

**COUNCIL WORK SESSION
CITY OF WATERTOWN
NOVEMBER 9, 2009
7:00 P.M.**

MAYOR JEFFREY E. GRAHAM PRESIDING

PRESENT: **COUNCIL MEMBER ROXANNE M. BURNS
COUNCIL MEMBER JASON R. BURTO
COUNCIL MEMBER JOSEPH M. BUTLER, JR.
COUNCIL MEMBER JEFFREY M. SMITH
MAYOR GRAHAM**

ALSO PRESENT: **MARY M. CORRIVEAU, CITY MANAGER
ATTORNEY ROBERT J. SLYE**

Mayor Graham opened the work session.

Presentation:

1)Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions-GASB 45 Valuation for Fiscal Year ending June 30, 2009 – Presentation by James Brahm, A.S., M.A.A.A., First Niagara Benefits Consulting

City Comptroller James Mills introduced Mr. James Brahm to the Council.

Mr. Brahm presented power point sheets giving an overview of GASB 45 and explained that all public entities that provide or participate in post-retirement healthcare plans and also comply with GASB accounting standards are affected by the OPEB accounting standard. Mr. Brahm discussed actuarial valuation and what must be disclosed such as plan provisions, OPEB costs, obligation and actuarial accrued liability. He also presented Council with the GASB 45 Valuation for the City of Watertown for the fiscal year ending June 30, 2009. He advised that at this point, entities can not fund a trust to cover these costs. He explained that figures are derived by using actuarial methods and assumptions used in techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

2) Fiscal Year 2008-09 Self Funded Health Insurance Plan Review – Presentation by Christina Iannolo, Account Manager, POMCO Group

Ms. Iannolo, assisted by Ms. Mary Beth Lopez, former Account Manager, presented the annual review to Council. It was explained that at this point, the health fund has a \$1.1 million fund balance.

Mrs. Corriveau advised Council that contractually, this money can not be used to lower costs or improve benefits for two years.

Mr. Mills advised that this money can not be shifted to another fund. He also advised that the interest earned on the money stays in the fund.

Mrs. Corriveau explained that they look at what is happening with claims right up until the budget is presented to Council. When the books are closed out, there has to be consideration given to those claims that have been incurred but not reported. In this year's budget that amount was estimated to be \$325,000.

Ms. Iannolo explained that the number of cases costing the city more than \$25,000 has decreased since the 2006-07 fiscal year. The number of reimbursements from stop loss has increased.

Mrs. Corriveau remarked that right now it is looking fairly good. However, that has not always been the case.

Mr. Mills explained that in the past, loans had to be made to the fund and then were always paid back.

Mrs. Corriveau commented that at one point a few years ago, Council had to transfer \$500,000 to the fund to keep it afloat.

Mayor Graham asked how the federal health debate would affect municipalities.

Ms. Iannolo responded that the debate seems to be looking to have coverage for those who don't have any and it remains to be seen how it affects municipal plans.

At this point, the proposed plan design changes for the Self Funded Health Insurance were presented. These changes were proposed by the Health Committee and presented by Tucker Wiley, a member of the committee. The changes include: adding a national provider network, adding cardiac rehabilitation coverage, revising the multiple surgeries benefits to include procedures involving more than one surgery; adding air ambulance coverage and adding child immunizations from the ages of 2 – 19.

Ms. Iannolo explained that these proposed changes are standard in the industry.

Ms. Iannolo and Ms. Lopez answered questions posed by Council concerning the multiple surgery portion of the plan.

Council members wondered if the plan's wording was confusing concerning the multiple surgeries.

Mrs. Corriveau explained that the planned document is very clear on what is allowed. The insurance committee reviews the claim when it goes to appeal. The document consists of wording from the Empire Plan that went over to the Blue Cross plan and then moved to the self-insured plan.

Council Member Butler asked for the data showing what savings could be realized by adopting the proposed changes for multiple surgeries.

Ms. Iannolo responded that the data would show the costs associated with it, but the savings is more difficult to track.

Council Member Smith remarked that while it only makes sense to cover all shots, it may be that we just need to do a little education as well. He mentioned that his family discovered that public health offers immunizations for \$5.00 a visit on Wednesday from 12:30 to 3:30. It doesn't matter whether the person has health insurance or not. It also doesn't matter how many immunizations are needed. The fee is only \$5.00 for the visit.

Referring to the cardiac rehab section, Council Member Smith wondered if the unions would be willing to put language in the plan for steps to prevent someone from having a heart attack. He remarked that this would lead to big savings.

Mayor Graham thanked the committee members for all of their work. He remarked that Council members will be looking over the material presented.

Council Member Smith thanked the committee and stated that it had been a learning experience for him as well.

Boards and Commissions

Council agreed that Mr. Seminerio seemed very well qualified to serve on the Board of Ethics. A resolution will be prepared for the next Council meeting which will include the current members as well as Mr. Seminerio.

A resolution will also be prepared for Mr. Clough's reappointment to the CAPC board as well as David Steyer's reappointment to the Board of Assessment Review and the resolution reappointing David Koster as Constable and appointing Patti Hennegan as Deputy Constable.

Health Officer

Mayor Graham asked that if Council members knew of someone who would be interested in this position, they could have them submit their resumes. He also suggested that the retainer of \$1,200, which meets state statute, be used with additional suitable payment being made if the health officer was actually used.

NYSERTA Funding

Council Member Smith advised that there was money available through NYSERTA for alternative energy. However, the deadline is Nov. 23rd. 4th Coast Associates, located in Clayton, would do the application which would be for a grant of 90% of the project cost to put solar panels at the fairgrounds arena. The city's share of the \$144,000 project cost would be \$16,000. He explained that Jeff-Lewis BOCES had received funding for a wind turbine under this grant program. He advised that the application fee would be \$500 - \$1,000.

Mayor Graham asked that staff look into this.

Mrs. Corriveau responded that staff could meet with 4th Coast.

Flu Shots

Mayor Graham asked about the flu shots.

Mrs. Corriveau explained that the local vendor is unable to obtain the serum at this time. Hopefully, the shots will be able to be given in December.

Letter of Resignation

Mrs. Corriveau advised Council that she had received a letter of resignation from Christine Hoffman effective November 30th.

Update on Fire Chief Search

Mrs. Corriveau shared with Council the notice for Fire Chief and the informational paperwork that has been sent out announcing the exam. In addition, she gave Council an informational sheet concerning competitive class exams and the rule of three.

Leaf Pickup

Council Member Butler mentioned that he had received a phone call concerning the leaves being left in plastic bags when they are dropped near the sewage plant.

Mrs. Corriveau explained that the bags are cut and the leaves are dumped. The plastic bags are then placed in the municipal's solid waste. She showed Council what the large paper lawn & leaf bags look like and suggested that these would be a better idea, but are more expensive.

Council Butler remarked that it sounds as if the leaves and bags are being handled in the corrected manner. Apparently, the caller thought the plastic bags were being left with the leaves.

Welcome of Council Member Elect

Mayor Graham welcomed Council Member Elect Theresa Macaluso who was in attendance at this evening's work session.

Adjournment

Work Session closed at 9:27 p.m.

Donna M. Dutton

City Clerk