REGULAR MEETING MINUTES

Oceanport, New Jersey
June 3, 2004

REGULAR MEETING: The Regular Meeting of the Oceanport Mayor and Council was called to order on June 3, 2004 at 8:05 P.M. with Mayor Gatta stating the meeting had been properly advertised in accordance with law.

MEMBERS PRESENT: Councilpersons Kahle, Mahon, Holden, Chaump, Johnson, Briscione and Mayor Gatta.

OFFICIALS PRESENT: Borough Clerk, Patricia L. Varca and A/Borough Attorney, Martin A. McGann.

INVOCATION: Borough Chaplain Berry gave the invocation.

PLEDGE OF ALLEGIANCE: Mayor Gatta led the audience and members of the Council in the flag salute.

CLERK'S REPORTS: No Reports.

COMMITTEES:

COUNCILWOMAN KAHLE: Councilwoman Kahle reported that the Environmental Commission had the results of the poster contest at the Community Center on Memorial Day and the first place poster winners will be displayed in Borough Hall in the near future.

Councilwoman Kahle advised that the fire department had responded to nine calls in May and the Department thanked everyone for all the support they received at the Lions Strawberry Festival.

Councilwoman Kahle moved to authorize the Borough Attorney to draw up a resolution awarding a contract to RFP for a new phone system for the Borough Offices. It was seconded by Councilman Mahon and unanimously approved by Council.

COUNCILMAN MAHON: Councilman Mahon reported that the Governing Body have been discussing the possibility of increasing the capital amount for roads this year and we will be looking into what needs to be done to make that happen.

Councilman Mahon stated that Tom Crochet has been in contact with representatives from the various utility companies and has been making good progress in getting some repairs done and the patch near the pony express tracks is starting to sink a bit and they should be back out to make the necessary repairs.

Councilman Mahon explained that when the new traffic light was installed at the intersection of Myrtle Avenue and Monmouth Boulevard, some of the utility poles needed to be relocated which was done and then the various utilities had to relocate their service to the new poles and it worked well except for Verizon who has not relocated their service and the Engineer is writing a letter to the County asking their assistance in getting Verizon to relocate the new service and if they refuse, then the County will have to be responsible for any costs, since the Borough had nothing to do with the construction project.

Councilman Mahon reported that the Cayuga/Gooseneck project would begin June 14 and should be completed within approximately ninety days and the residents will be notified when the work is to begin by a pamphlet left at their door by the contractor. He also advised that he and the Borough Engineer will be visiting the site weekly to take care of any complaints or problems that may arise.

Councilman Mahon advised with regard to the 2004 road program, the Council was discussing the roads that they want to include as well as discussing this with the Borough Engineer and we are currently looking at Sagamore Avenue, Crescent Place, Horseneck Point and we are thinking of putting Horseneck Point, Crescent Place and Port-au-Peck Avenue continuation to Monmouth Boulevard under the DOT grant applications and for the 2004 Borough road program doing Sagamore Avenue from Port-au-Peck to Shrewsbury; Manitto Place which is a continuation to install curbing and Burnt Mill Circle to include also Evergreen which would both be with new curbing and repaving.

Councilman Mahon also reported that the Engineer has been authorized to prepare bids for garbage and trash collection as well as to include pick up for recycling and hopefully we can have that function contracted out and out of the responsibility of the Public Works Department.

Councilman Mahon stated he would also like to go out shortly for bidding on the de-icing materials the Road Department will need for the next winter so that we are locked into one price as well as a price agreement for repairs which will save the Public Works Department time in getting quotes when repairs are needed on the various equipment in the Department.

COUNCILMAN HOLDEN: Councilman Holden reported that he has been meeting with Councilman Briscione and the representatives of the Monmouth County Community Development Program in trying to secure a grant for ADA requirements for the First Aid Squad with regard to their proposed addition and he asked if Councilman Briscione can serve as a third representative to this Committee and the Council adopt a resolution, to which the Clerk stated she would call the County and check with them, since Councilwoman Chaump was appointed as the Alternate to this Committee. Councilman Holden stated that he and Councilman Briscione had sat in on the meetings and it is imperative that one of them be in attendance during these sessions, which is why he felt it was important to have Councilman Briscione involved.

