

**MINUTES OF A REGULAR MEETING OF THE BOARD OF
COMMISSIONERS OF THE TOWNSHIP OF HADDON, IN THE
COUNTY OF CAMDEN, NEW JERSEY, HELD JUNE 17, 2025
IN THE MUNICIPAL BUILDING AT 7 PM**

A regular meeting of the Board of Commissioners of the Township of Haddon was convened in the Municipal Building, 135 Haddon Avenue, Westmont, NJ on Tuesday, June 17, 2025 at 7:00 PM.

Flag Salute

Mayor Teague announced that Chapter 231, Public Law 1975 requires adequate notice of this meeting be provided. This was done by placing Notice in the Courier-Post and Retrospect Newspapers and by posting on the bulletin boards of the Municipal Building.

ROLL CALL:	Mayor Teague	Present
	Commissioner Mulroy	Present
	Commissioner Linhart	Present

Chief Tim Hak, James Stevenson, DPW, Lee Palo, Greg Fusco, PE and Justin Strausser, Esq. were present.

MINUTES:

Commissioner Mulroy moved, seconded by Commissioner Linhart that the Minutes of the Regular Meeting held on Tuesday, May 27, 2025 be approved, with all members voting in the affirmative.

ORDINANCES: None

RESOLUTIONS:

The following Resolutions are approved by consent agenda, Resolution #2025-076 through Resolution #2025-088 with a motion by Commissioner Mulroy, seconded by Commissioner Linhart, with all members affirmatively concurring.

- #2025-076 - Bill Resolution (Payment of Claims)
- #2025-077 – Endorsing the Housing Element and Fair Share Plan for the Township’s Master Plan for the Fourth-Round Affordable Housing Obligation
- #2025-078 – Adopting a Spending Plan
- #2025-079 – Expressing Intent to Provide the Funds Necessary to Satisfy the Township’s Affordable Housing Obligation
- #2025-080 – Authorizing Renewal of Liquor Licenses in the Township of Haddon for the 2025/2026 Licensing Year
- #2025-081 – Authorizing Renewal of Liquor License for Piperno Hospitality Group LLC
- #2025-082 – Civil Rights Policy of the Township of Haddon
- #2025-083 – Approving the Personnel Policies Handbook and Employee Handbook
- #2025-084 – Approval of Change Order No. 3 for the 2024 Road Improvements Program
- #2025-085 – Approval of Change Order No. 1 for Crystal Lake Recreation Area
- #2025-086 – Approval to Submit a FY2026 Municipal Aid Grant Application and Execute a Grant Agreement with NJDOT
- #2025-087 – Authorizing a Shared Service Agreement with the Borough of Merchantville for Tax Collector
- #2025-088 – Authorizing the Municipal Tax Collector to Prepare and Mail Estimated Tax Bills

MUNICIPAL BID BUDGET RESOLUTION PUBLIC HEARING JULY 22, 2025:

1ST READING/INTRODUCTION:

The Following Resolution #2025-089 was approved with a motion by Commissioner Mulroy, seconded by Commissioner Linhart, with all members affirmatively concurring:

ROLL CALL:	Mayor Teague	Aye
	Commissioner Mulroy	Aye
	Commissioner Linhart	Aye

DISCUSSION ON HEALTH CARE

Mayor Teague explains this is the time of year the Township needs to make a decision regarding health care, in order to do that he invited Connor Strong as the Township Broker to the meeting this evening. Connor Strong gave the Township a comparison of three different plans, the current insurer, Insurance Design Administrators (“IDA”), the Southern Jersey Health Insurance Fund (“HIF”) and the State Health Benefits Plan (“SHBP”). The Township had to terminate the contract with IDA last month due to a 90-day termination letter requirement. It didn’t mean that the Township wasn’t going to renew with them. The Township wanted to keep their options opened so they could evaluate all options.

