

Selectmen Present: Jacob Smith, William Bembury, Scott Bastarache

Also Present: Bryan Smith, Alan Singer, Paula Betters, Tracy Saharceski, Elizabeth DeSorgher, Tom Smith, Lou Hale, Mary Glabach, Rinky Black, Heather Peterson, Dorothy McCarthy, Michelle Fisher, Rosemary Mathey, Emily Samuels, Gary Porlier, Donna LaClaire, Mitchell LaClaire, Jane Urban, Laura George, Rebecca Hubbard, Jeanie Schermesser, Gail Dubreuil, Donna Yazwinski, Lisa Bartlett, Jim Trill, Phillip Wonkka, Julie Wonkka, Joe Shea

Press: Christine Miranda, Athol Daily News; Mike Jackson, Montague Reporter

At 6:32 PM the **Chairman Smith** called the meeting to order.

Review of Meeting Minutes from September 27, 2017

The Board reviewed meeting minutes from Wednesday, September 27, 2017. **Selectman Bastarache** made a motion to approve the meeting minutes of September 27, 2017 as written. **Selectman Bembury** seconded. Passed. **Chairman Smith** abstained.

Review of Meeting Minutes from October 02, 2017

The Board reviewed meeting minutes from Monday, October 02, 2017. The Board amended page 2 to now read "+/- .5". **Selectman Bastarache** made a motion to approve the meeting minutes as amended. **Selectman Bembury** seconded. Unanimously passed as amended.

10 Town Loan Fund Annual Report

Alan Singer, Lending Program Manager for the Franklin County Community Development Corporation (FCCDC) joined the Board to discuss the 2017 annual report for the 10 Town Loan Fund. Alan explained that the fund is currently considering several perspective projects. The Fund can provide loans ranging from \$5,000 to \$200,000. Erving has served as the lead fiscal agent because of the Town's professional fiscal capacity. Alan informed the Board that the Fund has been increasingly working on collaborative projects that include agricultural businesses in northern Franklin County. Loan delinquencies are decreasing. Alan encouraged community members and area business to review the loan program information that is available on the FCCDC website (www.fccdc.org). The FCCDC Annual meeting is scheduled for Friday, November 17, 2017 from 4:00 PM to 7:00 PM. The event will celebrate the expansion of the food processing programming. This expansion will allow the FCCDC to ramp up the farm to food programing.

Erving Center Traffic Safety Updates

Chairman Smith informed those in attendance that the Highway Department has received the stencils for pavement markings and in the coming weeks will identify the locations for additional notification. Also vegetation and growth removal has occurred along High and North Streets as well as Lester and Prospect Streets on Erving side. **Chairman Smith** also explained that prior to the meeting, the office heard from the Town Administrator in Northfield that the Northfield Board of Selectmen are not currently interested in exploring a truck exclusion. Erving will continue to evaluate options that the Town can pursue. Bryan Smith, Administrative Coordinator, informed the Board that conversations with FRCOG have taken place and the Route 2 Taskforce is being reconvened to meet in Erving during the month of November.

Erving Industries 3rd Party Wastewater Agreement

Bryan Smith, Administrative Coordinator, informed the Board that Morris Housen of Erving Industries had responded to the Town stating that they could not accept the variance of +/- .5% and would ask that the agreement specifically state the use of the "standard methods for the examination of water and wastewater. Additionally, Erving Industries would like to add "material facility upset" to section 3b and

3c as a reason to deny disposal of wastewater from POTW#1. These requests have been reviewed by Legal Counsel and have been discussed with Tighe & Bond. The recommendation is to accept these amendment requests with the condition that the test be performed once and accepted. The rationale is that the test, even if performed in the same manner, is likely to produce varying results based on other factors. This variance should not be grounds for breach of agreement. The Board agreed to the changes and asked Bryan to convey these amendments to Morris. The Board noted that an extension of the existing 3rd Party Wastewater agreement is in effect until October 31, 2017.

Letter of Recognition for Erving Fire Department

Selectman Bastarache read the following letter into the record:

Gentlemen, Ladies:

We are writing to express our gratitude and praise for Chief Philip Wonkka and the Erving Fire Department, who responded to a small fire at our home on Sept 23. They worked diligently and carefully, extinguishing and preventing the spread of the fire.

Some of the words that come to our minds in describing the Erving firefighters include these: hardworking, diligent, efficient, professional, thoughtful, caring. They took care to cover, as best they could, furniture and personal belongings to protect them from water damage, and were thorough in making sure that the fire was completely out before leaving.

