

**CITY OF BRIDGEPORT
CONTRACTS COMMITTEE
RESCHEDULED MEETING
APRIL 14, 2016**

ATTENDANCE: Jeanette Herron, Co-Chair; Jack Banta, Co-Chair; Richard Salter;
Anthony Paoletto; Milta Feliciano

OTHER: Ken Flatto, Finance Director; Veronica Jones, Tax Collector; Rich
Weiner, Benefits Department; Atty. Mark Anastasi, Associate City
Attorney; Darcy Caslin

CALL TO ORDER

Co-Chair Herron called the meeting to order at 6:15 PM. A quorum was present.

APPROVAL OF MINUTES

Approval of Committee Meeting Minutes of March 10, 2016 (Rescheduled Meeting)

- ** COUNCIL MEMBER SALTER MOVED TO APPROVE THE MINUTES OF THE MARCH 10, 2016 RESCHEDULED MEETING.**
- ** COUNCIL MEMBER BANTA SECONDED THE MOTION.**
- ** MOTION PASSED UNANIMOUSLY.**

54-15

PROPOSED ASSIGNMENT OF TAX LIENS FOR THE FISCAL YEAR 2016

Ms. Jones stated that the item is to request Council approval on the assignment of fiscal year tax liens. She stated that the liens are bundled in bulk into a single package, which are then bid out and bought by a company. In this way, the City is ahead in collecting on their taxes.

Council Member Banta asked how many tax liens the City plans on selling and Ms. Jones stated that there are over 800 liens. Council Member Banta asked how much that amounts to and Ms. Jones stated that the ballpark total is \$4.2 million. Council Member Banta asked how long it typically takes for the liens to be purchased. Ms. Jones stated that the bulk lean bid is in May, the sale is finalized in June, and the total amount must be paid 5 days after the winning bidder is selected. Mr. Flatto stated that the environment for liens is very positive, and because the interest rate collection on taxes is high, they have an average of 6 to 8 bidders a year.

- ** COUNCIL MEMBER PAOLETTO MOVED TO APPROVE ITEM 54-15 RE: PROPOSED ASSIGNMENT OF TAX LIENS FOR THE FISCAL YEAR 2016.
- ** COUNCIL MEMBER SALTER SECONDED THE MOTION.
- ** MOTION PASSED UNANIMOUSLY.

56-15

PROPOSED TENTATIVE AGREEMENT WITH NEW ENGLAND HEALTH CARE EMPLOYEES UNION, LOCAL 1199 SEIU (NURSES) CONCERNING THE TERMS AND CONDITIONS OF EMPLOYMENT FOR THEIR MEMBERSHIP

- ** COUNCIL MEMBER BANTA MOVED TO TABLE ITEM 56-15 PROPOSED TENTATIVE AGREEMENT WITH NEW ENGLAND HEALTH CARE EMPLOYEES UNION, LOCAL 1199 SEIU (NURSES) CONCERNING THE TERMS AND CONDITIONS OF EMPLOYMENT FOR THEIR MEMBERSHIP.
- ** COUNCIL MEMBER SALTER SECONDED THE MOTION.
- ** MOTION PASSED WITH ONE (1) VOTE IN OPPOSITION (PAOLETTO).

Council Member Feliciano entered at 6:20 PM. Council Member Paoletto exited at 6:20 PM.

Mr. Flatto asked if the item was tabled with the intent to hear it again. Co-Chair Herron answered in the negative.

75-15

PROPOSED PROFESSIONAL SERVICES AGREEMENT WITH THE BEACON BENEFITS GROUP

Mr. Weiner stated that the item pertains to services related to Medicare eligible retirees on the Board of Education, which consists of roughly 250 employees and their spouses. He stated that Beacon Benefits has been the administrator for about 20 years and provide a number of benefits. He stated that Beacon identifies enrollment, termination and demographic changes for retirees, and that as they approach age 65, Beacon begins the process of enrolling them into Medicare. He stated that Beacon identifies themselves to the retirees, and ask for documentation to determine whether or not they qualify to join Medicare. Beacon then keeps the pressure on the retirees to join, while maintaining detailed records of their history, addresses and communications. Mr. Weiner further stated that they have begun the process of charging people the same copay they currently pay as employees.

Mr. Weiner stated that Beacon created a chart of all plans the City offers for employees, and presented the seated members with copies of said chart. Ms. Casin stated that the point of the copay changes is to bring the cost down for the City.

Council Member Feliciano asked what the retirees do if they aren't eligible for Medicare, and Mr. Weiner stated that they stay on the same plan with the City. Ms. Casin stated that some retirees who never contributed to Medicare are not eligible, but Beacon makes a concerted effort to determine whether or not they are eligible under a spouse (living, dead or deceased). Ms. Casin stated that they also set up third party calls with Social Security in order to accomplish this. Mr. Weiner stated that it is worth roughly \$500 per person per month to hand the responsibility to the federal government.

Ms. Casin stated that they are not going against pre-established bargaining agreements, and that Beacon and Mr. Weiner's office work collectively to give retirees what they are entitled to. Mr. Flatto stated that those agreements don't have anything to do with this contract per se.

