



August 12, 2016

Honorable Selectboard,

Please accept this as an abridged account of initiatives and activities performed by myself and town hall staff since my last report. Please note, this report is inordinately brief, largely due to the fact I have been away for several days during the last two weeks.

**Pvt. Jewett Williams;** The Town of South Hadley has been asked to participate in the return of the remains of Civil War Veteran Jewett Williams. Private Williams fought at Gettysburg and was at Appomattox for the surrender of the Confederacy by General Lee on April 9, 1865.

Jewett Williams died around 1922 in Oregon where his remains were left unclaimed until recently when the Maine Living History Museum in Livermore, Maine organized Jewett's return. After being transported across the country there will be a ceremony in each one of the New England States. The South Hadley Civil War monument which honors the many South Hadley patriots who served in defense of the union will be the site of the Massachusetts observance.

The date will be Saturday August 20 at 3:30 in the afternoon on the Village Common. It will include a motorcade of the Patriot Guard motorcycle group, a 21 gun salute, Civil War enactors and other military Color Guards. The public is invited to witness this piece of history, the entourage will proceed to Brattleboro, Vermont for that state's ceremony.

Thank you for the efforts of Interim Chief Steve Parentela's efforts, as well as DPW Superintendent Jim Reidy's to facilitate this event. We only recently were informed by South Hadley resident Richard Haste who is the local contact they were asking to hold this event in South Hadley, so the quick turnaround was important and necessary.

**MIAA Rewards;** I am pleased to inform the Selectboard through the efforts of many who participated in trainings and seminars throughout FY 16 the Town of South Hadley has earned an FY 17 credit of \$7, 657 on our liability insurance bill. Thank you to Laura Krutzler who is diligent in communicating to departments and seeking certification from MIAA for the trainings.

This program also serves the obvious purpose of informing staff and management of innovations and best practices which allows us to keep employees safe and works to avert risk exposure. It is basic fact that a better informed employee will be a better employee overall.

Administration has also referred a grant program to DPW Superintendent Jim Reidy who is working with WWTP Supervisor Melissa Labonte to submit to MIAA. The grant would be used to map and investigate

sub-terrain sanitary sewer conditions, so we may better understand the defects and challenges in the aging system.

**Health Insurance;** I recently met with Art Bombagen from Millennium Advisors to discuss the general state of health insurance. We reviewed the various options from GIC to self-insured plans to other groups. As you recall last year the HCHIT increase was 6.8% and the trust management had called for an increase of 8.5%, I was able to absorb most of the increase in to the historic appropriation by utilizing several strategies including reducing staffing levels. My fear is this year we have run out of runway so to speak. The staffing I have some influence on the (non-school side) is at or near as low as it is likely to go and continue to provide the core services. Although, we will not stop looking for more opportunities to use technology or other platforms to reduce personnel costs.

The HCHIT has admitted in a recent Insurance Advisory Committee meeting that the experience in trending in a positive direction and as far as the predicted four million dollar Armageddon short fall predicted in January they are likely only going to draw a million dollars or less from the very healthy twentyseven million dollar reserve. The have yet to admit their requested 8.5% increase earlier this year would have been usury and detrimental to the individual members municipal budgets.

I do have a concern an 8% plus increase at HCHIT would put add another \$300K to our over \$4 million dollar town-side health insurance cost. It is the primary reason why I drone on about the danger of this part of our budget (it is still unclear to even me why I drone on about other issue). As I have said in the past even with stop loss insurance I am fearful of "self-insured" plans.

In September I will begin the task of assembling a Section 19 committee. Each South Hadley union and retiree will have a representative at the table, the vote (if it ever even came to that) is weighed by the size of the union, the municipality would present any changes to the committee. This is required for all unions in town have a mechanism to weigh in on any changes to health insurance plans.

As I have informed you before the HCHIT is looking at what some design plan changes would return to premium costs, but as much as I appreciate the effort I do see it as a longshot to realize any savings. Basically any change would have to be accepted by weighted vote approval of every union for all 64 communities and organizations (regional school districts, quasi government organizations, charter schools) members of HCHIT. I suspect you see why this is a longshot, if one towns assembled unions did not approve changes to co-pays or deductibles the redesign would be dead in the water. I am sure we will be discussing this more as the year progresses.

Thank you as always for your input and support,

Respectfully submitted,

Michael J. Sullivan

Town Administrator, South Hadley