We learned some important lessons from this experience, but one of the most gratifying is learning that there are people of this caliber filling such a vital role in this little town that we now call home.

Sincerely, Gratefully,

*Ken & Carol Zilisch
34 Moore Street*

The Board expressed appreciation to Chief Wonkka and the Fire Department staff for their work in responding to the fire at 34 Moore Street.

Capital Planning Committee Appointment

The Board reviewed a letter of interest from Peter Mallet, 24 North Street, to serve on the Capital Planning Committee. **Chairman Smith** made a motion to appoint Peter Mallet to the Capital Planning Committee for a three (3) year term ending on June 20, 2020. **Selectman Bembury** seconded. Unanimously approved.

Cable Advisory Committee Appointments

Selectman Bastarache made a motion to withdraw the appointments of George "Moonlight" Davis, Brenda Silva, and Tim Cronin to the Cable Advisory Committee. **Selectman Bembury** seconded. Unanimously approved. **Selectman Bembury** asked that a meeting of the Committee be scheduled as soon as possible to begin work on the renewal of the agreement with Comcast. The current agreement expires in September 2018.

Northfield Mountain Project Revaluation

The Board reviewed documentation from the Board of Assessors and the invitation for bid process that was conducted for the valuation services of the Northfield Mountain Project. After a review of the bid submissions, the lowest qualified bidder is Main Stream Associates, 26, Maple Road, North Hampton, NH 03862 with a bid of \$32,250. **Chairman Smith** made a motion to sign the contract between the Town of Erving and Main Stream Associates. **Selectman Bastarache** seconded. Unanimously approved.

FY2019 Health Insurance Benefit Changes- Hampshire Council of Governments Group Insurance Trust

At 7:02 PM the **Chairman Smith** opened the joint meeting with the School Committee to discuss the FY2019 health insurance benefit changes with the Hampshire Council of Governments Group Insurance Trust. Joe Shea joined the Board to provide an overview of the self-insured Trust and a discussion of the planned benefit changes for FY2019. Joe explained that the Trust is currently comprised of 70 municipal members, each with voting representation. Joe reviewed the Trust financials, noting that the Affordable Care Act imposed a \$1.2 Million additional cost to the Trust. The review included an overview of the assets, liabilities, and the unrestricted assets. It is notable that the Trust's unrestricted reserve has decreased from \$27,055,539 in Insurance Year (IY) 2014 to \$18,712,145 as of June 30, 2017. Joe explained that in the period between IY2011 to IY2014, the claim experiences were within limits and as a result the Trust did not have to increase premiums to members. That changed in IY2015 and as of IY2017 premium increases were approximately 10%. In an effort to decrease annual premium increases of approximately 10%, the Insurance Advisory Committee (IAC) began discussing plan benefit changes that could result in savings. Joe clarified that even with the premium increases over the past three (3) insurance years, the reserve fund has subsidized the claims which resulted in the loss of \$8,343,394. Had the reserve fund not been used to cover claims, premium increases would have been higher for members.

Joe explained that the benefit changes that were approved by the IAC of the Trust will take effect on July 1, 2018. These changes were discussed for nearly two (2) years with the IAC. The goal was to avoid large deductibles like the GIC plans require. The benefit changes are meant to decrease the amount that the reserve fund is subsidizing claims and decrease the premium increases that will be calculated for IY2018 by approximately 5.5%. **Chairman Smith** asked if premiums will still increase. Joe clarified that premium rates will not be known until approximately January 2018, but that he anticipates that the rates will increase even with the benefit changes.

Pamela Ososky discussed the understanding that the cost of health insurance will increase and her belief that the benefit changes unjustly impact those individuals that need the benefit. Joe explained that according to actuaries, approximately 75% of Trust members will not be impacted by the benefit changes. Joe acknowledged that the benefit changes ask service users to cost share for services used. Joe also explained that at a previous IAC meeting, the co-pay for specialists was raised to \$60 and at the most recent IAC meeting, the co-pay was reduced from \$60 to \$40. Joe also explained that there are no changes to the Med-X plan benefits and he anticipates a 1.7% premium increase.

