

BOARD OF SUDBURY SELECTMEN
Tuesday, January 20, 2015
EXECUTIVE SESSION (8:03 a.m. to 10:27 a.m.)
JOINT MEETING WITH SPS SCHOOL COMMITTEE

Present: Chairman Chuck Woodard, Vice-Chairman Pat Brown, Selectman Lawrence W. O'Brien, Selectman Robert Haarde, Selectman Len Simon, Town Manager Maureen G. Valente, Maryanne Bilodeau, Assistant Town Manager and Kevin Feeley, Labor Counsel for the Town of Sudbury

School Committee Members:

Ellen Winer Joachim, School Committee Chair; Lucie St. George, School Committee Member; Christine Hogan, School Committee Member; Scott Nassa, School Committee Member; Anne Wilson, Superintendent; Mary Will, Director of Business and Finance;

Absent: Bob Armour, School Committee;

The statutory requirements as to notice having been complied with, the meeting was convened at 8:03 a.m. in the Silva Conference Room, Flynn Building, 278 Old Sudbury Road.

At 8:05 a.m., Chairman Woodard moved to enter into Executive Session, for the purposes of discussing collective bargaining negotiating strategy, wherein strategy discussion in an open session may have a detrimental effect on the bargaining position of the public body.

Selectman O'Brien seconded the motion.

VOTED: To enter into Executive Session for the purpose of discussing collective bargaining, wherein strategy discussion in an open session may have a detrimental effect on the bargaining position of the public body.

It was on roll call unanimously

Chairman Chuck Woodard aye; Vice-Chairman Pat Brown aye; Selectman Lawrence O'Brien aye; Selectman Robert Haarde, aye; and Selectman Len Simon aye.

Ellen Winer Joachim, School Committee Chair, aye; Lucie St. George, School Committee Member, aye; Christine Hogan, School Committee Member, aye; Scott Nassa, School Committee Member aye.

The Chairman opened the meeting asking Labor Counsel Kevin Feeley to give brief rules as to what could be discussed in executive session.

Mr. Feeley suggested that they could discuss items that are subject to bargaining such as wages, benefits, hours of work, etc. He noted that they could come up with guidelines but not come up with any hard fast specific proposals that could not be altered. This would not be good faith bargaining. For instance they could say a 1% COLA is okay, but to say you can't go beyond that would not be okay because a bargaining group might be willing to give something up, like a longevity in order to get a higher COLA.

Ultimately, he said, that you can't go in with your minds made up, because they could say that you didn't have an open mind, which would not be good faith bargaining.

Town Manager Valente reviewed what BOS had discussed previously:

1. No change in Town health insurance contribution rates (up or down)
2. No operational overrides for budgets for cost centers
3. Annual budget growth FY 16: leave to the FinCom suggested guidelines of 2% and 2.5%;
4. Creation of a fund to assist those employees most impacted by insurance changes
5. Start funding OPEB Normal Costs as recommended preliminarily by OPEB Committee

In addition she pointed out that though the context of certain discussions were related to overall collective bargaining strategy there were several items that alone are not topics for Executive Session:

- consolidation of schools
- funding of special education
- incentives for asset management
- overall budget message

There was further general discussion about the school and town issues.
The School pointed out that it's difficult to make changes.

The Asst. Town Manager/HR Director then discussed:

- GIC transition impact to the employees over the last three years.

Ultimately, because we were able to give COLA's, Mitigation Money and dissolve the Health Insurance Trust all employees should have had a net gain overall. She reviewed a worksheet with details. She pointed out that employees who went from HMO Blue to HP Primary Choice (our most enrolled in HMO with the GIC for School employees), Opted Out, or went from Blue Choice PPO to Tufts Navigator all seemed to be ahead of the game. Those employees who went from HMO Blue to the Tufts Navigator had a negative overall premium impact. This is because employees pay 15% more towards a PPO than they did for the HMO, along with the fact that the projected HMO Blue increases compared to actual Tufts Navigator increases/decreases were considerably more. None of this took into consideration the increased co-pays or deductibles. The total mitigation money received by employees over the three years (\$2080) was meant to help with these out of pocket costs.

The ATM/HR Director also pointed out that though the rates for the GIC have been good the last two years, we have recently heard that they could be looking at hefty increases or plan design changes for FY 16.