Connor Strong did a projection since it’s a self-insured plan of what the premium would be so that a comparison could be made between the three plans. Mayor Teague also mentioned that none of the Commissioners take health care from the municipality, so this decision does not impact the governing body, it’s solely for the employees, trying to get them the best plan at the best price. Mayor Teague reported that we looked at this comparison last year and the cost to the HIF was less and there was a recommendation from Connor Strong to go to the HIF. A majority of the governing body decided to move forward with the HIF. Subsequent to that decision, the Township discovered that there were additional costs that would have incurred which would have made the cost of switching more than what the IDA cost; so, the Township did not switch. Mayor Teague further points out, after that, Connor Strong negotiated penalties in the future so those costs would not be so excessive. Ms. Brown reported that last year when Connor Strong looked at this, what was not included in that cost comparison was the runout tail and the additional charges for claims that occurred prior to the termination date and claims paid after the termination date. Connor Strong came back and said they didn’t think the timing was right to make that move because it would be more costly to the Township to enter the HIF.

She reported that what her and Ms. Maddren have worked on over the last 12 months is looking at each of the contracts the Township has with the stop loss vendor with the TPA and had them make changes to that contract so those costs would be limited on the back end. Ms. Brown reports that they were successful. They had back and forth with vendor of choice and stop loss vendor so they feel that they are adequately prepared this year to make that recommendation. They looked at the existing claims utilization and projected what they felt the cost would be effective September 1, 2025. Connor Strong asked the incumbent to provide an early renewal because they wanted to do a cost comparison. Mayor Teague explains the IDA plan is a self-insured plan and that is why there are runoff costs. There is a projected premium but there are some other factors to the self-insured aspect that we just wanted to nail down. Ms. Brown reported that in the old IDA contract there was wording that said upon termination the Township would be responsible for paying 12 months of runoff claims and there is a cost for that. What they see is that most of those runoff claims, 95%, are in the first three months. Why would we have the Township pay for 12 months of runoff claims when we know that is an excess charge? The other thing Connor Strong did was go to the stop loss vendor and created a terminal liability provision stop loss claims in excess of a certain stop loss level would also be covered at the point of termination. These were two clauses in the contract that were not negotiated last year. We want the Township to have the benefit of that financial protection. Connor Strong is pleased they were able to make the contractual changes to allow for this protection for the Township.

On page 14, we put together, a cost comparison. At this point in time, we did not have the IDA Renewal again and we reference 90-day notice of termination We wanted to get that renewal because we wanted to get IDA’s actual numbers to compare to the Health Insurance Funds. The current IDA cost for 12 months effective September 1st is about \$2,021,000. Our underwriters and actuaries came up with this based on actual claims utilization would be \$2,370,000.00 or a 17% increase in costs. Our underwriters and actuaries take actual claims utilization; they look at where members are actually seeking care and then project that into the next renewal year. We are using actual trend factors, cost adjustments, and fixed expenses. This is how we estimated in absence of IDAs renewal that we would have a 17% increase. Then we took the same data set and said what would the cost be under the Health Insurance Fund. You see a 16% increase or premium cost of \$2,350,000.00. We would be remissed if we did not look at the State Health Benefits Plan.

Ms. Brown stated, I'm sure you've heard of what's happening with the SBHP with escalating costs. We are seeing increased utilization and increased cost per service. We are estimating based on the State's reports that have come out a 50% increase in the SBHP. We anticipate cost with the SBHP continuing to go up because those groups that are performing well in the SBHP will exit that plan and those groups performing not as well will stay in the plan which will drive additional costs. Ms. Brown reports, I'm sure you've seen articles that quote a "death spiral". This is an expression used when increasing cost because of the remaining populations and the shifting risk pool.

