

**ENFIELD TOWN COUNCIL
MINUTES OF A SPECIAL MEETING
TUESDAY, APRIL 19, 2016**

A Special Meeting of the Enfield Town Council was called to order by Chairman Kaupin in the Enfield Room of the Enfield Town Hall, 820 Enfield Street, Enfield, Connecticut on Tuesday, April 19, 2016. The meeting was called to order at 5:30 p.m.

ROLL-CALL –Present were Councilors Arnone, Cekala, Deni, Edgar, Hall, Kaupin, Lee, Stokes and Szewczak. Councilor Bosco was absent. Also present were Town Manager, Lee Erdmann; Town Clerk, Suzanne Olechnicki; Human Resource Director, Steven Bielenda; Acting Director of Finance, John Wilcox

Present from the Enfield Board of Education were Walter Kruzel, Tina LeBlanc, Michael Ludwick, Timothy Neville, Raymond Peabody, Thomas Sirard, Stacy Thurston and Lori Unghire. Vincent Grady was absent. Also present were Superintendent, Dr. Jeffrey Schumann and Assistant Superintendent, Christopher Drezek

DISCUSSION RE: INSURANCE

Present for this discussion was Steve May from Milliman.

Mr. May stated they have been looking at alternative proposals to the Town's current Cigna self-insured arrangement. He noted they went out to bid for a fully insured arrangement and a follow-up self-insured. He stated if the Town remains self-insured with Cigna, they will give the Town a holiday from paying three months of the administrative fees, which amounts to \$133,613. He stated the total projected cost for fiscal year end 2017 with the current arrangement is \$20.2 million.

He stated there is an alternative proposal from Anthem for self-insured, and the difference is driven by the three month administrative holiday from Cigna, and Anthem's fee on a per head basis are slightly more. He added he kept the same projection for claims. He went on to note Anthem's fully insured proposal is very aggressive because of some assumptions they make. He noted they do some new things with their physicians and holding them accountable in negotiation style and some wellness type programs, which they believe will save 7% on the claim's base. He believes what they're doing makes a difference from what they do today, but they're not doing anything 7% different from what Cigna in the market is doing.

Mr. May stated if he's going to talk about setting an appropriate budget for the self-insured health insurance fund and have the right money around to set up for future fiscal liability and responsibility, he does not believe its right to cut 7% of the claims in the projection. He stated when they switch to fully insured, that is a different thing. He explained the Town would be charged a premium, the Town pays that premium, and if the premium is at the bottom \$19.9 million and the claims run at \$22 million, that's a deficit for Anthem. He noted if the claims run at \$18 million, that's a margin in profit for

Anthem. He stated in the second year, how the claims run, is how they will end up paying for those claims. He noted self-insured or fully insured, the Town will pay for its claims. He stated in a self-insured arrangement, the claims will be paid monthly as they roll through, and if they run better than expected, that's a monthly positive cash flow, and if they run worse, that's a negative cash flow during that month.

Mr. May stated in a fully-insured world, it's a year-by-year thing. The premiums are set, the claims at the end of the year are assessed against those premiums—was there a deficit or a margin, and that position will help set the premiums for the next year.

He stated because the proposal from Anthem is so aggressive—it's better than where they stand self-insured—Anthem put a cap on the second year to give some confidence in what fully insured would be in the next year.

As concerns total administrative fees, with Cigna self-insured, the Town will pay almost \$1.4 million, and under the Anthem fully-insured proposal, the Town will pay \$2.4 million, and this is expected in a fully-insured arrangement. He noted they would pay premium tax, which is almost two points and they will pay federal health care tax, which is called ACA fees and taxes, and it's nearly \$289,000, and the government has given a six-month holiday on that, but that number will double in the following year when and if they get rid of that holiday. He pointed out the expenses would actually be another \$300,000 higher as they move forward in a fully-insured arrangement. He stated the fixed expenses on a fully-insured arrangement are more than a million dollars than what the Town is paying for fixed expenses on the self-insured arrangement.

Mr. May stated around February 24, 2009, he presented switching from fully-insured to self-insured, and the Town saved \$1.5 million dollars in expenses going from fully-insured to self-insured with Anthem. He noted now Anthem's answer is a little different in the total premium, but not different in the hard dollar expenses.

