

MINUTES
SPECIAL COUNCIL MEETING
TOWNSHIP OF MONROE
NOVEMBER 2, 2011

A.) OPENING CEREMONIES

CALL TO ORDER

The Special Council Meeting of the Township of Monroe was called to order at 7:00 PM by **Ordinance Committee Chairman, Cncl. William Sebastian** in the Second Floor Meeting Room of the Municipal Complex located at 125 Virginia Avenue, Williamstown, New Jersey.

This meeting was advertised pursuant to the New Jersey Open Public Meetings Act (NJSA 10:4-6 thru 10:4-21). Notices were placed in the official publications for Monroe Township (i.e.: Gloucester County Times, the Courier Post and the Sentinel of Gloucester County). A copy of that notice is posted on the bulletin board at the Municipal Complex.

SALUTE TO FLAG

Cncl. Daniel Teefy led the assembly in the Pledge of Allegiance to our Flag. **Cncl. Sebastian** requested a moment of silence for the former Director of Community Affairs, **Sandy Dilks** who passed away on Tuesday, November 1st.

ROLL CALL OF TOWNSHIP OFFICIALS

Cncl. Walter Bryson	Present	
Cncl. Frank Caligiuri		Excused
Cncl. Rich DiLucia	Present	
Cncl. Ronald Garbowski	Present	
Cncl. William Sebastian	Present	
Cncl. Daniel Teefy	Present	
Cncl. Pres., Marvin Dilks		Excused
Solicitor, Charles Fiore	Present	
Business Adm., Kevin Heydel	Present	
Deputy Clerk, Sharon Wright	Present	

B.) RESOLUTIONS SCHEDULED - PUBLIC PORTION

Cncl. Ronald Garbowski made a motion to open the Resolutions Scheduled-Public Portion. The motion was seconded by **Cncl. Rich DiLucia** and unanimously approved by all members of Council in attendance. With no one from the public wishing to speak **Cncl. Ronald Garbowski** made a motion to close the Resolutions Scheduled-Public Portion. The motion was seconded by **Cncl. Walter Bryson** and unanimously approved by all members of Council in attendance.

Business Administrator, Kevin Heydel explained statutorily every November the municipality is permitted to transfer funds between various accounts within the budget because at times more money may be spent by a department than what was budgeted. This is the case in the Buildings and Grounds Department due to unexpected expenses for the air conditioning systems in the municipal building and the library. The necessary funds are being transferred from the Planning Board account since that department spent very little this year in professional fees. Additional funds are also needed in the red light camera account due to the camera being installed in May rather than the anticipated installation date of July. There is \$20,000.00 remaining in that account to cover November but additional funds are needed in order to pay the December bill. The needed funds are being transferred from the electricity account since approximately \$50,000.00 was saved in that account when we went out to bid for the kilowatt portion of the electric. Mr. Heydel noted he anticipates another transfer resolution in December due to only \$525,000.00 being budgeted for gasoline/fuel and the cost for the year is estimated to be \$575,000.00.

Cncl. Sebastian noted (*for the record*) Resolution R:182-2011 was initially given to Council with one transfer in the amount of \$22,000.00. That resolution was voided and replaced with R:182-2011 that includes two transfers, one for \$22,000.00 to Buildings and Grounds and the other \$36,000.00 to Red Light Cameras.

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B.) RESOLUTIONS SCHEDULED - PUBLIC PORTION (cont'd)

R:182-2011 Resolution Of The Township Council Of The Township Of Monroe Transferring Funds For The Budget Year 2011

Cncl. Ronald Garbowski made a motion to approve Resolution R:182-2011. The motion was seconded by **Cncl. Rich DiLucia** and unanimously approved by all members of Council in attendance.