Points discussed: See attached.

- Total compensation (wages plus town's contribution towards health insurance) for SPS compared to LS and other communities.

SPS has dropped in rankings from 2011 to 2014. (Mostly due to the drop in the Town's contribution to the Tuft's family plan.)

- Acton-Boxborough Salary Classification Plan as recommended by a BOS member

Discussed the plan has 12 steps and 6 lanes. After the 12th step, teachers annually receive what's called a Supermax which they get each year.

HRA discussion. There was further discussion as to whether or not we should consider an HRA (Healthcare Reimbursement Account) for those employees who had HMO Blue and switched to Tufts Navigator who had catastrophic out of pocket costs. Selectman O'Brien asked if we have to negotiate that.

Labor Counsel Feeley said that they had to be open for suggested changes; however it could only be changed if the BOS agree to change it. If we did this we would need to come up with criteria as to who would be eligible. For example:

- must be employed 7/1/12 and have been impacted by the GIC transition.
- must have out of pocket costs over \$2,000 up to \$4,000 (?)
- must be on PPO
- must submit receipts
- we would need to appropriate money for it
- we can decide what it can be used for: i.e. deductibles, high tech imaging, etc.
- If we have plan we are on the hook for it for that year; Wellesley will say that only 25% is used; (In order to be tax exempt we can't limit the amount in it.)
- It would be a standing benefit unless we put in a sunset benefit. We could have a sliding scale going down or i.e. this is a one year trial basis.

Kevin Feeley said that the BOS can adopt an HRA, should they wish to, contingent upon bargaining taking place.

School Committee member Scott Nassa feels we are not only competing against other districts, but we are competing within Sudbury as well.

The LS School Committee was invited to this meeting but elected not to attend.

Chairman Woodard stated that the cost centers need to know the amount of money they have to work with before they negotiate so that we wind up with sustainable operating budgets. He said the following is how the BOS is thinking regarding future budget growth:

- FY16: Finance Committee has requested budget growth of 2 and 2 1/2 % and the Board is fine with that;
- FY 17 and FY 18: Revenue growth in excess of 2.5% should go to OPEB (Other Post-Employment Benefits)/capital and similar but not operating budgets unless there are substantive unforeseen changes in circumstances (as examples, significant changes in: 1. OOD (Out of District – special education) cost net of circuit breaker; 2. Non-property tax revenue)
- By FY 18: Include 100% normal costs for OPEB in the operating budgets, with such funds being voted directly into OPEB liability Trusts (or in the case of LS, covered by an IMA or similar vehicle) so that they do not become repurposed for other operational uses.

This will be discussed with possible votes at the next BOS meeting on January 27.

School Committee member Scott Nassa is also concerned about impact of COLA's. If we couldn't afford them within the budget then this could potentially affect staffing levels. It's important for all 3 cost centers to be on the same page.

Selectman O'Brien suggested that we say this is a philosophical overview and we certainly realize that everyone will be negotiating in good faith.

In regards to increasing the Town's health insurance contribution rates, the BOS doesn't want to do that.

Selectman O'Brien did feel that the HRA is a help in negotiations to help those who were disproportionately impacted by our transition to the GIC.

Town Manager Valente asked about what our take-aways are from this meeting. Does the group want to get together again? SPS will talk about it and let us know. They are not sure about what they'll want to talk about. They want to go into negotiations with an open mind.

(They don't want any more guidelines.) SPS School Committee will come back to us if they have questions.

Selectman Haarde shared that the LS unions didn't want their school committee to talk to the BOS.

(Bob said it was coming from union and they felt it would hurt LS' position.)

With nothing further to discuss, at 10:27 a.m. Selectman O'Brien moved to adjourn. Selectman Brown seconded.

It was on roll call unanimously

Chairman Chuck Woodard aye; Vice-Chairman Pat Brown aye; Selectman Lawrence O'Brien aye; Selectman Robert Haarde, aye; and Selectman Len Simon aye.

Ellen Winer Joachim, School Committee Chair, aye; Lucie St. George, School Committee Member, aye; Christine Hogan, School Committee Member, aye; Scott Nassa, School Committee Member aye.

Adjourn

There being no further business, the meeting was adjourned at 10:27 a.m.