Councilman Holden also advised that the Capital Improvement Committee also recently met and received a presentation from the Library Association and we will continue to meet monthly and then prepare our findings at the end of the year.

Councilman Holden commented that he felt that the Memorial Day parade and ceremonies worked out well and he publicly wanted to thank Colonel Occupinti from Fort Monmouth for his attendance and he felt it was great to have Joe Wolf as the Grand Marshal since he is being deployed with his National Guard Unit to Iraq shortly and also to Mayor Gatta for her remarks during the ceremony.

COUNCILWOMAN CHAUMP: Councilwoman Chaump reported that the First Aid Squad received a $200 donation from the Citizens for Gemma and Apruzzi.

Councilwoman Chaump also advised that she is looking into the LoSap program which is length of service for our fire and first aid volunteers and she has asked the Chief Financial Officer to get information from some of the neighboring town who have implemented this program and will report on this further as more information is collected.

Councilwoman Chaump reported that she attended a special meeting of the Oceanport Board of Education on May 25th wherein the Board adopted a resolution approving the revised budget numbers the Council had proposed, although they made their cuts in different areas. Councilwoman Chaump stated that everyone had a copy of the budget cuts made by the Board and went over them asking if any of the Council members had any questions, which they did not. She also advised that it was brought out at that meeting that there will be an additional special needs child this coming year.

Councilwoman Chaump stated at the town meeting the matter of water service on Shrewsbury Avenue was brought up and she commented that this was the same thing that had taken place on Tecumseh and 16 homeowners got together and each put up $740 with the Borough, who acted as the holding company and after the main was installed and meters hooked, approximately a year later the money was refunded to the homeowners and she is going to be contacting the Borough's liaison at the water company to see if this can be done and also, to check out where there are areas that are also still using well water.

COUNCILWOMAN JOHNSON: Councilwoman Johnson reported that she also attended the Capital Improvement Committee meeting on May 27th where the Library Association presented their five-year plan for their needs and the Committee also toured the Library. She advised that the next meeting is scheduled for June 24th with the Public Works Department coming in with their five-year plan.

COUNCILMAN BRISCIONE: Councilman Briscione offered his condolences to the Widdis family and commented that they have been long time residents of this Borough and Chris will be missed.

Councilman Briscione then called for the second reading of an ordinance amending bond ordinance #769 and asked the Clerk to read the Affidavit of Publication and the proposed ordinance by title only as follows: **ORDINANCE AMENDING BOND ORDINANCE #769 ENTITLED "BOND ORDINANCE APPROPRIATING $484,228. AND AUTHORIZING THE ISSUANCE OF $460,016. BONDS OR NOTES OF THE BOROUGH FOR VARIOUS IMPROVEMENTS OR PURPOSES TO BE UNDERTAKEN BY THE BOROUGH OF OCEANPORT, IN THE COUNTY OF MONMOUTH, NEW JERSEY.**

Mayor Gatta opened the meeting for any comments on this subject only, but hearing none, Councilman Briscione moved to close the public hearing on this matter. It was seconded by Councilwoman Johnson and approved by Council.

Councilman Briscione moved to adopt this ordinance on second and final reading and to advertise same in accordance with law. It was seconded by Councilwoman Chaump.

The Clerk called the roll:

AYES:	Councilpersons Kahle, Mahon, Holden, Chaump, Johnson and Briscione.
NAYS:	None.
ABSENT:	None.
ABSTAIN:	None.

