

**MINUTES OF THE COMMON COUNCIL
JANUARY 21, 2016**

A special meeting of the Common Council of the City of Oneida, NY was held on the twenty-first day of January, 2016 at 4:00 o'clock P.M. in Council Chambers, Oneida Municipal Building, 109 N. Main Street, Oneida, NY.

Meeting was called to order by Mayor Leo Matzke

PRESENT: Councilors Alan Cohen, Michael Bowe, Erwin Smith
(left at 5:03 pm), Helen Acker, James Chamberlain, and
Thomas Simchik (arrived at 4:59 p.m.)

ALSO PRESENT: City Clerk Susan Pulverenti
Civil Service Officer Peg Margo

Discussion of Medicare Retiree's Health Insurance

Mayor Matzke stated this work session is to look at different health insurance plans for the City's Medicare retirees. The Mayor introduced Donna Neal, a consultant with OneGroup, who presented the Council a packet of information. She stated there are two changes to be addressed, switching to Option 1 or keeping Option 3, but changing the drug coverage. Ms. Neal discussed at length the coverages in medical benefits and the copays, prescription drug benefits and the copays, and the preventative benefits in the City's current Medicare retiree plan (Humana Medicare Advantage Plan with Drugs - Option 3), which was effective 01/01/16. Ms. Neal explained the Humana RX benefits of Medicare Part D and when the implementation of a coverage gap or "donut hole" would come into play, initially and in catastrophic phases. She stated that it is very uncommon for a Group Plan to have a coverage gap, noting that most generally "street plans" (those sold by independents who set up shop at local marketplaces) do have a "donut hole". Ms. Neal touched briefly on the NYS EPIC Program (based on income/eligibility) stating that if enrolled, EPIC works behind the scenes calculating dollars to assist with the costs associated with the coverage gap. She stated that once in the donut hole, the amounts paid by the retiree would vary depending on the pharmacy, as they all have negotiated rates. Ms. Neal said that the medical and drug portions of the plans are separate.

Ms. Neal further discussed the benefits of the Humana MAPD (passive PPO w/RX) Option 1 Plan. She outlined the Medical and RX benefits, and described the various co-pays. She fully explained the comparison of the current Humana Plan (Option 3) and Humana Option 1, which would take effect May 1, 2016 should the Council opt to change plans. Ms. Neal also explained the choice of only changing the current prescription drug plan to the one in Option 1. Ms. Neal said the rates have increased, and Mayor Matzke provided the Council with a spreadsheet clarifying the costs (for eight months) and additional funds needed to make a change in coverage. He stated that last year's sales tax revenue was up by approximately \$223K. Mayor Matzke outlined the total and individual costs stating that about \$64K would come from the General Fund, \$7K from the Water Fund, and \$2,200 from the Sewer Fund.

Mayor Matzke recommended that the Council follow through with a new plan, adding that he feels strongly that our oldest employees retire with a certain benefit in mind, and he doesn't feel it should be messed with. The Mayor said Councilor Simchik had previously asked if the Council could vote on this tonight, and the Mayor clarified that if the Council was in agreement, a vote could be taken. The City Clerk passed out a proposed Resolution for the Council's review. The Mayor said that he would open up the meeting for the public to comment.

Brahim Zogby, Oneida, questioned the urgency in a changing plans. Mayor Matzke said the rates will change again if the Council waits longer, and Ms. Neal concurred. Peg Margo said there are about 77 Medicare policies. In response to Mr. Zogby's question, Ms. Neal said she has no idea how many employees will reach the donut hole, noting that it is not a common element of a group retirement program. She said that she has never had a group that implemented the coverage gap. Mr. Zogby questioned the amount of money to be spent to help a percentage of retirees with the donut hole, and suggested formulating a policy to reimburse retirees if they fell into the coverage gap. Mr. Zogby said the City is a decent employer and could negotiate the rates. Ms. Neal said it is not possible to negotiate the rates with this size group; they are community rated, and the group is not large enough to be self-funded.

Tom Laurin, Oneida, said he is a typical retiree. He said he filled out the EPIC form and for it to kick in for him, he has to have out-of-pocket expenses of \$1,838. Mr. Laurin said that amount doesn't include any Medicare Part B out-of-pocket co-pays or deductible he incurs.

Sands McGlynn, Oneida, said he is a 20 year retiree of the Fire Department. He said that the Councilors who voted for the policy to be enacted for January 1, put the retirees into a state of confusion. He said if he were a Council member, he could not, in good conscious, scapegoat the City retirees to balance a budget. Mr. McGlynn said the City should talk with the County to retrieve more OIN funding. He outlined the medical expenses of his late wife and said if this plan was in place six years ago, he would have been in the poor house with all the co-pays and donut holes. Mr. McGlynn said that years ago City employees gave up pay raises to maintain the health insurance program, and now when the older folks need it, they are taking a beating.

