hear at the Town Meetings because of a hearing impairment. Mrs. MacKenzie believes that the establishment of a Commission could support these kinds of needs for persons with disabilities. Mrs. MacKenzie noted that the Commission need not be a cost to the Town.

The spokesperson for the Commission in Acton, Ms. Joan Burrows, was asked to talk about what the Commission in Acton has achieved. She stated one of the main accomplishments has been to enforce parking in handicapped areas by only handicapped persons, by placing very well-marked and visible signs in the areas and issuing tickets to those without stickers. Ms. Burrows commented that Acton has received calls from the Attorney General's office asking about Acton's programs established as a result of the Commission. The Town of Acton is working to improve access in order that everyone can participate in government despite their impairments. In addition, Ms. Burrows noted that the Commission is working with the Chamber of Commerce to set up sensitivity awareness training for the businesses, because it is a known fact that when businesses are accessible they will get more business.

Mr. Charles Kostro, former Selectman in Acton and one of the initial advocates for a Commission in Acton, noted that towns need to address the issues of funding and community responsibility. He noted that in the beginning the budget for Acton's Commission was in the area of \$500, and slowly its place in the Town was recognized and it began working with others in the Town. The money received from

enforcing the handicapped parking has been great for the Town, which has not only benefited the Commission, but other Town areas.

Selectman Blacker asked what the budget is for the Commission. Mr. Kostro responded it is about \$1500. Friends groups have also contributed to the Commission and it was noted that the Commission consists of no Town staffing. Mrs. MacKenzie reported the City of Marlboro's Commission on Disabilities presently has a balance of \$12,000 in their account. Marlboro has not had to appropriate funds, as they have the full support of the Mayor, Council and Police Chief with their Home Rule legislation which allows them to retain all fines received from violators of the Handicapped Parking Ordinance. This legislation is being encouraged by Senator Durand at the state and national level. Mrs. MacKenzie further noted that the Town of Marlboro also has a Human Resource Office headed by the same individual who is the Regional Representative for the National Office of Disabilities.

Sudbury resident Irina Schmid reported she has become involved with the establishment of a commission because she recently discovered she has Multiple Sclerosis and has been working with the Town of Acton and has seen what the benefits are of a Commission. Ms. Schmid has accepted invitations from businesses to discuss employment possibilities for disabled persons and hopes to continue feeding resource material to business for a better understanding. She noted that civil rights of all people has been interesting to her, and commented that one out of six individuals has a disability of one form or another and because of the ADA they now have the opportunity to participate and contribute to society.

Ms. Schmid commented that we are very fortunate to live in a state that has good legislation on the books already, and the purpose of meeting tonight is to ask for support and an affirmative vote to establish a Commission. Ms. Schmid noted they would like to include an article in the Town Warrant, and have also prepared the packet of information on the Americans With Disabilities Act given out at the meeting tonight. The ADA is much more than public accommodation which is only a very small part. In addition, employment issues, transportation, State and local government services and telecommunications all need to be addressed.

Ms. Schmid noted there are members of the community who have concerns and they want to be proactive. On the business side, this is the right thing to do because our business people and Chamber of Commerce leaders need assistance in complying with the ADA. There is a need to talk with business. The disabled have purchasing power and have disposable income to spend and on behalf of the disabled community, Ms. Schmid asked Sudbury to make a commitment and see how many positives come out of it.

Selectman Cope read a communication, dated July 14, 1992 from Board of Assessor member Fred N. Haberstroh in support of the establishment of a Commission. Mrs. Cope noted that the Town has been working toward accessibility in the Town buildings and does have an Access Advisory Group. Mr. Robert Williams, Chairman of this group, stated that one of their goals was to advocate for the creation of a Commission. He noted that the request for funds to make facilities more accessible will be placed on the Town Warrant, and an article for a Disabilities Commission can be placed on the same Warrant. Mr. Williams commented that there is a wealth of information available, and an abundance of resources available to a local commission such as the access monitor program mentioned by Ms. Gibbs, help from other communities, and particularly support and help from the State office. With all this in mind, Mr. Williams believes that with a spirit of cooperation, a Commission can be established and avoid

adversarial relationships. Most problems exist in peoples homes, according to Mr. Williams, and with the establishment of the Commission, people will reach out to others more. The commission has a great role to play and the Access Advisory Group strongly support it.