Kathleen Bridgewater asked Joe what efforts are being made by the Trust to negotiate with the pharmaceutical companies and to work with the State to reduce healthcare costs. Kathleen asked if the Trust can negotiate to purchase prescription pharmaceuticals from Canada. Joe explained that there is a CanaRX program and that a limited number of maintenance drugs are available through this program. The information is available on the Trust website. Joe explained that purchasing through the CanaRX program does not require a co-pay. Joe also explained that a consultant has been hired, as of the end of the summer 2017, to review pharmaceutical spending. The Trust is working with Blue Cross Blue Shield to evaluate the approximately \$12 Million spent in IY2016 on pharmaceuticals to assess costs, availability of rebates, and other opportunities to reduce costs.

Joe further explained that the Trust also has reinsurance for claims over \$275,000. In the last two (2) years, the Trust has saved approximately \$1 Million through the reinsurance program. Joe discussed the challenges of obtaining meaningful pharmaceutical cost changes because of congressional lobbying.

Heather Peterson asked if insurance claims will still be processed through Blue Cross Blue Shield. Joe explained "yes", and that the Trust contracts with Blue Cross Blue Shield. This contract allows the Trust to access the Blue Cross Blue Shield network of providers, claim processing, and support from actuaries. He clarified that Blue Cross Blue Shield is not the insurance provider, the Trust is self-insured.

Emily Samuel discussed the concern of impacting the members who need the benefit the most and stated that she believed there is a “social compact” in regards to health care. Joe acknowledged the concern and explained that most member municipalities cannot shoulder an annual premium increase of 10% and the Trust cannot continue to subsidize claims. Because the IAC was not willing to discuss the introduction of deductibles, co-pays were the only other benefit change that could be considered. Joe further explained that the premium increases over the past year were actually less than what the Trust really experienced in claim cost increases. For example, in IY 2017 there was a 9.4% increase for HMO premiums, while the cost increase to the Trust will be closer to 15% and the reserve fund will again underwrite the claim loss. Joe noted that other self-insured trusts have lost their reserves and have had to drastically alter plan benefits or turn to the GIC.

Kathy discussed the overview of the 17 year history of premium adjustments provided in the Trust financial report. Kathy noted that the premium increase changes seem to correlate with the passage of the Healthcare reform efforts in Massachusetts and the enactment of the Affordable Care Act. Joe noted that claim experience can be cyclical.

Jeanie asked if it was fair to say that pharmaceuticals are driving the increases. Joe said claims are up overall and noted that at least \$6 Million in loss, over the last three (3) insurance years is attributed to pharmaceutical costs. Jeanie asked if those in attendance were aware of a recent 60 Minute story. Jeanie stated that the story linked changes in the U.S. Drug Enforcement Agency enforcement on to increases in pharmaceutical use. Jeanie further raised the concern that people will need to act and that the government is not representing the people.

Mitchell LaClaire asked how long the Town had been with the Trust. The Board answered approximately 16 years. Mitchell asked how many plans the Town offers to employees. Joe clarified that the Town offers a HMO plan and a PPO plan.

Jane Urban asked about the requirement for the Town to adopt MGL Chapter 32B sections 21 and 22. Joe explained that the Town is on record as looking at benefit changes. **Chairman Smith** explained that MGL requires the notification to bargaining units.

Selectman Bastarache explained that the Board of Selectmen are not actively changing rates to the employees of the Town. He explained that the Trust IAC Members have that responsibility. **Selectman Bastarache** summarized that the Trust is trying to make plan adjustments to avoid what other towns and trusts are having to do. He noted that the Trust monitored a few years of claim activity, realizing that increases would not decrease without action. Joe explained that he advised the Trust IAC in 2015 and 2016 to consider higher rates to address the cost increases. He noted that the Trust IAC turned the proposal down and wanted to use the reserve fund instead. **Selectman Bastarache** noted that the benefit changes have been adopted for July 1, 2018. He further agreed that there is a much larger issue with state national concerns that is bigger than what the Trust can address alone; advocating for legislative outreach.

Kathy noted the importance of a Trust that is financially healthy and if there would be support for a Massachusetts Healthcare Trust to develop a greater number of plan members that may reduce costs. Joe explained that he is meeting with other state leaders and the Blue Cross Blue Shield representatives to discuss opportunities to improve outcomes. Joe also discussed a pragmatic and careful process of accepting municipalities into the Trust. Municipalities are assessed for their claim usage and only accepted if they are deemed not to pose a great financial risk to the Trust.

Heather asked if there will be a way to monitor data for specialist usage after the benefit changes go into effect. Joe explained that data will be monitored. Additionally, Joe explained that after rates are set for

2018, the Trust will hold multiple sessions to meet with members to discuss specific changes. The meetings will be available in member communities in spring 2018.