Councilman Briscione stated as he has been reporting on over the last several months, the $86 million purse supplementation agreement involving the casinos, the NJ Sports & Exposition Authority and the NJ Thoroughbred and Standard bred Horsemen's Association have been finalized. He continued that this affects Oceanport because Monmouth Park will now have a record purse structure of $320,000 a day and the thoroughbred meet has now been continued through September 26th and Monmouth Park will also gain four additional weekend dates in May in 2005 and 2006. He commented that the 2007 schedule has not yet been determined as Monmouth Park hopes to host the 2007 Breeder's Cup and will have to adjust the scheduling accordingly if that happens. Councilman Briscione stated that the track's purses before Labor Day will rise to $325,000 per day in 2005; $330,000 a day in 2006 and $335,000 in 2007 and the post Labor Day purses will be $300,000 per day throughout the period and the increases at the Meadlowlands will be more dramatic with the purses averaging $300,000 throughout the term of the agreement and they were at $190,000 a day last year.

Councilman Briscione explained that the casinos benefit is that the tracks will not push for expanded gaming referendums in 2004 or 2005 and this allows the casinos time to evaluate the potential impact of slot machines at racetracks in New York and possibly Pennsylvania and this agreement also gives stability to the racing industry in NJ and affords all parties involved structure within the industry for the next four years. He further explained that what this does for Oceanport is to insure financial stability for our largest tax ratable and this will be very important if and when the Borough is ordered to do a revaluation. Councilman Briscione stated we have worked very hard to stay on top of the events surrounding Monmouth Park this year and Mayor Gatta has been in attendance at every meeting with him and he also wanted to mention and thank Bruce Garland, Senior Vice-President with the Sports & Exposition Authority and Dennis Drazin, Legal Counsel for the Horsemen's Association for involving us in this process and availing themselves to us for any questions that arose and he felt that we have re-established a good working relationship with the parties involved in the operation and direction of Monmouth Park and this will be very beneficial to Oceanport if the plans for the leasing of the track heat up again and if the Breeder's Cup is awarded to Monmouth Park.

Councilman Briscione advised that we continue to push for a host fee for the Borough of Oceanport in the event that the slot bill advances and to that end, he and the Mayor met with Paul Sarlo, State Senator of the 36th District , the Mayor of Woodbridge and the sponsor of Senate Bill 333 which deals with the implementation of VLT's at racetracks and he assured them that if the bill advances, there will be provisions for host municipalities.

Councilman Briscione also reported with regard to the State Police presence at Monmouth Park, Assemblyman Panter has informed him that he will be meeting with Joseph Fuentes, Superintendent of the State Police and ask that the decision to remove the State Police be rescinded.

Councilman Briscione commented with regard to the Planning Board, the Sports & Exposition Authority will continue their application for preliminary and final site plan approval for the Village Center development, which is a proposed mixed use residential and retail development. He advised that the next scheduled date for this application to be heard is June 23rd.

Councilman Briscione had also previously mentioned something that had been brought up at a Senior Citizen's meeting in that Monmouth County Sheriff, Joseph Oxley and the Executive Director of the Office on Aging have announced that they have added an air support tracking element to a program that helps find people who many have become lost or disoriented due to memory disorders. He stated that this program is called Project Lifesaver and uses bracelets that emit radio signals to help locate patients who are lost and anyone who is interested in receiving more information should contact the Sheriff's Office.

MAYOR GATTA: Mayor Gatta advised that she is in receipt of a copy of a letter written by Patrolman Kelly, our Traffic Safety Officer, to the County Traffic Engineer, regarding the traffic light at the intersection of Monmouth Blvd. and Myrtle Ave. and the continuing problems the residents of Gooseneck Point are having trying to get out of their street and he has asked that further studies be done on the timing of the traffic light.

Mayor Gatta reported the 2nd Public Safety Committee meeting will be held this coming Monday, June 7th and we will be discussing the inventory of equipment with our emergency services and public works as well as starting to discuss capital needs.

Mayor Gatta reported that she has spoken with the County Engineer, Ted Giannechini, this morning and the target date is still July 2nd for the bridge completion and he informed her that they are on schedule and the utility companies installed their services as well as concrete being poured by the contractors and he seemed to be quite optimistic about the completion date.