Subsequent to this calculation, Sunday or Monday, we received IDA's renewal. We can now look at the actual renewal. Our estimate of the \$2,370,000 as compared to the actual IDA Renewal. We have that renewal with us and that renewal is \$2,500,000.00 and this is IDA's actual Renewal based on their evaluation. They have their underwriters and their actuaries. Their renewal reflects \$2,523,000.00. Commissioner Linhart reported that it is unusual to have an insurance discussion without IDA here as our plan administrator. Commissioner Mulroy asked what the \$2,500,000 represents and Ms. Brown responded it is IDA's representation of their renewal premium. This is why we continue to ask for IDA's renewal. Underwriting is a science; everyone looks at numbers differently but in absence of that we developed our own IDA estimate and our estimate was actually lower than IDA's actual estimate. Commissioner Linhart replied, it is his understanding that they are fixed costs and our premium will be flat that IDA is proposing for the renewal flat from last year which was a decrease of about 5%. That number includes a conservative estimate of claims. Is that correct? Ms. Brown responds for every premium dollar 20 cents of that dollar is fixed expense. It's the cost of doing business. That is the zero % increase they are referring to which is their cost. If you look at the renewal exhibit when you look at the fixed expense pieces, under the fixed costs, you'll see that they continued that cost. That is IDA's administrative expense. But again, that is 20% of the dollar. When you look at the 80% that's when you look at here are 12 months, 24 months of claim utilization. IDA's underwriters are projecting that based on their experience and that is all included here. Ms. Brown responds, so, your points and observations are all correct, all of the assumptions IDA made, no increase in administrative expense, looking at claims trends from the State is all incorporated in their renewal. Underwriting is a projection function. Based on the claims experience that the IDA underwriter looked at they felt to cover that cost plus the fixed expense piece they would need \$2.5 million to cover that liability. We are comparing apples to apples.

Mayor Teague asked about the HIF proposal, \$2,181,972, runout of \$153,000 and then terminal administrative \$15,300? Ms. Brown responded for carriers to pay and administer claims paid post termination, that the 4 months of expenses vs. 21 months of expenses. Claims incurred prior to 9/1 but paid after. If we switch to HIF next year, we would not see those costs. The Mayor explains that the Township has been with the IDA program for years, maybe the first year he got into office, one of benefits, cuts both ways, too many or too few claims, if their projections are wrong, claims are not so bad, 2.5 still be 2.5. Ms. Brown come down across the board. Claims will increase based on historical data of township all underwriters doing the same thing. HIF fixed cost piece, lower under HIF pricing based on larger collection of groups. Only on fixed expense. Commissioner Linhart states, we have 2.1 budgeted for the year, essentially 10% under projected expense, \$300,000 savings. How does that pan out under HIF. Ms. Brown recast of actual expenses with IDA versus projected. A year ago, IDA calculated a renewal same as they did this year. These are a projection. Claims in better, 1.8 versus 2.1 and using that experience on forward basis. 2019 budgeted 2 mil and actual was 1.7 million, how are those savings realized. Commissioner Linhart stated, the Township's trend is we've seen a savings. That's important, self-insured take advantage of those savings. Set it aside for our own folks. How do we do that with HIF? Ms. Brown states, what you are saying [projection on table and looking at actual result not projection]. HIF costs budgeted for Southern Jersey like our underwriters did and IDA did, last 12 months of utilization would reflect those favorable months, favorable experience will go into developing that budget, just like if they were higher, that would be accounted for. Projects are based on actual experience on a forward basis. Commissioner Linhart asked, if we are being charged 2 million a year for a history of 5 years that's 10 million dollars in our health plans employees perform better so there is a 10% savings across the board for those 5 years. How do we realize those savings? Ms. Brown, I don't think any underwriter would give 5 years of a cost analysis. In year one if you see a savings that savings will be carried in that projection for year 2 and year 3 and year 4 independently. Those savings, those lower claims costs are calculated into the go forward calculation of costs. If I think my monthly claim cost average is \$100,000 and I set a rate based on \$100,000. I know my next year, is going to be more favorable because my monthly claims are not \$100,000 but say they were \$85,000 each month. To your point here's my budget, we are a self-funded plan and we are going to pay claims as you go so your budget is going to see a larger surplus because the claims are not \$100,000. It's the \$80,000 per month figure that is used to project future costs, so instead of seeing an increase in the trend range, you may see a modest