Dr. Stanley Taub, Sudbury resident for 32 years, came forward and stated he does not consider himself disabled even though he is in a wheel chair. Every disabled person has to learn how to deal with his own disability remarked Mr. Taub. He commented he believes the Commission is not for disabled persons but rather for the Town because no one knows better than the disabled person what it is like to be disabled and have to deal with it. The primary help needed is to help the disabled help themselves. The purpose of the Commission is not to solve a problem by a certain date, or to think all the problems can be solved. The important thing is to help the disabled help themselves.

Selectman Blacker thanked Mrs. MacKenzie for organizing the meeting and for asking so many people to come, and expressed his support for the establishment of a Commission.

Mrs. MacKenzie commented that the National Director for the ADA is Mr. Alan Reich, who became disabled while a Sudbury resident and now works with James Brady who heads it up.

On the recommendation of the Executive Secretary, it was on motion unanimously

VOTED: To support an article for the Town Warrant for the establishment of a Commission on Disabilities.

Negotiating Advisory Committee

Present: Marianne D'Angelo, League of Women Voters; Marjorie Wallace; Finance Committee Chairman James Huaghey, School Committee Chairman Edward Campbell and Budget and Personnel Officer Terri Ackerman.

The Board acknowledged receipt of a draft charge for the Negotiating Advisory Committee (NAC), dated July 6, 1992 prepared by the Executive Secretary and a communication from Executive Secretary Thompson dated July 6, 1992 to Personnel Board Chairman David Mandel and Finance Committee Chairman James Haughey requesting two names each to be given to the Board for consideration in appointing representatives of these boards to the NAC. In response to the request for names for the NAC, the Board is in receipt of a communication, dated July 13, 1992 from Finance Committee Chairman James Haughey, submitting the names of Finance Committee members Jack Ryan and Roy Sanford for consideration; and a copy of the Personnel Board's minutes, dated June 23, 1992, indicating Mr. William Benoit be considered.

Secretary Thompson introduced League of Women Voters member Marianne D'Angelo, who is present because the League has expressed an interest in observing and attending the Negotiating Advisory Committee meetings. Mr. Thompson requested the Board put this consideration in abeyance and notify the League when public meetings are being held.

Mr. Thompson apologized that Chairman Drobisnki and Labor Counsel Richard Murphy were not able to attend this meeting; and further that representatives from the Finance Committee and Personnel Board are not in attendance because the Board has not had an opportunity to make the appointments. Mr. Thompson stated that Charles Schwager wished to be here, but had a conflict in that he would be on family vacation.

Selectman Blacker commented that it is important to have the Sudbury School Committee and the Lincoln-Sudbury Regional High School Committee both be involved on the Negotiating Advisory

Committee in order that they negotiate together with regard to pay raises and bonuses, etc. with the school unions and employees. Mr. Blacker noted it will be important to receive input from the school committees.

Mr. Thompson responded it is the intent to move in that direction and he is communicating with the schools; and in fact, the high school sent a copy of their contract to the Selectmen indicating their intent to work together.

Selectman Cope requested that the Executive Secretary and Labor Relations Counsel serve on this Committee in a resource and advisory capacity only without voting privileges.

Selectman Blacker stated the ultimate responsibility of the Board of Selectmen is to adopt or not to adopt what is formulated by the Committee and that it is important to set up a committee and give them the range to do things and to meet from time to time in order that everyone is going in the right direction.

Selectman Cope noted that the school committees do not necessarily need to be involved initially, or in the formal group setting as long as everyone is going in the same direction and moving forward and communicating with each other.

Selectmen Cope proposed the following specific additions to the draft:

- 1) Analyze and comment on current Town negotiating packages.
- 2) Examine last in and first out union policy--reward for the best workers, criteria for elimination, etc.
- 3) The Committee may or may not offer suggestions for change in all of these areas.
- 4) The Board of Selectmen appoint the Chairman of this Committee.

Mr. Thompson responded that the suggestions are fine, but are they appropriate to add to a charge--which should be somewhat general in nature. He noted the Committee will be looking at everything that comes in, including everything in the contracts; and at this point in time, the only negotiations that may take place will be coalition bargaining for health insurance.

Mr. Blacker suggested the Committee meet with the Board as necessary to review progress. Mr. Blacker asked what the timeframe was for negotiating. It was noted that talks would begin one year from November, 1992. Mr. Thompson stated the Committee may begin meeting in the Fall, 1992, for health insurance coalition bargaining. Selectman Blacker noted that it would be nice to have all their input by September, 1993.