Mayor Gatta advised that Councilwoman Chaump spoke about the local school budget earlier and she wanted to touch briefly on the Shore Regional budget and stated that we submitted our recommendation of a reduction in the amount of $300,000 and at Thursday's public meeting at Shore Regional, the Board accepted the reduction, however, they did not take the complete line item recommendations made by the four municipalities. She stated that everyone has a copy of where the reductions had been recommended and where they were taken from and reviewed them and asked if any of the Council members had any questions, to which Councilwoman Kahle asked if the new position of the Drug Counselor was being cut, to which Mayor Gatta stated that Shore will have a full time person for this matter, although she does not know who that person will be at this time.

Mayor Gatta acknowledged and thanked Councilman Holden for his efforts relative to the Memorial Day Parade and ceremonies at Borough Hall and it was an excellent job and she has received many compliments from residents and was pleased that the weather cooperated.

Mayor Gatta acknowledged the Oceanport Lions and Peter Dellera, Jr. for a fine job with the fair held this past week and stated that again, the weather cooperated and they were very successful this year.

Mayor Gatta also thanked the United Methodist Church for inviting the Governing Body to their service recognizing those members of the community who have passed away during the past year and it was a very nice service.

Mayor Gatta extended condolences to the family of Chris Widdis who was an outstanding citizen of Oceanport and volunteered many times and felt that our Health Screening Program will not be the same without him and worked very hard in many different areas volunteering in our Borough.

Mayor Gatta asked that everyone keep in their prayers and thoughts Joe Wolfe and Larry Seymour, two Oceanport residents who are being activated to Iraq and look forward to their safe return.

Mayor Gatta then introduced Ted Wardell, Senior Account Executive of Grinspec Consulting, who handles the Borough's health coverage and added that there has been a lot of talk about insurance at many of our meetings and she has asked Mr. Wardell to come this evening and discuss our insurance this evening.

Mr. Wardell stated that he represents Grinspec Consulting and he wanted to thank the Governing Body stating that it was a pleasure to be the Broker for Oceanport and he has an excellent working relationship with the Borough. He advised that he currently has twenty-seven municipal accounts in Monmouth and Ocean Counties and he stated that the Mayor had asked him to come and discuss some of things that are impacting one of the largest budget items, that being health insurance for this Borough.

Mr. Wardell stated there are three different area that effect the rates, the first obviously being the cost of health insurance delivery itself, which includes Doctor's fees, surgical bills, radiology, etc. and their consultant advises that all of this healthcare is increasing approximately 12.5% a year; the 2nd factor impacting the policy costs are governmental mandates and the 3rd is the type of plan that the Borough has. He continued that the Borough really has no control over health care or the mandates that he mentioned, such as the Mental Health Parity Act or the Infertility Act, which he commented that this alone can cost $50,000 each time and you are mandated by law to cover that, where in the past you were not. Councilwoman Chaump asked if there is a limit to these types of procedures, to which Mr. Wardell stated there is not. Mr. Wardell commented the Mental Health Parity Act is a contributing factor and continued that five years ago the most an employee had for mental health coverage was $50,000 of coverage and now it is treated the same as a biological disease and the coverage is unlimited. He stated the third aspect of what drives the rates is the type of coverage and he advised that he has a copy of a letter dated several years ago from the Borough's PBA when the Mayor and Council took a very forward step in getting the traditional plan that we had changed to a PPO and he explained that a PPO is a managed care plan where the employees are rewarded by going to a doctor in the network. He stated the traditional plan is what he would refer to as a blank check since an employee can go anywhere and the bills got paid, but with a PPO the benefits are more trackable.

Mr. Wardell felt that both the Mayor and Council and the members of the PBA are to be commended for that change because it is the only contract he has ever seen opened in the middle of the term and re-negotiated and it took about six to eight months to reach an agreement, but since that time the renewals have been progressively going down every year on a percentage basis and stated that last year the increase was 14% and this year it is 9½ % and he sends the claims in every month so that they can be tracked so we know pretty close at renewal time how the renewal rates will look.