Kathy asked if Trust members were receiving subsidized benefits through the Affordable Care Act. Joe stated that no Trust members are also receiving ACA provided benefits. He explained that the \$1.2 Million that the Trust paid to the ACA helped to create a national insurance reserve fund. The money was aggregated and used to subsidize high risk insurance pools.

The Board took a recess at 8:15 PM.

Chairman Smith resumed the meeting at 8:19 PM.

Discussion Regarding Interest in Acquiring 10 West Main Street

Chairman Smith opened conversation about the availability of land at 10 West Main Street. Bryan Smith, Administrative Coordinator, provided the Board with a copy of the real-estate listing, the latest property card on file, and a copy of the use table from the Zoning Bylaw. **Selectman Bastarache** discussed the importance of identifying a use for the property, noting that the Town should not own property for the sake of owning property. **Selectman Bastarache** stated support for evaluating the inventory of Town-owned land to determine current use and whether or not some pieces should be sold. **Chairman Smith** expressed his support for reviewing municipally owned land. **Selectman Bembury** explained his belief that the parcel at 10 West Main Street is a desirable parcel. The parcel is adjacent to a municipal parking lot and has a well that could serve as a water source. **Selectman Bembury** suggested that the well could be possible water source for Erving Riverfront Park and the Usher Mill building. **Selectman Bembury** further explained that the lot is small and the loss of tax revenue shouldn't be a burden to the Town. **Chairman Smith** noted that if it were possible for the well to serve the park and building, it would need to undergo the permitting process the DEP to have a Public Water Supply number issued.

Jeanie Schermesser asked if the Town knew the sale price of the property. Caldwell Banker has listed the property for \$34,900. Jeanie discussed the closure of the former well at the Usher Building and the importance of identifying a water source for the park and for the building. Jeanie further discussed the lack of a municipal water source and noted the difficulty of sourcing a new well with DEP regulations. Jeanie advocated that the parcel at 10 West Main Street may allow the Town to provide water at the site and recommended that the Town purchase the property. **Chairman Smith** responded to Jeanie about the former well at the Usher Building, explaining that the Board agreed to research options for the potential siting of a well to support the property. **Chairman Smith** clarified that DEP had informed that the Town that the former well would not be repurposed as a Public Water Supply as its grandfathering had lapsed and its placement adjacent to the railroad tracks did not meet current regulations. **Chairman Smith** explained that the well at 10 West Main Street would need to be investigated for the potential to be a Public Water Supply.

Jacquelyn Boyden expressed her concern about the Town buying too much land and noted that the municipal parking lots are rarely used. Jacquie spoke to the limited amount of buildable land available in town and advocated that the Town should conduct an inventory of Town-owned land. Jacquie also advised that the well at 10 West Main Street should be researched to see what it can support. Eric Semb, expressed support for what Jacquie communicated and for encouraging commercial development. Eric also advocated for researching the well. Jeanie asked the Board to discuss this topic again at a future Board of Selectmen meeting once more information is known. **Chairman Smith** expressed his agreement.

Jeanie also suggested that the property could be used by the Town to install public bathrooms. The Board acknowledged concerns about encouraging pedestrian traffic on Arch Street as the railroad underpass is

narrow and will not allow for the construction of sidewalks, but the Board agreed that the idea was worth reviewing.

The Board asked Bryan to contact the real estate agent for the property to inquire about information related to the well and to begin a conversation with the Recreation Commission.

Upcoming Meeting Topics

Discussion of Energy Options from Hampshire COG

The Board discussed meeting with representatives from Hampshire Council of Governments to discuss program options to reduce electricity supply costs through net metering that the COG provides. The Energy Committee has been invited to meet jointly. The Board discussed the goal for the meeting is to obtain information and not to make a decision. The Board discussed wanting to know the benefits as well as potential limitations. The Board specifically wanted to know if this program would impact the Town's ability to pursue solar development.

Meeting Periodicity

Selectman Bastarache noted that in comparison to meetings held a year ago, the length and the number of agenda items has reduced. **Selectman Bastarache** asked the Board to consider the schedule of meeting weekly, suggesting that it may be an option to meet biweekly.

Solid Waste Contract

Eric Semb asked the Board to consider the possibility of including an option for Erving businesses to participate, at their own cost, in the procurement for the next solid waste management contract. The Board will consider the possibility.

Adjournment

At 8:49 PM **Chairman Smith** made a motion to adjourn. **Selectman Bembury** seconded. Unanimously approved.

Respectfully Submitted,



Bryan Smith
Administrative Coordinator