

**SOMERS LIBRARY BOARD OF TRUSTEES  
PO Box 443, Somers, NY 10589**

**SPECIAL MEETING MINUTES  
April 20, 2010**

Treasurer Williamson-Canavan called this special meeting to order at 7:25 p.m.

The members present were: Claire Damon, Jim Hasl, William Kehoe, Fausta McDermott, Laura Parisi, Jean Reidy and Christine Williamson-Canavan.

Barbara Stockwell was on vacation.

At the regular meeting on April 14, 2001, Mr. Kehoe made a motion that the Library Board authorize a transfer of funds, as requested by the Finance Department, to fund a year-end adjustment providing additional funding for the payment of 2009 health insurance claims. Some of the Trustees wanted additional information from the Finance Department and he withdrew the motion. The Finance Director was to be contacted so that this item may be discussed again.

Many email messages subsequently were exchanged by the Trustees to discuss the purpose of the entry and the amounts involved. Mrs. Williamson-Canavan arranged a meeting about these Trustee concerns with Supervisor Mary Beth Murphy, Director of Finance Joan Kachmarik, Vice President Fausta McDermott and herself on April 20, 2010.

As had been discussed in these prior emails between the Trustees, Mrs. Murphy and Mrs. Kachmarik confirmed that MEBCO, the Town's medical group, is a consortium of several municipalities and not a "normal" insurance company. These municipalities band together, self insure their medical coverage and POMCO is the plan administrator.

At budget time, the Town receives an estimate of their medical expenditures for the coming year from MEBCO and allocates that estimate to individual departments. Since MEBCO is a consortium and not a normal insurance company, if their actual expenditures exceed their original estimate they made for the budget, MEBCO bills the individual municipality for their excess amount in the current year. The Supervisor also confirmed our belief that the Town does not have identifiable information about an individual employee's medical record because of the federal government's HIPPA privacy rules.

The estimated amount for the budget and the year-end adjustment are allocated to individual Town departments based on the number of plan participants in each, with effect given to the number with individual and family coverage, as we had assumed. Since the Library staff are Town employees and members of the

plan, the Library receives their allocated portion of the Town medical expense.

The 2009 budget amount was not adequate because of the unexpectedly high health care costs of Town employees during the year. The costs were much lower during 2008 and thus the 2009 estimate had been based on a low risk population. This resulted in an appreciable additional charge at year-end 2009. The estimate of the 2011 health care cost will probably be graded higher as a middle-risk population because of the actual 2009 expenditures level, which would tend to reduce any year-end 2011 adjustment.

The year-end adjustment for the Town totaled approximately \$600,000. The Town General Fund was about \$452,000, the Highway Department about \$106,000, the Library \$38,000 and the water district a few thousand.

After a thorough discussion by the Board of the transfer requested by the Finance Department, Mr. Kehoe again made the motion for a year-end 2009 adjustment to provide additional funding for the payment of additional 2009 health insurance claims.

From:	7410.1	Personal Services	\$9,811.87
	7410.4	Contractual	\$28,360.51
To:	9060.8	Health Insurance	\$38,172.38

All were in favor

The meeting was adjourned at 7:45 p.m., and the next regular monthly meeting will take place on Wednesday, May 12, 2010 at 7:30 p.m. in the Library.

Respectfully submitted,

William F. Kehoe, Trustee  
Somers Library Board of Trustees

cc: Library Board of Trustees  
Library Director  
Town Board  
Town Clerk  
Director of Finance  
Friends of the Somers Library