

City of Westfield
Health Plan Trustees Meeting
Teleconference
May 11, 2023

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WESTFIELD CITY CLERK

Trustees:

Present: Alison Frary, Matthew Barnes, Vicki Moro, Jamie Naughton and Shannon Barry

Absent: none

Also in attendance: Anne Larkham Personnel Director for the City of Westfield

The meeting was called to order by Alison Frary at 2:43 PM and the City of Westfield recorded the meeting.

The minutes of this meeting were taken by Matthew Barnes.

The following agenda items were discussed at this meeting:

- A motion was made by Vicki Moro, seconded by Shannon Barry and voted 5-0 to approve the minutes of the May 8, 2023 meeting.
- Health Plan Trust Balance: Vicki Moro stated the Trust Fund balance at April 30, 2023 was \$15,680,813.08. There was a discussion regarding the appropriate level of funds for the Trust to maintain. Alison Frary reviewed the history of funding levels that have increased from \$2 million, \$5 million and prior to 2014 a goal of \$10 million. HUB International provided their recommendation to maintain at an absolute minimum approximately 3.5 months of expenses, which they calculate to be about \$6,448,057. Vicki Moro had asked other communities what level their trust maintained and learned that one maintains 3 months and another keeps four times their IBNR. Alison felt that the \$10 million balance was safe. Jamie Naughton felt that a trust balance of six months of expenses or about \$12 million would be more conservative. It was decided to discuss the Premium Holiday and then evaluate an acceptable Trust level.
- Premium Holiday: Based on the Trust balance as of 4/30/23 of \$15,680,813.08 and an approved premium holiday in November that will reduce the Trust balance by about \$1,767,673 and the HUB International projected decrease in the Trust related to the 0% rate change of \$967,492, the estimated Trust balance would be \$12,945,648. A full premium holiday would reduce the Trust balance to an estimated \$11,177,975. This would result in a reduction to the Trust balance of 28.7% in one year. Alison Frary informed the Trustees that a PEC would be needed if in the future there was interest in change the plan design or employee and city contribution percentages and that the bargaining capability could be limited. The discussion then changed to the use of the premium savings and contributing it to the OPEB. An OPEB contribution could be funded during the budget process or during the year with a request from the Mayor to City Council. A one half premium holiday would reduce the Trust balance to an estimated \$12,061,812. A motion to approve a one half premium holiday for the April premiums withheld in March was made by Vicki Moro, seconded by Matthew Barnes and passed 5-0.

- It was discussed to revisit the trust balance again in six months. A motion was made by Jamie Naughton and seconded by Shannon Barry to re-evaluate the Trust balance in six months, motion passed 5-0.
- A motion was made by Vicki Moro, seconded Jamie Naughton and voted 5-0 to adjourn the meeting at 3:35 PM.