Mr. Wardell ended by stating that by putting the Borough in a position where they can better manage the health care costs of the employees, they should be looking in the future at a much more manageable and even keeled rate structure going forward as compared to what you had several years ago.

Mr. Wardell stated if anyone on the Council or members of the audience had any questions regarding the health insurance he would be happy to respond.

Hugh Sharkey, 39 Algonquin Ave., asked if Mr. Wardell went out to any other carriers to which Mr. Wardell stated this year they did not, but have done so in every other previous year.

Mr. Sharkey asked if Mr. Wardell had considered self-insurance, to which Mr. Wardell stated not for a group this size and stated that generally self insurance is only a viable product for a group of 200 or above, to which Mr. Sharkey stated it was his understanding that it is viable for groups of fifty or above, to which Mr. Wardell responded that it is legal for groups of 50 and above, but questioned whether it was viable.

Mr. Sharkey asked what the family rate was and Mr. Wardell responded that the new rate is $1,324 . Mr. Sharkey asked if the $500,000 number that was quoted in the workshop meeting is going to be the Borough's total cost for health insurance, to which Mr. Wardell stated that was correct and Mr. Sharkey asked if there was a census on that to which Mr. Wardell stated there was. Mr. Sharkey then asked if the coverage includes any Council members or Borough professionals, to which Mr. Wardell did not think so but felt that the Council would be better suited to answer that inquiry. Mr. McGann stated that he pays into the health plan for his own coverage and reimburses the Borough every month. Mr. Sharkey asked why he is on our health plan to which again, Mr. McGann stated he reimburses the Borough, to which Mr. Sharkey responded that it does not matter since if your experience is bad it hurts the Borough's experience and again asked if there was a reason or if it was in the contract. Mr. McGann stated that it has been the practice of the Borough for years and he paid into it when he was a Councilman as well to which Mr. Sharkey asked if there was an ordinance that allows that to happen? Mr. Wardell explained that when he took over the account of the Borough of Oceanport, they were in the NJ State Health Benefits plan which allowed Council members and certain professionals to be included on the insurance plan and he explained that the Mayor and Council can do whatever they want, but again explained that when he took over the account, he had to provide a letter to the Governing Body guaranteeing that the coverage and benefits would be identical to what they were presently receiving.

Mr. Sharkey stated he felt that this needs to be looked at to see if that experience is hurting the overall effect and then asked if the Council has spoken to any other brokers because some of the other brokers may have a larger block of business that the two hundred million that Grinspec has, to which Mayor Gatta stated that we have not discussed insurance as of this point. Mr. Sharkey commented that this is a $500,000 item that we did not go out for bid and asked if the contract became effective July 1 to which Mr. Wardell stated that was correct. Mr. Sharkey stated that we have less then a month to find other competitive quotes and find out what else is out there in the market and he asked if the rates can be extended for a month or so, to which Mr. Wardell stated you would have to sign up for the renewal but you always have an out with a sixty day notice.

Mayor Gatta advised that this matter will be referred to the Council Liaisons in charge of insurance who are Councilpersons Johnson and Mahon.

Councilman Mahon asked if our plans incorporate any employee contributions to which Mr. Wardell stated not at this current time. Councilman Mahon asked what the pattern of employee contributions are in the various municipalities that he has, to which he advised that there are very few municipalities where there is an employee contribution to their health coverage plans as is with most municipalities, to which Councilman Mahon stated then we are doing what most towns do and it was affirmed by Mr. Wardell.

Councilman Mahon asked in terms of employee contributions outside of municipalities, what is their percentage of contributions to which Mr. Wardell felt that 10% would be fair but felt it would be easier to answer that question by saying there certainly is a contribution in private industry for employees. Councilman Mahon asked if there was any trend toward public employers moving toward employee contributions, to which Mr. Wardell stated they are trying but as the Governing Body is aware, you have an iron clad contract with your bargaining unit and in order to change anything it has to be bargained up.

