



# CITY OF SOMERVILLE, MASSACHUSETTS

## CLERK OF COMMITTEES

August 4, 2011

### REPORT OF THE FINANCE COMMITTEE

| Attendee Name        | Title                           | Status  | Arrived |
|----------------------|---------------------------------|---------|---------|
| Maryann M. Heuston   | Chair                           | Present |         |
| William A. White Jr. | Vice Chair                      | Present |         |
| John M Connolly      | Alderman At Large               | Present |         |
| Rebekah Gewirtz      | Ward Six Alderman               | Absent  |         |
| Thomas F. Taylor     | Ward Three Alderman             | Absent  |         |
| William M. Roche     | Ward One Alderman               | Present |         |
| Sean T. O'Donovan    | Ward Five Alderman              | Present |         |
| Joseph Curtatone     | Mayor                           | Present |         |
| Janice Delory        | Chief of Staff                  | Present |         |
| Omar Boukili         | Administrative Assistant        | Present |         |
| Frank Wright         | City Solicitor                  | Present |         |
| Dave Shapiro         | Assistant City Solicitor        | Present |         |
| Robert Collins       | Assistant City Solicitor        | Present |         |
| Sarah Kloos          | Director of Personnel           | Present |         |
| Michael Meehan       | Director of Communications      | Present |         |
| Pat Haraden          | Consultant, Longfellow Benefits | Present |         |

#### **191787 - Requesting to amend the city's health insurance benefits by transferring to the Group Insurance Commission (GIC):**

Chairman Heuston read a communication from Alderman Gerwitz, who stated that she is disappointed with the process (regarding the GIC proposal) and that she would be out of state when the next meetings are held on this matter.

Mr. Shapiro submitted a letter regarding the "Rule of Necessity" and reviewed the provisions of the State Ethics Commission's Advisory 05-05, dealing with this rule. This rule may need to be invoked in order for members of the Finance Committee and/or the Board of Aldermen to vote on the GIC proposal.

Mayor Curtatone explained a discrepancy in the deadline date and told the members that the process has not been rushed, however, in order for the city to realize a savings of \$2.3 million, the proposal must be acted on by October 1, 2011. Solicitor Wright reviewed the process timeline and the steps necessary to achieve the October 1<sup>st</sup> deadline.

Ms. Kloos explained how information is being provided to active and retired employees and stated that there are approximately 3,000 current employees and 1,600 retirees eligible. Mr. Haraden reviewed the savings of the GIC option versus a plan design option and spoke about deductibles, co-pays, rate increases and mitigation for subscribers to help offset costs.

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| <b>RESULT:</b> <b>KEPT IN COMMITTEE</b> |
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