He stated Cigna then was asked about fully-insured, and their original fully-insured was 8 or 9 points higher. He noted with the pressure in the market from Anthem, Cigna came back with an altered fully-insured arrangement, and they came down considerably and fairly close to Anthem.

As concerns savings or cost, Mr. May stated Anthem self-insured is more than the current projected position by \$148,000. For fully-insured, Anthem's proposal in the first year is \$333,725, which is more aggressive than the current projected self-insured arrangement. He noted Cigna's fully-insured is \$135,736 more aggressive than the current self-insured projected arrangement.

Mr. May stated when doing comparisons, it should be kept in mind he hasn't taken into account any additional money in the current self-insured arrangement that would be added to the budget to help build for future reserves. He noted it's also understood where the Town is with its IB&R fund right now. He explained IB&R means incurred, but not reported. He stated in a self-insured arrangement, the Town is liable to have the \$20.2

million that's being projected, and they're also liable to have a fund for incurred but not reported claims, and they come into play exactly at this time. He pointed out if the Town changes funding arrangement or if they change carrier, the Town has to pay for the claims that are incurred in May and June, but will be paid after July 1 whenever a change is made—either funding or carrier. He stated they have just over a million dollars, and they believe the incurred but not reported amount that the Town should have based on claims is just over \$1.3 million dollars, therefore, the Town is a couple hundred thousand dollars short.

Mr. May stated the Town would get \$333,000 in savings if they were to switch to fully-insured, but they'd have to use a couple hundred thousand of that savings to pay for the run-out claims that happened under the current arrangement. He noted the real savings in the Anthem fully-insured proposal is about \$130,000.

He stated Anthem's second year cap is 13%; Cigna's second year cap is 14%. Anthem has guaranteed the dental product for two years, therefore, zero increase for dental in the second year. Cigna has guaranteed the dental at 5%. He noted Cigna's dental first year proposal is a little more aggressive, therefore, even with a 5% increase on the dental, they're \$40,000 better over two years.

Mr. May stated on a two-year arrangement with caps - self-insured would run \$42.3 million; Anthem's fully-insured would be \$42.4 million; Cigna's fully-insured would be \$43.1 million. He noted over two years with caps, the fully-insured would be a little more expensive than the self-insured projections.

He stated they supplied a pro and con listing for funding arrangements.

Mr. May stated very generally, all things equal, long term—10 to 20 years, self-insured will cost the Town less by about 7% given today's federal taxes. He noted what is unequal now is that they have a very aggressive fully-insured proposal with a cap. He noted in either case, the Town will eventually pay for its claims.

He stated self-insured is the most flexible funding option. He noted as the Town becomes a little more fiscally conservative in the insurance fund, the Town can potentially get to the point where they can contemplate using some of those reserves to offset future increases.

Mr. May stated the Town has an IB&R, and that is good, and it can act as an emergency fund, but they'd have to pay it back in the short term if it has to be used. He stated in the IB&R in a self-insured arrangement, if the Town doesn't change from self-insured, it won't be spent, that money will sit and gain interest. He noted if the Town changes its carrier or funding arrangement, the Town will have to spend it to pay for the run-out claims. He stated if the Town changed to fully-insured, an IB&R reserve isn't necessary. He noted an additional reserve is kept with self-insured because of the additional risk associated with self-insured. He explained the Town purchases protection for that risk in two ways – individual stop loss, which covers the Town and the Board against

catastrophic claims, and the Town's protection is \$220,000. He noted if an individual has a million dollar claim, the Town pays up to \$220,000 and then Anthem (the stop loss carrier) picks up everything over \$220,000. He stated there's a second level of protection called aggregate stop loss, and that's in case the Town has 100 large claims, but under the stop loss. He noted aggregately, the Town has a protection of 20% on top of the expected level, therefore, the Town would pay up to 120% of the expected number that they show. He noted for medical claims it's \$13.9 million times 1.2, and that's the risk. He stated that extra reserve about the IB&R is what's used to help cover that additional risk in unforeseen claim fluctuations.

Mr. May stated if the Town decides to stay with self-insured, they should discuss how do they come out of this, and how do they build things for ten years into the future. He noted the self-insured arrangement will be more flexible and more cost effective over ten years. He stated with the fully-insured arrangement with a two year cap there is a savings, but it's short term.

Councilor Hall spoke about the quality of service received under Cigna. She invited Mr. Bielenda to comment on this.