Councilman Mahon questioned the amount of the deductibles to which Mr. Wardell stated the Borough has a $200 deductible for an individual and a total of $500 deductible for a family to which Councilman Mahon asked if it increases if there are five family members to which Mr. Wardell stated that it does increase but it can not go over $1,000 which is the maximum to which Councilman Mahon stated then the maximum out of pocket would be $1,000 which Mr. Wardell stated was correct.

Councilman Mahon asked what other levels of deductibles are available in order to lower costs for the premiums, to which Mr. Wardell stated you can raise your deductible to whatever levels you decide and he had given some calculations to the Mayor regarding the ongoing police negotiations, since these are things that would have to be negotiated. Councilman Mahon stated he was not concerned so much about the police contract, but wanted to know what is available on his menu of products and asked if it were possible to have a $2,500 deductible, to which Mr. Wardell stated you could have that. Councilman Mahon asked about the difference in the premium between what we have and a deductible like $2,500 to which Mr. Wardell stated that the savings are minimal and had given examples of doubling the deductible and it was .75%.

Councilman Mahon stated that it has been suggested to him by people who are in the insurance business that there is an avenue that is possible for us to undertake in the Borough to achieve some sort of savings and stated the scenario is that we take the highest deductible offered and we essentially, as far as the provider of coverage, we take the higher deductible and as far as the individual employee, they see no change and we self-insure ourselves for the difference and we roll that savings that we achieve by taking the higher deductible into a trust account and we pay the difference, so as far as the covered employee is concerned, there is no change and the claim gets processed and the payment is the same, but we are able, as the savings accrue, essentially self pay/self fund that difference from the deductible savings. He asked if that is a reasonable scenario and does anyone else do this, to which Mr. Wardell stated no one else does this yet and he can see perhaps in the future this coming about, but there are a few reasons why no one does this yet and explained that in order for this to work, by and large you would need no more than 10% of your people to hit that maximum amount and anyone who goes more than 10% if they hit the max, it eats up any savings you may have and if you had 20% of the people hit the max, you will be paying more money then you would the other way. Mr. Wardell also advised that you now have to do some bookkeeping, track it, write checks, etc. and if there is bookkeeping involved, someone has to be paid to perform those services.

Councilman Mahon commented that for a group of our size, essentially we have created a layer of bureaucracy that could be expensive to which Mr. Wardell stated that it could be more expense, but again, if using this scenario and your claims were very low, you would have savings, but you are taking a risk. Councilman Mahon stated that Mr. Wardell charted our reduction in claim history over a period of time but given that reduction, is this scenario possible or still un-realistic, to which Mr. Wardell responded that given our trend, that scenario is definitely un-realistic.

Councilwoman Johnson asked Mr. Wardell is he has a list of all the other companies that he has gone out to bid on in the past, to which he stated he does and stated that this is the public sector market place and there are not a lot of carriers in this marketplace. He stated there is Blue Cross/Blue Shield; Oxford and the NJ State Health Benefits and there is AmeriHealth, but they don't come to Monmouth County. Councilwoman Johnson asked if Mr. Wardell had quotes from these companies from last year and previous year's to which he stated he does and continued that you either have a quote or a letter stating they are not interested in quoting.

Mr. Wardell again stated this was the first year that they did not go out for quotes and explained that as our broker, he goes out to al the carriers that can provide coverage and his charge is that he has to go out into the marketplace trying to save money for the town while getting a carrier who is willing to match the present benefits exactly and to put that in writing and that is a criteria that is very difficult to get the carriers to do.

Councilman Briscione stated Mr. Wardell gave an estimate of private sector co-pay of 10% and asked if that is realistic, since he felt it must vary tremendously to which Mr. Wardell agreed and gave an example of a union employee who pays a 20% co-pay so it varies greatly.

Councilman Briscione asked if costs should be the driving factor in the insurance selection process, to which Mr. Wardell stated it should be a strong consideration, but the driving factor is matching the current benefits that the Borough has because that is what is going to keep you out of arbitration. Councilman Briscione asked also if isn't the carrier stability and service along with broker services very important to a municipality, to which Mr. Wardell stated absolutely.