increase or no increase at all. That's how those more favorable months are accounted for in an underwriting projection. Commissioner Linhart stated if it actually cost 1.9 million for you to insure us, do you refund us the \$100,000? Ms. Brown you are a self-funded plan. If you were a fully insured plan and you are in a program that allows for dividend then the answer to that question would be absolutely yes. Because you are a self-funded plan you pay as you go. You have budgeted out there of 2 million dollars, the claims come in better you pay out those more favorable claims and you are going to show a favorable result to budget. If you were fully insured that would be a different result. Your questions seem to be more of a funding question and not an insurance liability question. You are a self-funded plan so the claims will be paid as the claims are occurred every month. There are fixed expenses. Mayor Teague reported for a number of years, the plan worked well and we saved money. What scared me was the one year, 2022 or 2023, self-insured part of it cuts both ways. We had a short fall of around \$500,000 that was a big hit. By comparison the HIF was \$152,000 less than what our premium was add 150,000 to 550,000, we lost 700,000 that year. That scared me. We had to find money to fill that line item. Commissioner Linhart responded that 3 years prior worked in our favor. 500,000 was anticipated because of pandemic. Mayor Teague commented that it wasn't anticipated in the premium. Commissioner Linhart responded that it was common trend nationwide. Mayor Teague stated underwriter and actuary should have prepared us better. Ms. Brown looks at data, reduction in cost because of Covid, 2021 claims ramped up significantly. Self-funding based on actual utilization for any employer group, group township size, tremendous fluctuation on self-funded basis. Benefit of HIF, part of larger pool. If you are in situation, individual claims spike, benefit of being with other groups. Challenge. Seeing a lot of groups your size going back to fully insured. Group of your size benefit of tempering that with the HIF. Ms. Brown underwriting cycle. There will always be a year, claims go through the roof. Increase in number of high claimants' people are living longer, gene therapies. Risk Tolerance benefit of health insurance fund. IDA did great job with their underwriting. We are comparing the actual renewal for IDA and comparing it to the actual renewal of the HIF's. That is why we are here today.

Mayor Teague asked how the coverages compare. Ms. Brown responded, we require equal to or better than provisions. We make sure all of your members have the same benefits; AmeriHealth would be the TPA. Under the HIF in terms of a pharmacy benefits today that is with Optum, with the HIF, they would be with Express Scripts, the #1 and #2 PBMs across the country. We want to make sure if we are successful, in moving the Township to the HIF, that we would make sure we evaluate the differences in the pharmacy plans. We would identify any members on a special drug and make sure the disruption is not as painful as it potentially could be. The medical side is AmeriHealth to AmeriHealth. No change in network, no changing doctor selection, and no change in network. On the pharmacy side, we are going from Optum to Express Scripts. Commissioner Mulroy reported this is important to him as next month he opens up contract negotiations with the police and they are hyper focused on their health care. They will certainly have a lot of questions of me. If we make the switch, Commissioner Mulroy stated, he needs an assurance they will receive par of what they are receiving now? Ms. Brown responds that is going to happen. On pharmacy side we would request a report that shows us here are the medications that the Township's members are taking today, map that to the formulary list from Express Scripts. The AmeriHealth to AmeriHealth is big. There would be no disruption because the networks and the docs are the same. We are a big fan of the AmeriHealth. IDA uses the AmeriHealth Network, now you would be using AmeriHealth direct. Commissioner Linhart asks, would those prescriptions be grandfathered across the board for the employees? Ms. Brown responds, we would have our pharmacists compare those lists clinically equivalents substitute for this medication. Your members would know about that. That's why we look at a 60-day implementation.