Chase Stoffel, Oneida, inquired about what will happen years down the road with this policy. Mayor Matzke said he will plan for down the road, and he noted his past budgets. The Mayor said we are disrespecting our oldest employees by forcing them into a plan that could cause them financial disaster in order to balance the budget. The Mayor said the City does not know what the rates will be next year. Councilor Bowe said the costs have risen just since this was discussed in November.

Dave Cimpi, Oneida, said he has a concern with using sales tax revenue, as it has been flat for the past six years.

Councilor Cohen said he is in favor of cutting costs where appropriate, but this is not an appropriate place. We are looking at the most vulnerable people, who have dedicated 20+ years of their lives to the City, and he doesn't believe we should put them at further risk.

Jon Little, John R. Deschamps, Police Benevolent Association President, questioned the monetary savings to the City by switching policies. Ms. Neal said with Option 1, the projected savings was to be \$133K and when the City opted for Option 3, the cost savings was projected at \$219K. Ms. Neal said the \$249 (Option 1) vs \$139 (Option 3) rate meant that the retirees would be taking more out-of-pocket than the insurance company is. She said the new rate is now at \$276 a head. Officer Little said this wouldn't be costing the City more money; it is just less money the City would be saving. He thanked the Council for the meeting. He said the PBA contract clearly states that retirees are on the same plan as current City employees and any changes need to be negotiated. Officer Little said the PBA filed a grievance before Mayor Matzke took office, and this needs to be taken into consideration. The City Clerk read aloud a proposed Resolution.

**A RESOLUTION TO APPROVE A CHANGE IN HEALTH INSURANCE PROVIDERS
FOR CITY MEDICARE RETIREES**

RESOLUTION 16-22

Moved by Councilor Cohen
Seconded by Councilor Chamberlain

WHEREAS, in 2015, the City of Oneida was enrolled in Excellus Medicare Blue PPO and Excellus Medicare Supplement & Part D for the benefit of its Medicare retirees; **and**

WHEREAS, due to the rising costs of health insurance and increasing budget constraints, the Common Council considered and evaluated alternative supplemental health insurance plans made available by various insurance carriers; **and**

WHEREAS, because premiums for the Humana Medicare Advantage Plan with Drugs (“MAPD”) (passive PPO w/RX) Option 3 were substantially lower than those paid for the current Medicare retiree health insurance plan, presenting a savings of tens of thousands of dollars, the Common Council approved a change in the health insurance coverage for its Medicare retirees to said Medicare Advantage Plan with Drugs (MAPD (passive PPO w/RX) Option 3) at the regular meeting of the Common Council on November 4, 2015; **and**

WHEREAS, to address concerns expressed by members of the John R. Deschamps, Police Benevolent Association, the Common Council re-evaluated the alternative supplemental health insurance plans previously considered in an effort to assure such members that the new supplemental health insurance plan offered by the City provides benefits that are the same or greater in accordance with the terms of the parties’ current collective bargaining agreement; **and**

WHEREAS, it is the finding of the Common Council that the Humana MAPD (passive PPO w/RX) Option 1 is equivalent to the Excellus Medicare Blue PPO and Excellus Medicare Supplement & Part D Plans previously provided for the benefit of City Medicare retirees; **and**

WHEREAS, in order to accept the premium quote currently offered for the Humana MAPD (passive PPO w/RX) Option 1, the City must give notice to the Humana MAPD (passive PPO w/RX) Option 1 by January 31, 2016, for enrollment May 1, 2016; **now therefore be it**

RESOLVED, that the City shall give notice of intent and change from the current Humana Medicare Advantage Plan with Drugs (Option 3) to the Humana Medicare Advantage Plan with Drugs (Option 1) effective May 1, 2016, for the benefit of all covered City Medicare retirees; **and be it further**

RESOLVED, that the Mayor be hereby authorized, on behalf of the City, to execute such documents and give such notices as may be required to effectuate the change in health insurance providers and policies as contemplated herein.

Councilor Cohen – Yes
Councilor Bowe – Yes
Councilor Smith – Absent
Councilor Acker – Yes
Councilor Chamberlain – Yes
Councilor Simchik – Yes

MOTION CARRIED

Councilor Bowe said the City is paying more for active employees, who have a livelihood and decreased the benefit to those on fixed incomes. He said he was against this the first time it was voted on in

November and added that employees who worked for him in the DPW were made promises and also gave up raises. Councilor Bowe said we shouldn't be taking away from these people just because we can and because they don't have a voice. Councilor Bowe said he supports what is being done here today.

Motion to adjourn by Councilor Simchik

The special meeting is hereby adjourned at 5:11 p.m.

CITY OF ONEIDA

Susan Pulverenti
City Clerk