Councilman Briscione asked if Mr. Wardell's firm had access to all available markets and/or carriers and he can get us quotes from them to which Mr. Wardell stated yes and he explained that his firm does business with every carrier that does business in the public sector market in New Jersey.

Mr. Sharkey stated that Mr. Wardell indicated that he negotiates his insurance in a block of $200 million and he went out to Blue Cross to negotiate the renewal, asked if that was for the entire block of business effective July 1st to which Mr. Wardell stated it was. Mr. Sharkey then stated that Mr. Wardell really can't get the Borough a better quote by negotiating us with one individual carrier such as Oxford to which Mr. Wardell said it was possible and Mr. Sharkey questioned if Mr. Wardell would not try to pull us out of his block of business with Blue Cross is what he is asking to which Mr. Wardell stated not in this particular year when the rate increase is 3% less than what the going rate is for other towns.

Mr. Sharkey commented to Councilman Briscione, Mr. Wardell does have access to all the other markets but its in the best interest for him to keep us lumped in with the entire number of municipalities that he has and some of them may have very poor experience as a group and we are incurring that and asked if Mr. Wardell releases his loss information to the Borough and Mr. Wardell stated he gives that information to the Borough every month. Mr. Sharkey stated then we could take those loss records and go to a broker who may have $300 million in another carrier and see if we can get a better price to which Mr. Wardell stated you could if you could find a broker that had that kind of share, to which Mr. Sharkey stated there are a number of brokers out there who do have public entity blocks of business and he strongly suggested that we do that with a different broker since he felt that having Mr. Wardell go out for quotes was a waste of effort and served no purpose.

Mr. Wardell stated he took exception to those comments and disagreed and stated that the only other company that can write this town is Oxford who currently has $21 million of business, total, in the public sector business and he has Oxford clients.

Mr. McGann asked where does Oxford rate in the industry with other carriers to which Mr. Wardell responded that they are not as good in claim paying ability as Blue Cross is but they are getting much better and the other thing to consider is the Oxford network, since in changing carriers, you have to consider the networks and if the network is not as strong as Blue Cross/Blue Shield, the police have a reason to grieve the change and call that a lessening of benefits and they did it in Union, New Jersey.

Councilman Mahon asked what the differences were in the last several pages of the summary of the renewal rates which shows that there are some rates that go from roughly $1300 to $1400 for a family and asked why that was, to which Mr. Wardell explained that Councilman Mahon is looking at the small percentage of the employees who are still in the traditional plan and that is mostly retirees who are in that plan. Councilman Mahon asked if that is the standard that you would stay with the traditional with the retirees when the plan changes, to which it was explained that it is negotiated.

Mr. McGann explained that he and Barbara Silkworth negotiated that contract with Mr. Wardell several years ago and there was the ability for any employee to remain in the traditional plan if they wanted to pay the difference in the premium.

Councilman Mahon commented that under the State plan what types of plans are available to which Mr. Wardell advised that the State plan has three different plans, the traditional plan, a NJ Plus plan which is a point of service wherein the employees have to have a primary care physician and that is who would drive their care and then there is a list of HMO's.

Councilman Mahon asked if under each of those categories are there a variety of vendors that provide that to which Mr. Wardell stated no and under the traditional and NJ Plus there is only one company and the HMO's there are five different companies. Councilman Mahon asked in comparison to Grinspec's $200 million client base, how does that compare to the State in terms of their shopping power, to which Mr. Wardell commented that the State is certainly larger than that. Councilman Mahon asked if just based on that buying power difference, would we achieve any sort of savings by going back to the State or is the plan parity now there, to which Mr. Wardell stated the plan parity is not there and that would be a violation and one example is that the employees have access to routine health care once a year and the State does not have that in their plan; the same with the children of employees and the State does not provide for that; in the traditional plan you have a $1 million maximum where in the present plan it is un-limited and he also commented that in today's society $1 million is not a lot of money for medical bills. He also commented that the State is approximately $54 million in the red so that is something to consider.