Mr. Blacker commented the "charge" should be very general. Mr. Thompson noted the Board is trying to obtain input from everyone and that the "charge" can change over time; however, he will review Mrs. Cope's suggested changes and re-submit a new draft. Mr. Haughey stated the goal of the Finance Committee is to have the bargaining completed sooner than November, 1993.

In response to timeframes, Mr. Thompson explained the process is ongoing, but the contracts will be open again for bargaining purposes in November, 1993, for FY95. Mr. Thompson continued that a lot happens in between now and then and hours are spent negotiating with the unions. If the Board prefers to eliminate the appearance of negotiating powers by the Executive Secretary, they need to understand that negotiations are ongoing and it would be very costly to the Town if Labor Counsel were hired to handle all of it.

School Committee Chairman Edward Campbell suggested sending a liaison to the Negotiating Advisory Committee. Mr. Blacker asked about the Lincoln-Sudbury Committee representation and Mr. Thompson responded he would talk with LSRHS Superintendent Matthew King and send a letter of the minutes of this meeting to him. Selectman Cope agreed to speak with Fred Pryor.

Ms. Marjorie Wallace asked how much latitude the Committee will have. Mr. Thompson responded that Mr. Murphy does the actual bargaining, but the Committee would be asked for its input and what it wants to accomplish.

Mr. Thompson also noted that minutes and notices of this Committee's meetings will be sent to the League of Women Voters in the future.

It was agreed Mr. Thompson would bring a revised draft of the "charge" back to the Board for final approval.

Group Health Insurance Plan - Cook & Company

Present: Arthur L. Bomengen, Cook & Company; and Long Range Planning Committee members L. William Katz, Philip Ferrara; and Budget and Personnel Officer Terri Ackerman.

The Board is in receipt of a contract for insurance advisory services from Cook & Company dated June 29, 1992; a communication dated April 24, 1992 from current insurance advisor Mr. John Foran, relative to renewal of the existing contract; a memo dated July 14, 1992 from Administrative Assistant to the Board of Selectmen Janet Silva to Legal Counsel requesting information regarding the bid law and procedures in hiring an insurance consultant, and a response dated July 15, 1992 from Town Assistant Legal Counsel David Doneski.

Selectman Blacker introduced Mr. Bomengen and explained how they happened to meet and discuss the Town's Health Insurance concerns.

Selectman Cope asked if Mr. Bomengen would like to add comments or information to his report.

Mr. Bomengen noted there are a few companies who offer the same type of consulting services, but that they vary a little depending on the circumstances of the accounts. His thoughts are different than

Mr. Foran's in that he believes there is a lot of room for potential in Sudbury. Many cities and towns offer numerous choices and their feeling is that people are becoming more educated in health care today. One cannot continue to maintain a status quo as far as contributions and benefits are concerned because it affects the employees. Employees are willing to look at other alternatives, such as renegotiating contracts, and consolidating the risk pool. A number of communities have changed very positively despite restrictions because they have done a good job at educating their people.

Towns have to deal with the unions and they have to present them with the facts, stressed Mr. Bomengen, and while it may take a while, people are sensing they may have to pay more for benefits. In many cases, employees feel they may be faced with no options if they do not take action. At some point in time, it will affect everyone. Cook & Company produces a variety of reports for the purpose of informing groups where they spend and save dollars. They review plans and try to recover as much as they can, according to Mr. Bomengen. He believes there is room for a lot of potential, and would like to say they can do something within a 12-month period of time, but cannot guarantee it. The important thing is to let people know what is available.

Cook and Company has reviewed the Town's MEDEX group and the renewal from Blue Cross Blue Shield, and as a result, it was noted that last year's rate went up 19% and that the Town is paying 17.2% for administrative fees to Blue Cross Blue Shield which calculates to \$21.19 for every person enrolled in the plan. Mr. Bomengen explained how the Town could save \$12,000 in the first year with a self-insured plan having Medicare be the primary payee, with the medical supplemental portion administered by Cook & Company, and the reinsurance contracted with the Massachusetts Reinsurance Program set up specifically for municipalities. Because it is a trust fund and the risk pool is larger, better rates can be obtained, continued Mr. Bomengen.