Mayor Teague asks if there are any additional coverages under the HIF. Ms. Brown stated the HIFs have Teladoc, a couple of extra services, such as, wellness credits. What we like about HIFs is that it was created for accounts your size because of the potential fluctuation and risk. Ms. Maddren responds, plus for HIF administrative all of the carriers are done thru file feeds. You wouldn't be entering into different portals. More streamlined process. Mayor Teague asks about claims wise. Ms. Maddren responds it's the same. Mayor Teague asks how many municipalities are in the HIF? Ms. Brown responds, 336 accounts in H/I universe, southern 52. Mayor Teague asks how many self-insured funds? Ms. Brown responded, we do have larger public entities that are self-funded like yourself. Groups with less than 200 lives prefer to be HIF. Mr. Jack Tarditi reported we started HIF in 1992 and Haddonfield was the first town to go in, it has been immensely successful. Sharing of losses and benefits. Same concept of JIF which you've been in 35 years. Most of your neighbors are in the HIF.

Mayor Teague asks when does the Township have to make a decision? Ms. Brown responds, 60 days' notice so by June 30th? Commissioner Linhart reiterates that without IDA it's hard to have

that clear conversation across the board and he mentions a meeting scheduled with IDA for August 11, 2025. Ms. Brown responds, August 11th makes me nervous, 60-day implementation, if you move it is critical, file feeds to look at each member, have I.D. cards, no issues going to see doc. August 11th would not work. Commissioner Linhart states, you represent the HIF, do you have performance dividends and how are they paid out? If you charge us 2 mil a year, how are we saving money. How do we recoup savings? Self-funded vs. full insured. Commissioner Linhart responds every year you are going to comeback and say it is going to cost 2.3 million. Ms. Brown responds, we will look at claims every month and the experience and do exactly what IDA has done. Add fixed expense that would be total budget. This is the underwriting formula. Their renewal is clear. They think they need 2.5 million.

Mayor Teague reported that he reached out because Connor Strong are the Township's Brokers. He further asks Commissioner Linhart if he would like to see IDA. Commissioner Linhart reports historically we've had a meeting with IDA and our insurance broker, to discuss the plans and the nuances. Mayor Teague mentions that it is a good idea to have Connor Strong here to explain everything to all three of us. I've never sat down with IDA and spoken to them. We have to June 30th, I am open to bringing them in, anytime prior to that. And we have a special meeting on June 30th. We can make a decision then. Ms. Brown reports the question for IDA is, how comfortable are you with the 2.5 million liabilities? How comfortable are you with the renewal you submitted? Last year when we were here, we knew this was not the right decision for the Township, we could not in good conscious decide to move forward with this, because it wasn't right and it was more expensive. We are back a year later and based on the data we are looking at and the contractual changes we were able to put forth, now we feel this is the right time. The savings would be \$101,000. Mayor Teague reported he is fine with a special meeting on June 30th. Mayor Teague further reports, we've been with IDA for many years and they want the opportunity to discuss their proposal. As consultant you should be here too. Mayor Teague thanked everyone for coming out to the meeting.

OTHER BUSINESS: None

REPORTS FOR MAY 2025:

The following reports for May 2025 were presented and ordered filed:

Revenue Report
Budget Status Report

COMMUNICATIONS: None

PUBLIC COMMENT

There being no further business on the agenda, Commissioner Mulroy made a motion to open the meeting for public comment, seconded by Mayor Teague, with all members affirmatively concurring:

There being no public comments, Commissioner Mulroy moved to close the meeting for public comment, seconded by Commissioner Linhart, with all members voting in the affirmative.

ADJOURNMENT

There being no further business to discuss, Commissioner Mulroy moved, seconded by Commissioner Linhart that the meeting be adjourned at 7:56 PM, with all members voting in the affirmative.

June 17, 2025

BOARD OF COMMISSIONERS

Dawn M. Pennock, Municipal Clerk

Randall W. Teague, Mayor

James Mulroy, Commissioner

Commissioner Linhart