Councilman Holden stated that his understanding is that our employees, after twenty-five years of service, are provided health benefits for them and pay full premium for that and yet he understands that there are other municipalities that have a different plan whereby the State picks up that premium and asked if there is a way that we can do that as well. Mr. Wardell stated there are many criteria to make this work and he noted that for the State to pick up the medical costs, the employee has to be in PERS for twenty-five years; the employee has to be with the State plan for a minimum of 10 years before they would pick up that cost and the ten years has to be with the same employer.

Councilwoman Johnson stated that she is aware that many of the doctors and the facilities are coming out of a lot of the plans available and that is another consideration because AmeriHealth and Oxford were in trouble a while back and the people who are covered by these plans wind up paying out of pocket because these insurance plans get dropped by the physicians especially specialists and there may be other companies out there, but if they are not in the plan, it doesn't help.

Councilman Briscione asked besides Blue Cross and Oxford, who are the others that would write a policy like ours to which Mr. Wardell stated that AmeriHealth will write the contract but as of now they have stopped coming into Monmouth County.

Councilman Mahon asked about HealthNet and Aetna and U.S. Health Care to which Mr. Wardell stated they are not available to write this type of plan for the Borough and if the carrier cannot come in and match your benefits, what good are they to the Borough.

Councilman Mahon raised the question that in general is the industry typically offering plans that are not as complete as ours and asked why is it so hard to equal what we have and are we above and beyond what is typically offered, to which Mr. Wardell responded that this Borough and almost every other municipality, that is the case and this Borough less than most municipalities.

Mr. McGann stated that the only thing you can try to do is to negotiate a co-pay since when you look at your alternatives, to raise the deductible there are really no cost savings so you are left with trying to negotiate the co-pay. Mr. Wardell also suggested that you can have new hires have single coverage only for the first several years and mandate all new hires have certain benefits.

Councilman Holden asked if you can put your new hires in the State plan to which Mr. Wardell explained you cannot because it has to be everyone.

Mayor Gatta thanked Mr. Wardell for coming in and addressing the issues raised by both the Council and the public. Mr. Wardell suggested that the Council contact many of the towns like Matawan and Shrewsbury, who were self-funded and are now getting out of it because it wasn't working.

Mayor Gatta then opened the meeting to the public for any comments or questions they might wish to make.

Jim Gallo, 45 Bradley Ave. questioned the bill for gas for the public works department in the amount of $2,800 and asked if that was for one month.

Councilman Mahon explained that it was not and stated that he believed it was a quarterly bill and commented he will go back and have a definite answer for him to which Mr. Gallo asked if all the bills listed for gas were quarterly. Councilman Mahon stated that our address when the bill comes in, is all lumped under five different addresses that come up behind the one main plate address and the firehouse being on top, followed by Public Works and Borough Hall so when you get the break out on the bills you'll see with the utilities that there is actually quite a bit behind it that makes up that single bill and this is where the accounts are broken out.

Councilman Mahon moved to approve the vouchers on the Bill List dated June 3, 2004. It was seconded by Councilman Holden and approved by Council with the exception of Councilman Mahon who abstained from voting on the voucher due the NJ Highway Authority. TOTAL CAPITAL TRUST $52,224.52. TOTAL DOG REGISTRY $42.00. TOTAL ESCROW TRUST $1,258.75. TOTAL 2003 VOUCHERS PAID $69,797.91. 2004 VOUCHERS PAID $6,896,917.27. 2004 VOUCHERS PAID THIS MEETING $42,915.49. TOTAL 2004 VOUCHERS 6,939,832.76. (SEE BILL LIST)

At 9:13 p.m. Councilwoman Chaump moved to adjourn this meeting until the next regular meeting scheduled to be held on June 17, 2004 at 8:00 P.M. It was seconded by Councilwoman Johnson and approved by Council.

Respectfully submitted,

Patricia L. Varca

PATRICIA L. VARCA, BOROUGH CLERK