Mr. Bielenda referred to employees in the HSA account, which are police officers and non-union employees and stated the quality of service with Cigna has been marginal at best. He noted the Town works with a fiscal year, and for some years Cigna went with a calendar year, and a lot of claims were getting rejected, and Cigna was saying people weren't meeting their deductibles. He stated this is creating a lot of consternation with employees, and Sue in his office has been the recipient of a lot of that. He noted she stated new ones are coming up, and he wonders when this will stop. Mr. May stated they turned the system back on April 1st. He explained they had to shut down the claims payment for the HSA account because they had to recalibrate where everyone stood against their deductibles. He noted there's probably a lag in when things are being corrected. He stated this was an unfortunate system error created by an employee.

Mr. Ludwick questioned whether Cigna will provide an annual accounting for the past year. Mr. May stated there is claims experience given monthly.

Councilor Hall requested Mr. May talk about transitioning from fully insured to self insured if the Town decided to go fully-insured and in year three the Town moves back to the self-insured arrangement so they can take advantage of two low years for fully insured.

Mr. May stated the time to switch from fully-insured to self-insured is when experience is running well because all the things they're talking about (reserve accounts, etc) that they have to spend out and pay as part of their liability for run-out, in a fully-insured arrangement, that run-out will be borne in the contract of the fully-insured premium. He noted if they switched to Anthem fully-insured that third year, their premiums are built to have reserve and risk charges included to cover the reserve run-out. He explained this means in that year the Town would have to set up an IB&R reserve and the Town will

have to account for extra reserves. He noted it would be tough in a bad year to find extra money to set aside as reserves if they were facing another 20% increase. He stated this is not the right long-term goal.

Ms. LeBlanc stated they did not see any issues with the self-insurance until they had the issue with the fund. She stated her belief there should be an insurance agreement that holds Cigna accountable for the reporting of claims. Mr. May stated Anthem is a little more costly for self-insured. Ms. LeBlanc stated her understanding it will cost \$150,000 more to switch from Cigna to Anthem self-insured. Mr. May indicated that's correct. He added whatever is done, a performance guarantee should be on the table.

Ms. LeBlanc stated if the Town were to switch to fully-insured, it's her understanding they should commit for five years. Mr. Mays stated if the discussion is to go fully-insured until the cap is up and then assume there will be savings in the third year and go self-insured, it can't be said how the fully-insured will run or what's happening with self-insurance. He noted if there's a big rate increase in the third year, it will be hard to go self-insured.

Councilor Lee stated the insurance fund is premiums and Town and Board contributions.

Mr. Wilcox stated what goes into the insurance fund is the total premium equivalent of the Town and Board of Education.

Councilor Lee questioned when claims come in, are they segregated to what side of the organization they come from, and Mr. Wilcox responded they all come out of the insurance fund, but when Cigna pays the claims, they have different benefit groups that each claim is assigned to.

Councilor Lee questioned whether the losses follow each group into the following year. Mr. Wilcox stated the big loss was in Fiscal Year 2015. He noted at that time, they set a 3% increase in premiums, and that was applied by both the Town and Board of Education. He stated there was another rate set for the HSA plans. He noted last year, they were trying to make up for it with a 15% increase, however, that still wasn't enough. He noted they're looking at a projected loss for this year as well.

Mr. May recommended having claims separated by union.

Mr. Ludwick stated they should be getting claim reports on a monthly basis so the committee can review them and understand what's driving costs.

Mr. Ludwick stated the Town wouldn't get rebates in a fully-insured arrangement. He stated his belief they would lose money if they go fully insured. He noted they should be getting a full accounting of charges every single year.

Mr. May stated perhaps they could do a formal RFP to get to some of the performance guarantees.

Mr. Ludwick stated deals on prescription drugs are changing every six to eight months no matter who it is. He noted those deals are getting better, and ESI is fantastic and they constantly re-negotiate those deals. Mr. May stated under the ESI arrangement, the drug coalition is going out to bid this year.

Mr. May stated with the right fiscal commitment, discipline and a committee around it and everyone understanding it, self-insured can work and be more comfortable in the future.

Mr. Ludwick stated his belief they should go out for an RFP in the fall of next year.

Councilor Szewczak stated she wants to verify that the cost share employees pay goes into the insurance fund, and Mr. Wilcox responded yes, it does.