Mr. Thompson asked about self insuring with the MIIA group and Mr. Bomengen responded that for worker's compensation they are excellent but with regard to health insurance, it may be premature to judge as their program is not that well established yet. Ms. Ackerman asked if the Town should consider self insuring with Blue Cross Blue Shield for just the indemnity group subscribers or would it be feasible to consider this for the whole Town. Mr. Bomengen suggested putting everyone in one risk pool, but offer the choice of an HMO in addition, and a third group that would offer more freedom of choice with regard to doctors and hospitals at an 80% payout on their part. This way, continued Mr. Bomengen the people who are still in the HMO's will have the opportunity to use them. The idea is to establish a managed care system in order to reduce costs.

Secretary Thompson noted that many of the Town's roadblocks have been because of the State laws, which may change if the Governor signs new legislation.

In response to Mr. Katz's question on how to proceed, Mr. Bomengen proposed to first get involved with the Town's Insurance Advisory Committee to discuss the issues at hand, what the Town's thoughts are, the laws, and things that could happen if they do not take initiative; and then find out from them the plans they would like to implement, and try to formulate a package that is beneficial and agreeable to all parties. The Town would then send an RFP out and have interviews and give people an opportunity to ask questions and make decisions. At this point, Mr. Bomengen pointed out, the Town does not have to accept anything; it can take a second look and talk to the surrounding communities around--all the while looking at opportunities to save dollars.

The question of compensation for services was asked by Mr. Katz, and Mr. Bomengen responded that Cook & Company consists of five different subdivisions and he represents the health care division. They are a fee for service organization with no additional costs and their purpose is to audit claims, review legislative issues, attend Selectmen's meetings, and they advocate working with a health insurance advisory group.

Insurance Advisor - John Foran

Present: Town Insurance Advisor John Foran, Budget and Personnel Officer Terri Ackerman, Long Range Planning Committee Members L. William Katz, and Philip Ferrara.

Mr. Foran reviewed the services his firm offers in the area of insurance advising. He noted they try to analyze specific components of individual account's risks, and try to create solutions that are the most palatable. Mr. Foran reiterated that previously the Town's course of action was to go to all HMO's and because Blue Cross Blue Shield enrollment criteria changed over the past two years, the Town has continued with the BCBS plan. Problems resulted as follows: 1) No incentive for employees to move to any other plan because the Town pays 90% of the HMO group and 75% of the indemnity group which is mandated by the State and union contracts, and 2) Any change in the indemnity contribution has to be collectively bargained. His observation is that the Town is not looking at claims on a cost specific basis. The first problem with regard to costs is the contribution levels for the HMOs by the employer and employee, and the second is that the rate for the BCBS MasterHealth plan keeps escalating, and Mr. Foran believes one reason is that the plan is not well-managed plus it is very highly utilized. He said, as mentioned before, the one hope for the Town was that Blue Cross Blue Shield would drop them because of the decreasing number of people enrolled in the Master Health Plan, but this did not happen. With regard to the current legislation, which Mr. Foran understands was vetoed by Governor Weld, if passed it would mean the Town would be mandated to go back to the bargaining table with respect to contribution levels of the HMOs.

Mr. Foran reminded the Town that he had presented several options to the Insurance Advisory Committee, which if implemented would have been successful, but the Committee did not want to do anything at that time.

Mr. Foran reiterated some examples of successful changes and savings other towns have made by switching to Point of Service Programs and Preferred Provider Plans. It is important to look at what you are trying to accomplish and figure out the configuration of risk and what type of program will best suit the Town's needs, noted Mr. Foran, and he explained that the best thing that could have happened for the Town would have been for Blue Cross Blue Shield to cancel the Town's insurance and have gone with all HMO's for failure to satisfy Blue Cross underwriting guidelines. The problem with this will be that many HMOs are soon going to start experience rating in order to insure their survival. It was noted that BCBS now owns the Bay State HMO, and will undoubtedly be changing their rating methodology.

In response to self-insuring the indemnity group, Mr. Foran stated that self-insuring will not always address the risk and cost problems, and a trust fund would have to be set up and must be funded to the full level of anticipated claims. The result of a study done by Mr. Foran, with regard to status of health for members in the HMO group versus the indemnity group, showed that one group was not necessarily healthier than the next. He further commented that HMOs price their product differently--they

use a different methodology, and it is not how you are paying for insurance, but what you are doing with your risk.

