

Town of New Fairfield
Board of Finance
4 Brush Hill Road
New Fairfield, CT 06812

MINUTES

Board of Finance Medical Subcommittee
Thursday, September 14, 2023
3:00 PM
Town Hall Annex Conference Room

BOF Members present:

Mark Beninson
Thora Perkins

Other Town Officials Present:

Pat Del Monaco, First Selectman
Khris Hall, Selectman
Olga Melnikov, Finance Director
Terry Friedman, Town Treasurer

Call To Order The meeting was called to order at 3:00 pm.

Presentation from Tom Kowalchik from USI Insurance

Tom Kowalchik from USI Insurance gave a presentation of New Fairfield's medical plan including Group Benefit Experience Analysis for both the Town and the BOE for the year ending 2022-2023 and projections for the 2023-2024 fiscal year. He noted that the claims for the 2022-2023 fiscal year were much larger than usual. The plan usually averages 5-6 claims over \$50,000 per calendar year. For the 2022-2023 fiscal year, there were over 20 claims that exceeded \$50,000. Mr. Kowalchik noted that administrative fees have remained stable but claims are driving the increase in medical costs. There was a brief discussion of IBNR (Incurred But Not Recorded) and how it affects the fund balance.

Update on Medical Insurance Fund for 2023-2024 Fiscal year

Finance Director Olga Melnikov spoke of the medical fund balance and the year-end deficit of approximately \$366,000. It was noted that the BOS is expected to vote on a \$380,000 transfer from unspent balances into the medical fund to mitigate the deficit. There was a brief discussion of ways to build up the medical fund.

It was noted that the premiums are set by union contracts. There was a simple comparison of the cost of insurance if the Town decided not to be self-insured. It was noted that self-insurance is a much better option and that yields significant savings to the Town.

Monthly tracking and update report

The subcommittee asked Tom Kowalchik to send a monthly tracking update so that they can monitor progress. It was decided that the subcommittee will meet once a month to discuss the status of the fund. The next subcommittee meeting will be held on Thursday, October 19th.

Adjournment

The meeting adjourned at approximately 3:56 pm.