C.) GENERAL PUBLIC DISCUSSION

Business Administrator, Kevin Heydel reported that he had anticipated a \$60,000.00 dividend from the Health Insurance Fund (HIF) but after he became involved with the HIF budget process that dividend was increased to \$120,000.00. **Cncl. Rich DiLucia** questioned whether Mr. Heydel had any idea what the HIF was projecting in premium increases for next year and **Cncl. William Sebastian** questioned whether Jim DeMarco had submitted any information regarding his health care insurance. Mr. Heydel replied the HIF is increasing approximately 9% and Mr. DeMarco is projecting a 5% increase. Cncl. Sebastian noted the 5% is based upon the current health insurance while the HIF is increasing 9% and changing the co-pay from \$5.00 to \$10.00 in January 2012. Mr. Heydel explained the co-pay change will save us \$69,000.00 but that is in a different category and is not being counted as part of the 9% increase. Cncl. Sebastian noted the quotes Jim DeMarco gave are based upon the \$5.00 co-pay so if that changes to \$10.00 his increase could go down to 4%. Mr. Heydel explained how the HIF is a self insurance fund and how the money the township puts into it is our equity in the fund. Cncl. Sebastian questioned how much money the township would get from that equity if we pulled out of the HIF. Mr. Heydel explained according to State Statute and the HIF by-laws they have six years to pay the township if we pull out. He noted Monroe represents 5% of the HIF's premium base and our equity is 8% of their surplus. The HIF has doubled in size in 2010 and the new member municipalities need time to build equity like the older members have. Normally the HIF keeps 2.5 months of claims funding on hand and after that whatever is remaining is given back to the townships in dividends; however because the HIF doubled in size the surplus amount they keep for claims went down from 2.5 months to 1.75 months. Cncl. Sebastian questioned how much of that equity belongs to the employees now that they are paying a percentage of their premium. Cncl. Bryson noted the only employees paying at this time are council members and he questioned how much the 30% mandate from Trenton will affect the premium. Mr. Heydel explained employees contributing to their health insurance will help drive down the overall budget. Cncl. Sebastian noted at some point each employee will pay 33% of their health care premium while the township is realizing the total equity. He questioned whether the employees will have a choice of the HIF plan that has a \$10.00 co-pay and will be increasing by 9% or the private insurance plan that has a \$5.00 co-pay and is only increasing by 5%. Mr. Heydel cautioned that this year that plan may only increase 5% but next year it could be more as those types of plans have a 16% overhead while the managed fund rate is only 8%. He added with either plan we pay the claims. Discussion continued regarding the pros and cons of the HIF and private health care coverage. Mr. Heydel explained the companies providing health care coverage are Blue Cross/Blue Shield, AmeriHealth, Aetna, and the HIF, which is owned by the participating municipalities. If the township would leave the HIF we would not be allowed to get back in for three years because leaving upsets the stability of the fund. He explained the Board of Education joined the HIF because they were facing a 50% increase from their private insurance carrier. In the HIF the township was never faced with that type of increase plus we have received dividends and earned equity in the fund, which is designed for the long term; not for year one. Next year the private insurance could go up 15% based upon our claims experience and the overall cost to operate Blue Cross/Blue Shield. Mr. Heydel explained Aetna is only the network the HIF uses for billing purposes. Aetna charges the HIF \$50.00 per employee per month to utilize their network and a third party administrator oversees the HIF. Administrators go through the RFP process and the HIF member municipalities and boards of education choose from those proposals who they want to administer the fund. Cncl. Sebastian questioned why the Monroe Township Board of Education pulled out of the HIF. Mr. Heydel explained they joined the HIF because their health insurance company was going to raise their premium 57% while the HIF offered them a 30% increase with an additional 3% in July for a total increase of 33%. A year later the HIF went up

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C.) GENERAL PUBLIC DISCUSSION (cont'd)