Mr. Foran cautioned the employees are not going to accept a program that will take benefits away from them, and stressed the need to develop a strategy that people will accept. There are new products now that allow freedom of choice such as the Point of Service Programs through Tufts and Health Flex Blue, which allow more freedom of choice and at the same time manage health care costs better. HMOs are trying to survive by getting into new products, receive discounts and become more effective in how doctors and hospitals do referrals.

Mr. Foran explained there has to be more cost controls--need to move toward bargaining, preferably coalition bargaining. There are opportunities to save money, but it requires taking a look at where you want to go. The purpose of insurance is to take care of the risk, and as your costs go up, create a vehicle to control those costs for the same coverage.

Mr. Thompson explained it was the Town's political decision to save money by not addressing the health care issue, but by asking for salary givebacks. At that time, the Town felt more savings could be realized by asking for givebacks, because the health insurance issue was uncertain.

Mr. Foran suggested there is a need to negotiate with employees to convert to a new benefit schedule. Various programs were discussed such as a combination Health Flex Blue with the Blue Cross Blue Shield, and possibly the MIA group. Health Flex Blue may not be the best plan to adopt, according to Mr. Foran, but a change with Blue Cross may be the best way to go, because of the high risk group and the fact that other carriers may not accept a municipality. In addition, Mr. Foran explained that once a Town adopts the Law to accept HMOs, they cannot be rescinded at the local level. Mr. Katz noted that with regard to the Health Flex Blue program and their list of preferred providers, many of the doctors and hospitals have not even signed the contract with Blue Cross Blue Shield. Mr. Foran responded that his Company has addressed many issues with regard to the different transitions occurring.

Selectman Cope asked Mr. Foran's opinion with regard to the atmosphere of acceptance of change in plans by employees. He responded that he believes most people are receptive to change as long as the programs have a high degree of integrity.

Selectman Blacker asked why the Town is so reluctant to self-insure the indemnity group. Mr. Foran reviewed figures related to claims, administration and risk, which showed that more money had been paid out in claims and administrative services than had been received through premiums and cautioned that if a move is made toward self-insuring, the Town needs to know that it will not receive the discount rate that Blue Cross Blue Shield does for provider services and therefore will pay more for the claims. Mr. Foran emphasized that the issue is being able to manage the claims. The question was raised as to who would administer the program and it was noted by Mr. Foran that Third Party Administrators TPAs would probably cost less and would be able to reduce risk, but they would not be able to get the discounts that Blue Cross Blue Shield does and at best, in his opinion, would be a break even alternative.

Mr. Blacker asked how Lincoln-Sudbury can be self-insured, and be so significantly lower in cost than the Town. Mr. Foran responded that demographics and risk must be considered and that Sudbury has a very high level of claims which support the premium being assessed. Mr. Blacker asked how so many other towns can be self-insured. Mr. Foran concluded that 80-85% of the cost of a program is

based on claims, risk, and administering claims, and if the Town were to self-insure, it would have to fund to the full liability of claims.

Mr. Katz commented that the whole issue is managing claims, and stated they were told that Blue Cross does not know how to manage claims.

Secretary Thompson noted that the Town had a study done which recommended they not go to a self-insured plan. He commented the Town is in the process of addressing the health insurance issue and believes one of the best ways to start is to start coalition bargaining on Health Insurance.

Mr. Foran outlined a plan of action which is to go to the bargaining table and present a few options that represent quality coverage and savings to the Town, which would include a total compensation and benefit package. Mr. Foran concluded that the environment is right for change, but action taken must be proactive.

Finance Committee Report - Annual Town Meeting Warrant

The Board acknowledged receipt of a communication dated July 6, 1992 from Finance Committee Chairman James Haughey, with regard to a Finance Committee Report separate from the Town Warrant to be sent to residents with the Town Warrant in order to alleviate the number of questions raised on the floor of Town Meeting with regard to the Budget. In response to Mr. Haughey's communication, the Board is in receipt of a communication dated July 14, 1992 from Administrative Assistant to the Board Mrs. Janet Silva, and Budget and Personnel Officer Terri Ackerman, proposing a Town Meeting Warrant with two separate sections rather than two separate documents.

After some discussion it was agreed that Mrs. Silva's and Mrs. Ackerman's proposal would satisfy everyone.

Initiatives for Change - Meeting

Present: Finance Committee Chairman Mr. James Haughey.