Councilor Arnone stated the self-insurance always worked, but the Town hit a rough patch and that had to do with under-funding. He noted this is something they need to be more aggressive about with a committee to be sure that fund stays healthy. He noted he does not want to jump ship when something is really working for the Town of Enfield because of an error in judgment.

Mr. May stated his belief the Town should have a good discussion about building the reserve. He noted the insurance committee should meet very regularly to talk about a policy to protect and keep the reserve healthy.

Ms. LeBlanc stated there will be an actuarial analysis that will come out every year, and there will be low, medium and high projections. She noted they should have some type of policy to have the ability to go with "low" this year and substantiate that decision.

Ms. LeBlanc stated meeting with Cigna on a quarterly basis will develop a relationship, and at those quarterly meetings they can discuss any performance issues that must be fixed or the Town will look elsewhere. She stated her belief Cigna will start changing things.

Mr. Neville stated his belief they're going in a very positive direction. He noted there have been some very successful joint committees. He stated the biggest issue to him was that nobody really understood how the number came up. He noted whatever the committee does, it has to be enshrined in policy and very specific.

Councilor Stokes stated his belief self-insurance is still the way to go, and he believes they need to form a committee and set policy. He noted this will make them better stewards of the money in the future.

Councilor Hall stated with the self-insurance moving forward, perhaps they can go back to Blue Cross/Blue Shield to see if they would sharpen their pencil a little more. Mr. May stated he can go back and ask, but they previously stated this is their best and final offer.

Mr. Bielenda stated Cigna provides up to \$25,000 for the Town and Board of Education to be used for Wellness programs. He noted those monies are used for a biometrics fair. Mr. May stated in a competitive situation, that amount would be matched, but in following years it would be part of the expense.

Councilor Arnone suggested going back to Anthem and Cigna and let them know the Town is definitely going with self-insurance and maybe they can sharpen their pencils.

Councilor Lee requested the Town Manager include a narrative regarding insurance when he presents his budget.

Mr. Ludwick stated he has no problem switching self-insured carriers, but he believes it should be done by the new committee and that it should be a formal bid.

Councilor Edgar stated his belief they're better off staying with Cigna self-insurance. He stated his understanding Cigna is having some internal problems, but they're addressing those problems.

Mr. Bielenda stated being self-insured takes a lot of responsibility, and a committee will help oversee things.

Ms. LeBlanc stated she and Mr. Ludwick would be happy to sit on this committee because they have a lot of insurance experience.

Chairman Kaupin read a draft resolution. (Copy appended) He noted the resolution will be distributed to everyone so they can come up with a good joint resolution to get the committee going.

Chairman Kaupin stated if the Town were to switch from self-insured to fully-insured, there's \$1.3 million dollars that they wind up paying out. Mr. May stated this would be the incurred but not reported reserve. Chairman Kaupin stated that doesn't get paid if they stay self-insured and they switch from one carrier to another. Mr. May stated they would have the immaturity in the first year with the new carrier. He noted if they budget like they're fully mature, they'd be able to pay back the reserve fund.

Referring a question to Mr. Erdmann, Chairman Kaupin questioned the final impact that would have to be approved in a budget this year and project out the next couple years.

Mr. Neville questioned how the timeline for this is envisioned. Chairman Kaupin stated his belief they need to have a decision on self-insured or fully-insured by the time they set the budget on May 2nd.

Mr. May stated as previously suggested, it may be prudent to have the insurance committee deal with the RFP in the fall.

Chairman Kaupin stated his understanding Mr. May is recommending staying the course with an RFP in the fall.

Ms. LeBlanc questioned if there's a chance they'll expend the \$117,000 and have to dip into their IB&R because there's been a lag on the claim reporting, and Mr. May responded yes, that's a possibility.

Ms. LeBlanc stated ideally, she'd prefer they don't touch the IB&R.

BUDGET WORKSHOP

Mr. Sirard reviewed a work sheet showing results according to the Town Manager's budget. He noted the team at JFK will not be replaced; eliminating some technology hardware; 17.7 Full-Time positions are not being added to the budget; six paraprofessionals will not be renewed; Freshman sports is going away, and the middle school sports program is going away. He then reviewed reductions beyond the Town Manager's budget allocation – elimination of full-day kindergarten for a savings of \$372,000; abandon the new Enfield High School schedule which cuts 12 teaching positions for a savings \$744,000; elimination of all extra-curricular activities, which includes Buzz Robotics for a savings of \$107,000; elimination of varsity and junior varsity sports programs for a savings of \$658,000. He noted they could raise class sizes a little at the elementary level for a savings of about \$250,000.