10%, which made their increase 43%. The original health insurance company came back to them and offered a 33% increase instead of the 57% they wanted initially so they pulled out of the HIF and went with that proposal. Mr. Heydel noted he could not understand how that insurance company could want a 57% increase last year and give them a 33% increase this year. He felt next year the school board's premium will go up 20% or more. Cncl. Sebastian suggested negotiating with the private insurance carrier to see if they would give us a 5% increase this year and then guarantee that for the next two years it will not exceed the percentage increase of the HIF. Mr. Heydel noted he could request that but he felt they would not agree to that because everything is based upon our claims experience. Cncl. DiLucia felt the claims experience is going to drop if the co-pay is raised from \$5.00 to \$10.00 because the more people pay out of pocket the less they utilize the benefit. Mr. Heydel noted only active employees, approximately 100 people, are going up to the \$10.00 co-pay for health insurance and prescription coverage. The police are already at those co-pays and the 80 retirees are either at \$2.00 or \$5.00 and will stay there because their benefits cannot be changed. Cncl. DiLucia questioned why retirees are guaranteed a better benefit than active bargaining employees. Mr. Heydel explained by law retirees leave with the benefit package that was in place at the time they were working and that cannot be changed. Solicitor Fiore noted he would research the State Statute on this and provide copies for Council. He explained the only way that can be changed is through legislation. Discussion ensued regarding whether the insurance company could be changed for retirees. Cncl. DiLucia felt that if retirees are provided with the same or better coverage there should be no problem. Mr. Heydel cautioned there could be a problem if the insurance company was changed and a retiree's doctor is not a participating member in the new company's network. Cncl. DiLucia spoke of Walgreens no longer participating in the township's prescription plan and noted that has not caused a problem. Mr. Heydel explained we cannot control that, as Walgreens is the one that dropped out of the network, the township did not kick them out. Solicitor Fiore will look into the State Statutes regarding retiree health insurance and report back to Council on that issue.

Solicitor Fiore reported having a conference call with the judge regarding the status of the settlement discussions for the Blaze Mill litigation. The judge has given the township an additional 60 days to try to resolve the issues/direction we are going to take. Mr. Fiore noted he contacted the Council President and a special meeting will be scheduled with representatives from Blaze Mill, members of the Planning Board and Council to determine whether this matter will be resolved. He explained he will make a report to the judge whether the issues are resolved or not. He added no counter offers have come back from Blaze Mills but they do want to sit down and talk with Council and if the issues are not resolved they want to litigate.

Solicitor Fiore also reported Attorney Charles Austermuhl would like to attend the November 22nd Closed Session Meeting to report on the court ordered mediations for Kane vs. Monroe Township, a case involving enforcement of a child custody order. The woman, who was the babysitter is claiming she was ruffed up by a police officer and apparently there has been some verification to that claim, as it was discussed by the JIF. This will not involve any out-of-pocket money for the municipality at this point in time but it will affect our ratings with the JIF. Mr. Fiore requested to correct his previous statement. He noted the woman was "allegedly ruffed up" and he requested the record reflect the correction to his statement.

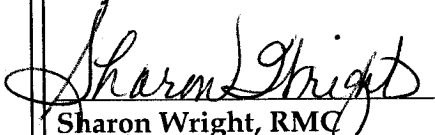
Cncl. Ronald Garbowski made a motion to open General Public Discussion. The motion was seconded by Cncl. Walter Bryson and unanimously approved by all members of Council in attendance. With no one wishing to speak Cncl. Ronald Garbowski made a motion to close the Public Discussion. The motion was seconded by Cncl. Rich DiLucia and unanimously approved by all members of Council in attendance.


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D.) ADJOURNMENT

With nothing further to discuss Cncl. Ronald Garbowski made a motion to adjourn the Special Council Meeting of November 2, 2011. The motion was seconded by Cncl. Walter Bryson and unanimously approved by all members of Council.

Respectfully submitted,


Sharon Wright, RMC
Deputy Clerk


Presiding Officer

These minutes were prepared from excerpts of the tape-recorded proceedings of the Special Council Meeting of November 2, 2011 and serve as only a synopsis of the proceedings. The official tape may be heard in the Office of the Township Clerk upon proper notification pursuant to the Open Public Records Law.

Approved as submitted _____ Am _____
Approved as corrected _____

Date 11/22/11
Date _____