

**Organizational Synergy & Human Resources Committee
Nov. 20, 2008 Meeting**

Draft Minutes

Members Present: Dave Damer, Committee Chairman (by telephone)
Timothy Griswold

CRRRA Management Present: Thomas Kirk, President
James Bolduc, Chief Financial Officer
Chris Hyfield, Human Resources Manager
Moirra Kenney, Secretary to the Board/Paralegal

Also Present: Curtis Dennison of R.C. Knox

Chairman Damer called the meeting to order at 8:34 a.m. and noted that there was a quorum.

1. APPROVAL OF MINUTES OF THE OCT. 25, 2008, ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE MEETING

Chairman Damer requested a motion to approve the minutes of the Oct. 25, 2008, Organizational Synergy & Human Resources Committee meeting. Director Griswold made the motion, which was seconded by Chairman Damer.

The minutes were approved as amended and discussed. Director Griswold abstained as he was not present at the meeting.

2. REVIEW AND RECOMMEND APPROVAL OF THE EMPLOYEE BENEFIT PROGRAM RENEWAL

Chairman Damer requested a motion to approve the above captioned item for recommendation to the full Board. Director Griswold made the following motion:

RESOLVED: That the Board of Directors authorizes the renewal of the employee health insurance benefit plans with Connecticare and Ameritas (vision) and authorizes making a change from the Standard Insurance for dental, life and disability to The Guardian for dental and Lincoln Financial for life and disability, for the period of January 1, 2009, through December 31, 2009, for an estimated combined premium of \$725,040.

The motion was seconded by Chairman Damer.

Mr. Hyfield said that he wanted to be sure that the Committee supported offering the

employees an additional HMO plan which may allow for additional cost savings if employees choose to enroll in it. He explained the HMO plan would be offered in addition to the two plans that are currently available.

Director Griswold asked if there has been any discussion concerning the possibility of a Health Savings Account as it may offer a possible savings in premium costs. Mr. Dennison reviewed the costs, benefits and drawbacks of offering such a plan which was followed by a detailed discussion by the Committee regarding the viability of offering an HSA health plan to CRRA employees.

Chairman Damer asked Mr. Hyfield to review the Health Maintenance Organization (hereinafter referred to as "HMO") alternatives. Mr. Hyfield said that the addition of the HMO alternative will give employees that want to stay in the network a lower cost option to choose from. Mr. Hyfield said that with the HMO health care is only covered within the network and includes any necessary emergency care.

Chairman Damer asked if management's recommendation is to offer the HMO concurrently with the current insurance offering. Mr. Hyfield said that this was correct and explained that many employees use the out-of-network on other plans and that switching the entire staff over to an HMO would be difficult as a result.

Chairman Damer asked if the savings of 2-4 percent are through the employee. Mr. Hyfield said the savings would be to CRRA. Chairman Damer asked if offering the HMO will incur any additional costs. Mr. Hyfield replied that there are no additional costs.

Mr. Hyfield said that Mr. Dennison went to market for new insurance providers as a result of a high renewal cost for the current dental plan with the Standard. Mr. Hyfield said that the high utilization by CRRA may have resulted in the high renewal costs from the Standard.

Mr. Hyfield said after reviewing the dental plans management ultimately decided to recommend the Guardian for dental and Lincoln Financial for life and disability plans. He explained the combination of the two plans came in as the low bidder. He said it also increased benefit on the dental side with Guardian as the major services benefits will be covered at 60 percent an increase from the 50 percent coverage from the Standard. Mr. Hyfield said that in addition basic services will be covered at 100 percent versus the 80 percent from the Standard. He said not only does the recommendation realize some premium savings for the CRRA, it also increases some benefit on the dental side for the employees.

Chairman Damer asked if the changes in employee benefits are clear to CRRA's employees. Mr. Hyfield said with the exception of new identification cards and increase in dental coverage there are no changes. Mr. Dennison said the better benefit on the dental side applies to employees with dentists that participate with the Guardian. He explained when the Guardian's network is compared to the Standard the likelihood is that more employees will have an opportunity to receive better benefits. He explained in a worse case scenario where a dentist does not participate the coverage is the same as it was.

Mr. Dennison said that he asked the Standard to reconsider their renewal rate. He said they did come down on many of the lines of coverage, however the move to the Guardian is still a savings as the Guardian is 4 percent versus the Standard's reduced offering of 12 percent. Mr. Dennison said the Standard could not compete with the Guardian and Lincoln Financial.

Director Griswold asked if the savings of \$5,600 are less than the current premium or the renewal. Mr. Dennison said the savings are less than the renewal premium and is still a increase. Mr. Dennison said that going with the Guardian on the life plan is about 3 percent lower than the inforce number.

Director Griswold asked what the \$5,600 savings is in terms of a percentage. Chairman Damer said those figures would be helpful for the Board's consideration. Mr. Kirk said those figures would be provided for the full Board.

Chairman Damer said that the chart with Medical plan renewals and Connecticare renewals was confusing. After substantial discussion Chairman Damer said that the resolution should be clear that the HMO will be run side by side with the renewal of the present plan. He suggested the resolution be revised for the presentation to the full Board.

AMMENDMENT TO THE MOTION

Director Grisowld made a motion to amend the original motion.

The following amendment to the resolution was made:

RESOLVED: That the Board of Directors authorizes the renewal of the employee health insurance benefit plans with ConnectiCare and the addition of an optional Connecticare HMO plan offered side-by-side the renewal plans and Ameritas(vision) and authorize making a change from The Standard Insurance for dental, life and disability to The Guardian for dental and Lincoln Financial for life and disability, for the period of January 1, 2009 through December 31, 2009 for an estimated combined premium of \$725,040.

The motion to amend was seconded by Chairman Damer and was approved unanimously.

APPROVAL OF THE ORIGINAL MOTION

Director Griswold made a motion to approve the original motion as amended.

The motion was seconded by Chairman Damer.

The motion was approved unanimously.

3. EXECUTIVE SESSION

Chairman Damer requested a motion to enter into Executive Session to discuss personnel matters. The motion was made by Chairman Damer and seconded by Director Griswold. The motion previously made and seconded was approved unanimously. Chairman Damer requested that the following people remain for the Executive Session, in addition to the Committee members:

Tom Kirk
Jim Bolduc
Chris Hyfield

The Executive Session commenced at 8:45 a.m. and concluded at 9:25 a.m.

The meeting reconvened at 9:25 a.m. and Chairman Damer noted that no votes were taken in Executive Session.

4. ADJOURNMENT

Chairman Damer requested a motion to adjourn the meeting. The motion made by Director Griswold and seconded by Chairman Damer was approved unanimously.

The meeting was adjourned at 9:25 a.m.

Respectfully submitted,

Moira Kenney
Secretary to the Board/Paralegal