Mr. Sirard stated he's very concerned about what's happening at the state.

Ms. LeBlanc stated if the Board gets the Town Manager's proposed budget, the Board will get \$2.6 million dollars. She noted \$1.5 million dollars of that amount is just going to cover the insurance issue, and the rest will cover some contractual obligations. She questioned if on the Town side there's been any kind of discussion as to how they can fix the insurance issue without raising the taxes.

Chairman Kaupin stated it's his impression Ms. LeBlanc is asking if the Town has any surplus funds to pay for the insurance increase. He noted there are two options – a tax increase or the use of the unallocated fund balance.

Councilor Arnone questioned the possibility of using the fund balance in an emergency situation, and doing so without a negative impact to the bond rating.

Mr. Erdmann stated the unassigned fund balance as of June 30, 2015 was about \$16.8 million dollars. He noted the Town Council allocated \$2 million of that to this year's budget to help balance the current year budget, which leaves a balance of about \$14.8 million dollars. He stated the Town could probably get by with a minimum fund balance of 10% of the operating budget, which would be \$13.1 million dollars. He noted the challenge of using any fund balance is that it makes it that much tougher for the following years, particularly with the economic climate at the state. He stated he would

be very reluctant to recommend using much of the \$14.8 balance. Council Arnone stated a little can sometimes do a lot.

Mr. Peabody stated his belief this is an extraordinary situation. He feels taking a portion of the unallocated fund would help keep things intact. He noted they need to stay competitive with other schools. He stated AP testing is important and they don't want to choose between varsity sports and teachers.

Ms. LeBlanc pointed out \$1.5 million dollars is a lot of money, and the Board of Education is trying to open Enfield High School in the fall.

Mr. Erdmann stated they are still doing an analysis as to where they think the expenditure side of the Town budget will be June 30th. He noted preliminarily they can say they're confident that this year's expenditures are going to come under the adopted budget. He stated there will be some amount of money that they'll be prepared to recommend at budget deliberations on April 25th, and they can recommend that be put into next year's budget that will not decrease the unassigned fund balance. He stated depending on where the consensus of the Council is in terms of the mill rate, they could possibly recommend using a part of that \$14.8 to further help in the budget. He added they want to hold onto as much of that \$14.8 as possible.

Councilor Hall referred to the pension contributions on the Board side and noted one of the things Mr. Erdmann brought to the Council recently was not funding the police pension quite as much over the next two years. She questioned whether the Board side looked at some of those numbers, and have they suggested some of those cuts. She noted on the Town side they froze positions. She questioned if the Board did this as well.

Dr. Schumann stated in the suggested list to get to the Town Manager's proposed budget, they've held off on \$98,500 in pension payments and they reduced 17.7 positions.

Mr. Neville stated the Board is asking for 4%. He noted they still don't know what will happen with the Governor's budget. Mr. Erdmann stated his belief they will end up having to make a guess as to what will happen with the Governor's budget.

Councilor Szewczak questioned whether the Board expects anything could possibly be allocated for next year. Dr. Schumann stated at this time they're holding onto enough money to pay for the band uniforms in the event that they don't come through because they already sent that purchase order off when they thought the Building Committee was paying for it, and that cost is \$87,000. He noted they do have a plan related to personnel, which will cost \$70,000 for next year, and they're holding onto those funds.

Councilor Szewczak stated she's not happy with what bond counsel determined concerning the uniforms. Mr. Erdmann stated they're still working with bond counsel on this matter.

Mr. Neville stated his understanding things that were once reimbursable in building projects are no longer reimbursable.

Dr. Schumann stated they have no contingency for athletic uniforms.

Mr. Ludwick questioned how much is debt service right now, and Mr. Wilcox responded debt service went up \$1.3 million dollars.

Mr. Ludwick stated they are opening a brand new high school and possibly there will be no freshman sports.

Councilor Szewczak questioned what would happen if they didn't follow through on an unfunded mandate, and Mr. Sirard stated the Board of Education learned that if they didn't comply when it came to implementing the curriculum changes, new testing requirements and the teachers' evaluation system, the State would pull all of the ECS funding.