Council Member Banta asked if the employees can join the program if they retire early, and Mr. Weiner stated that they will stay on the commercial plan until 65, or slightly earlier if they qualify via disability. Council Member Banta asked if the rate changes or stays the same once the person retires and Mr. Weiner stated that it depends on the retiree's union and bargaining agreement. Mr. Weiner stated that most agree, when the individual retires, their premium cost share is set in stone and doesn't change unless you lose a dependent.

Council Member Feliciano asked if the City considered other companies that would provide service at a lesser rate. Mr. Weiner stated that they have performed an RFP twice (most recently in August), and in both cases Beacon was determined to be the superior choice. He stated that most brokerage firms offer a fraction of the support for the same amount of money, while Beacon offers a variety of services, among them:

1. Sending out letters required by the federal government about prescription coverage and benefits.
2. Holding annual meeting when benefits change.
3. Brokering agreements.
4. Drafting scope of services when the City changes insurance companies and analyzing the results of RFPs performed in kind.
5. Overseeing more complicated medical plans and handling two major subsidies the federal government provides- Retirement Drug Subsidy and EGWP.

Council Member Feliciano asked how much the City gets back each year in subsidies and Mr. Weiner stated that they receive \$20.5 million back each year.

Co-Chair Herron asked for elaboration on the subsidy process. Mr. Weiner stated that the City pays for the claims, those claims are sent to EGWP, and then they are reimbursed. Mr. Weiner stated that there is a commercial wrap over EGWP, and that last summer it was expanded with the addition of police and fire retirees, who were formerly on an insured Medicare D plan. Ms. Casin stated that they expect that change to bring about \$5 million back to the City in revenue by a year from now. Mr. Flatto stated that the increase is reduced by extra reimbursement. Mr.

Weiner stated that there is an upfront cost to participate and that the subsidies come back to the City after the fact. Mr. Weiner stated, in a nutshell, that the City's Medicare payout for FY16 is \$14 million, and Beacon's fees are about \$400,000.

Council Member Feliciano asked how long the City has used Beacon, and Ms. Casin stated that they have worked for the City since 1998. Council Member Feliciano asked how the City has saved money by not using a broker. Ms. Casin state that they also serve as a call center for the retirees of Bridgeport, and while the broker might make the same 3%, they don't provide the high end services for the City and Board of Education or level of service Beacon does. Ms. Casin stated that they consider themselves as an extension of the Board of Education in this case, and Mr. Flatto stated that the Board of Education budget handles their share of Beacon's services.

Council Member Salter asked how Beacon differs from Stirling. Mr. Weiner stated that Stirling is a third party administrator for the Medicare plan. Mr. Weiner stated that they are always looking to get a better deal on medical plans, and that they currently have a company in Texas far more competitive than an East Coast company. Ms. Casin stated that Stirling is the medical administrator for TRB, and that they send letters out if retirees are not eligible for Medicare and urge them towards TRB.

Mr. Flatto stated that at the end of the RFP process, an internal review group is formed to thoroughly vet the selected company, and by the end of Beacon's presentation, the City was convinced of the excellence of Beacon's services, ideas and support. Ms. Casin stated that they take their job for the City very seriously.

Co-Chair Herron asked if the employees are educated before they retire, and Mr. Weiner stated that they do make an effort to educate them prior to retirement. Ms. Casin stated that they have done workshops in the past at health fairs, and that they are happy to do a workshop in the future. Co-Chair Herron suggested that they reach out to the unions.

Council Member Feliciano asked if people meet with Mr. Weiner's office or Beacon when they intend to retire. Mr. Weiner stated that people initially meet with Sandra Ferrera, and are interviewed at his office. Ms. Casin stated that they are only referred to her if Beacon needs to get involved from a benefit standpoint.

Atty. Anastasi stated that another benefit of working with Beacon is Ms. Casin's excellence as an expert witness in court.

**** COUNCIL MEMBER FELICIANO MOVED TO ACCEPT ITEM 75-15 RE:
PROPOSED PROFESSIONAL SERVICES AGREEMENT WITH THE BEACON
BENEFITS GROUP .**

**** COUNCIL MEMBER SALTER SECONDED THE MOTION.**

**** MOTION PASSED UNANIMOUSLY.**

93-15

**PROPOSED MASTER STATE/MUNICIPALITY AGREEMENT FOR THE
READJUSTMENT, RELOCATION AND/OR REMOVAL OF MUNICIPAL
FACILITIES ON HIGHWAY PROJECTS.**

- ** COUNCIL MEMBER FELICIANO MOVED TO TABLE ITEM 93-15
RE: PROPOSED MASTER STATE/MUNICIPALITY AGREEMENT FOR THE
READJUSTMENT, RELOCATION AND/OR REMOVAL OF MUNICIPAL
FACILITIES ON HIGHWAY PROJECTS.
** COUNCIL MEMBER BANTA SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.**

ADJOURNMENT

- ** COUNCIL MEMBER FELICIANO MOVED TO ADJOURN.
** COUNCIL MEMBER BANTA SECONDED THE MOTION.
** MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 6:55 PM.

Respectfully submitted,

Catherine Ramos
Telesco Secretarial Services