

**Organizational Synergy & Human Resources Committee
Nov. 26, 2012 Regular Meeting**

Draft Minutes

Members Present: Committee Chairman Ryan Bingham (present by telephone)
 David Damer
 Timothy Griswold

CRRA Management Present: Tom Kirk, President
 James Bolduc, Chief Financial Officer
 Eric Womack, Human Resources Manager
 Moira Benacquista, Board Secretary/ Paralegal

Also Present: Kurtis Dennison of R.C. Knox & Company, Miguel Escalera, Esq. of
 Kainen, Escalera & McHale

Committee Chairman Bingham called the meeting to order at 11:06 a.m.

1. APPROVAL OF MINUTES OF THE OCT. 19, 2012, ORGANIZATIONAL SYNERGY & HUMAN RESOURCES COMMITTEE MEETING

Committee Chairman Bingham requested a motion to approve the minutes of the Oct. 19, 2012, Organizational Synergy & Human Resources Committee meeting. Director Damer made the motion, which was seconded by Director Griswold.

The motion to approve the minutes was approved by roll call.

2. REVIEW AND RECOMMEND APPROVAL OF EMPLOYEE BENEFIT PROGRAM (HEALTHCARE, DENTAL, VISION, LIFE & DISABILITY INSURANCE)

Committee Chairman Bingham requested a motion on the above referenced item. The motion was made by Director Griswold and seconded by Director Damer.

RESOLVED: That the Board of Directors authorizes the renewal of the employee health insurance benefit plans with ConnectiCare (medical), Ameritas (vision), MetLife (dental) and Lincoln Financial (life and disability), for the period of January 1, 2013, through December 31, 2013, for an estimated net combined premium of \$667,000.

Mr. Bolduc said this matter was discussed at the prior Committee meeting. He said management had proposed that CRRA does not go out to bid this year as CRRA's broker indicted Connecticare would be willing to further reduce CRRA's existing policy costs. Mr. Bolduc said the Committee had asked Mr. Dennison to approach Connecticare for a further reduction at its last meeting and those achieved savings are reflected in the write-up. Mr. Womack said Mr. Dennison was able to secure a 9%

renewal rate from Connecticare for health care and was able to further reduce that by an additional percentage point.

Mr. Dennison said in terms of the marketing efforts he first examines the market to see if there are opportunities available for CRRA. He said issues such as how satisfied CRRA is with its current carrier; the current levels of benefits, and the service CRRA is getting from that area were looked into. Mr. Dennison said CRRA employees have been happy with Connecticare and after reviewing these issues it was decided that efforts to reduce CRRA's current premium with ConnectiCare would be undertaken in lieu of approaching the market.

Mr. Dennison said medical trends for the first quarter of 2013 are somewhere in the range of 7-12% on average. He said trends are going even higher this year as opposed to last year due to several factors. He said many people had put off elective care partially due to out of pocket expenses which resulted in a drop in utilization patterns. Mr. Dennison said as a general rule people also are not comfortable taking time off from work in a difficult economy which also contributed to the delay in seeking effective care.

Mr. Dennison said trends are starting to pick up again. He noted that the affordable care act has also had an effect on costs. Mr. Dennison said in 2014 a new tax will go into effect which is basically a premium tax that the Federal government is charging health plans, which in turn have indicated that those costs will be passed onto the premiums. He said the women's health care initiative beginning Jan. 1, 2013, includes access to diagnostic services at no costs, contraceptive services at no cost, and other items which historically were associated with co-pays and out of pocket expenses. Mr. Dennison said it was management's ultimate decision not to look further for alternative coverage as the rest of the market is coming in quite bit higher than Connecticare.

Director Damer thanked Mr. Dennison for the comparison between FY'12 and FY'13. He noted the covered employees had been reduced and employee contributions were increased. Director Damer asked if the \$742,000 costs were for 44 employees and the \$773,000 for 39 employees. He asked if he was correct in stating there is a 10% increase across the Board for all employees. Mr. Kirk said as seen by the individual employees that is correct. Director Damer asked what the increase for the employee is. Mr. Bolduc suggested that the covered lives need to be looked at not just their employment count. He said that there are many covered dependents.

Mr. Womack said CRRA saw some savings this past year due to the fact that some employees have retired. He said the total lives covered will still be around 100 total. Mr. Womack said some of the newer employees have chosen to opt-out of the plan which is an additional savings for CRRA.

Director Griswold suggested under vision care and other employee plans that the decrease in costs be noted. Mr. Womack said the premiums themselves are not changing; it is the enrollment that will actually drop CRRA's premium costs. Director Griswold suggested clarifying that portion. He thanked Mr. Dennison for his efforts in securing another percentage drop.

3. EXECUTIVE SESSION

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

Tom Kirk
Jim Bolduc
Eric Womack
Kurtis Dennison
Miguel Escalera, Esq.

The Executive Session commenced at 11:11 a.m. and concluded at 12:30 p.m.

The meeting reconvened at 12:30 p.m. and Committee Chairman Bingham noted that no votes were taken in Executive Session.

4. ADJOURNMENT

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

The meeting was adjourned at 12:32 a.m.

Respectfully submitted,

Moira Benacquista
HR Specialist/Board Administrator