

To: Ancram Town Board
From: Art Bassin
Date: 11/15/2015
Subject: Supervisor's Report



Town Issues

1. Financial Report – We ended October with \$950,000 in the bank. Revenues and spending through the end of October were as expected, with operating spending down about \$50,000 this year to date compared to the same period in 2014. This excludes “financial transactions” like the \$240,000 loan prepayment made in August 2014 and the \$396,000 truck loan taken out in September, 2015. Assuming no extraordinary financial events for the rest of the year, we are on track to come in pretty much on budget for 2015, with an expected year-end 2015 cash balance of between \$750,000 and \$775,000.

2. 2016 Budget – We will finalize and adopt our 2016 Budget at the 11/19 TB meeting, after a public hearing prior to the 11/19 Town Board meeting. It still appears we will be able to reduce town taxes by about 1% (\$8,000) in 2016 while budgeting a “contingent account” of about \$33,000. A summary of the key assumptions in the 2016 budget is attached.

3. Culvert grant - Colleen Lutz has issued a RFP for engineering services to support the culvert grant process. The Culvert Committee anticipates recommending to the TB an engineering firm to assist in the culvert project for approval at the December TB meeting.

4. Health Insurance – The major change in health insurance program design for both employees and retirees this year is a significant increase in the out of pocket maximum's with a slight drop in premiums. If we continue to offer programs which cap the out of pocket costs at the 2015 levels of \$1500 for employees and \$2550 for retirees, our premium costs plus health savings account contributions in 2016 will be about flat to 2015 at \$53,000, but our total self-insurance risk, if all employees and all retirees were to need reimbursement up to their out of pocket maximums, would increase from \$4500 in 2015 to \$22,000 in 2016. While this is a low probability risk, we need to be aware of it. Our 2016 budget is set at \$65,000, same as 2015, to give us a “self-insurance” cushion of about \$12,000, which will cover just over 50% of our \$22,000 self-insurance risk. Interestingly, regardless of the health insurance “tier” level (Platinum, Gold, Silver, Bronze), we can pay more premium to CDPHP in exchange for lower out of pocket maximums...the exchange rate seems to be about 70%, which means if we want to lower out of pocket maximums by about \$2800 per employee by going from Bronze to Gold, we have to pay an additional \$2000 in premium per employee. Our employee experience suggests we will do better by accepting the higher self-insurance risk, and paying lower premiums, which I am recommending. As we did last year, we will be offering family coverage with the Town paying 50% of the premium.

County Issues – Nothing new to report...