Ms. LeBlanc stated the Board of Education constantly has to deal with magnet school tuition. She noted two magnet schools are getting rid of their middle school program, and possibly that can work in their favor. She stated her belief the State is running into its own issues concerning magnet schools.

Mr. Peabody stated the Town needs to lean on its legislators to do something about these unfunded mandates.

Mr. Neville stated he doesn't want to see the new Enfield High School opened poorly. He noted he wants to open it as the first class high school that they envisioned. He stated it's a shining star for Enfield, and he feels they should keep it polished.

Mr. Peabody stated if they get the Town Manager's proposed increase, they get to keep what they need to meet the current standard of education. He noted the biggest challenge is what happens if they get State cuts.

Mr. Sirard stated he's concerned about deep cuts if they go below the Town Manager's proposed budget for the Board of Education.

Ms. Thurston questioned what the Town Council thinks is acceptable.

Chairman Kaupin responded the mill rate is 29.89, and if they go up under 31 mills, that's a sizeable increase when people aren't getting cost of living raises. Mr. Erdmann stated he recommends 31.88 mills. He stated they're also recommending a lower mill rate for motor vehicles.

Councilor Lee questioned if there are mandates on average bus ride lengths. Mr. Sirard responded the number of students living within the busing area dictates things.

Councilor Lee raised the matter of AP testing and questioned whether this is a fee that should be borne by the student. Mr. Sirard responded some families can't afford the \$88 fee for testing. He noted AP courses and testing makes the high school more attractive, and this could also attract CREC students back to Enfield High School.

Dr. Schumann stated they're hoping to get to about 17 or 18 AP courses. He noted if the students don't take the test, they don't have a metric to measure how well the teachers are teaching that course. He stated at this time they are not taking the test, therefore, they don't have a metric and don't know if a teacher is or is not doing a good job. He noted they want to hold the teachers accountable because they want students to score well, and if they score well the district is looked at differently.

Mr. Peabody stated the AP courses help students get into UCONN.

Councilor Szewczak stated if they don't bring in enough money to run the Town, they start to disassemble the Town, and they can't afford to do that. She noted they have to keep this town ready for the next generation. She stated people should be educated about the fact the mill rate increase is a result of the State of Connecticut.

Ms. LeBlanc stated her hope the Board will get the Town Manager's proposed budget, but she understands the position the Council is in.

ADJOURNMENT

MOTION #3609 by Councilor Hall, seconded by Councilor Arnone to adjourn.

Upon a **SHOW-OF-HANDS** vote being taken, the Chair declared **MOTION #3609** adopted 9-0-0, and the meeting stood adjourned at 8:25 p.m.

Appended to minutes
of April 19, 2016 Special
Town Council Meeting
See Page 7

ENFIELD TOWN COUNCIL
RESOLUTION NO. ____

WHEREAS, the Enfield Town Council and the Enfield Board of Education jointly provide funding for an Internal Service Fund entitled Health Insurance Fund, and

WHEREAS, the Health Insurance Fund net position has been substantially spent down over the course of Fiscal Years 2013-14, 2014-15, and 2015-16, and

WHEREAS, improved monitoring and oversight of the Health Insurance Fund is necessary to provide sufficient transparency and assurance that this fund is rebuilt to an appropriate level, and

WHEREAS, the cost of health insurance continues to escalate at a rate of several times the rate of the cost of living necessitating continued vigilance over plan design and employer/employee cost shares, and

NOW, THEREFORE, BE IT RESOLVED, that the Town Council appoint two (2) of its members to the Joint Insurance Committee, and

BE IT FURTHER RESOLVED, that the Board of Education appoint two (2) of its members to the Joint Insurance Committee, and

BE IT FURTHER RESOLVED, that the Joint Insurance Committee be charged with the following duties and responsibilities:

1. Review the Health Insurance Budget for the next fiscal year
2. Periodically review actual revenues and expenditures in the Health Insurance Fund in comparison with the Health Insurance Budget for that fiscal year
3. Periodically report to the Town Council and the Board of Education concerning the status of the Health Insurance Fund
4. Annually review plan design and employer/employee cost shares and make recommendations to the Town Council and the Board of Education concerning plan design and employer/employee cost share changes