The Board acknowledged receipt of a communication dated July 4, 1992 from Finance Committee Chairman James Haughey with regard to arranging a "Status Report" meeting of all of the Initiatives for Change subcommittees to be held on Thursday, September 24, 1992.

It was suggested by Mr. Thompson to consider use of the auditorium at the Curtis Middle School, or the theater at Lincoln-Sudbury High School, and further to review the list of names of people who attended the last meeting, in order that the meeting place will facilitate the group.

Sudbury School Committee - Sudbury K-8 Student Enrollment Projections

The Board is in receipt of a communication dated July 7, 1992 from Long Range Planning Committee Chairman Mr. Robert Cusack, to the Sudbury School Committee with regard to K-8 student enrollment projections.

Mr. Thompson commented that School Committee Chairman Edward Campbell reported a new report compiled by the University of Massachusetts will be coming out soon, and a copy will be sent to the Selectmen.

Rt. 20 Roadway Improvements

In response to a communication dated July 17, 1992 from Mass. Site Developers, Inc., and a communication dated July 20, 1992 from Town Engineer I. William Place, with regard to the contract for Route 20 roadway improvements and water main installation, it was on motion unanimously

VOTED: To authorize the Chairman sign a contract from Massachusetts Site Developers, Inc., 257 Lexington Street, Waltham MA 02154, in conjunction with the Water District for Route 20 Roadway Improvements (to be paid by the Town) and Water Main Installation (to be paid by the Water District) pursuant to bid opening of July 8, 1992.

Selectman Cope commented that the police details for this improvement will be costly to the Town. Mr. Thompson noted that it will, and that the Sudbury Police Department will receive priority, but would not be surprised if State Police and Police from other towns perform traffic duties as well.

A-R Cable Services, Inc.

The Board acknowledged receipt of application of A-R Cable Services, Inc., requesting approval of an investment in said corporation by Warburg, Pincus Investors, L.P., which, under regulations of the Mass. Community Antenna Television Commission constitutes a transfer of the existing cable television license; said application to be heard August 3.

Reserve Fund Transfer No. 93-01

The Board is in receipt of an auto report dated April 23, 1992 from Mosher Auto Body, Inc., informing that the white Ford van being used by the Building Department is beyond the point of restoration; and a copy of the Long Range Planning Committee's 1990 report and request for capital improvement projects for the Building Department.

Building Inspector, Jack B. Hepting noted in this request that a suitable reconditioned replacement vehicle may be able to be acquired for \$3,800. At the request of the Building Inspector, it was on motion unanimously

VOTED: To approve Reserve Fund Transfer No. 93-01, dated July 16, 1992 to Building Equipment Account #340-510, in the amount of \$3800 for a van type vehicle due to the nature of the custodial requirements at the six Town buildings.

Maynard Rod & Gun Club

The Board acknowledged receipt of a draft Stipulation of Conditional Dismissal of Appeal to the Commonwealth of Massachusetts Land Court, Department of the Trial Court, with regard to the appeal by the Town of Sudbury to the Maynard Rod & Gun Club case.

As has been discussed, the Town of Sudbury is considering dropping its appeal in this case, should the Maynard Rod & Gun Club agree to certain conditions. Selectman Blacker noted he has talked with Sudbury resident, and Gun Club member Mr. David Berry, and asked the Board if he could give Mr. Berry a copy of the draft Stipulation in order that Mr. Berry lobby on the Town's behalf for an agreement.

Mr. Thompson suggested it would be fine as long as nothing was signed and the Board concurred.

Donation - LSRHS Grounds Maintenance

The Board was in receipt of a letter dated July 1, 1992, from Matthew King, Lincoln-Sudbury Regional High School Superintendent, setting forth the High School's agreement to provide funds to pay for services performed by the Park and Recreation Department for certain grounds maintenance work.

With approval of the Town Accountant and Park and Recreation Commission, it was on motion unanimously

VOTED: To accept a donation in the amount of \$11,500 from the Lincoln-Sudbury Regional School District, to be deposited into a special account for payment of Park and Recreation Department services related to grounds supervision and field mowing at the Regional High School, 390 Lincoln Road, as described in letter dated July 1, 1992, from Superintendent King; and to authorize expenditure of said donation under the direction of the Park and Recreation Commission.

There being no further business, the meeting was adjourned at 11:15 p.m.

Attest: Richard E. Thompson
Richard E. Thompson
Executive Secretary-Clerk