

SELINGROVE BOROUGH COUNCIL MEETING

MONDAY, APRIL 25, 2005 - 7:00 P.M.
(Recessed from Meeting of April 20, 2005)

COUNCIL MEMBERS PRESENT: Pres. D. Mengel, V. Pres. W. Hetherington, C/P S. Christine, C/P C. Handlan, C/P M. Inch, and C/P G. Kinney

COUNCIL MEMBERS ABSENT: C/P W. Reuning

OTHERS PRESENT: Solicitor R. Cravitz; Mgr. J. Bickhart; Borough Residents Pete Carroll, Pat and Robert Wendt

OTHERS ABSENT: Mayor G. Beaver

CALL MEETING TO ORDER:

Pres. Mengel called the meeting to order at 7:00 P.M.

Motion by C/P Kinney to recess to Executive Session. Seconded by C/P Inch.

EXECUTIVE SESSION - Council Meeting recessed to an Executive Session at 7:01 P.M. for discussion of Personnel Issues. Council meeting reconvened at 7:49 P.M.

UNFINISHED BUSINESS FROM PRIOR MEETINGS:

Consider payment of Medicare Part B premium as part of the Policy on Health and Prescription Insurance coverage for covered active employees and their spouses that are age 65 or older – Motion by C/P Kinney to rescind the motion made on April 4, 2005 and to effectively change the (Medi-Gap) insurance coverage for an (eligible employee and/or an eligible spouse of an employee) from a (Medi-Gap) Plan J to a (Medi-Gap) Plan I. The (covered individual) will obtain the policy and the Borough will pay the premium directly to the insurance company (if possible) so that the payment is not considered to be income. The Borough will also pay the monthly (Medicare) Part B premium for the covered individual, currently at a rate of \$78.20 per month. The cap on prescriptions under (Medi-Gap) Plan I is \$1,250. The Borough will self insure (pay prescription costs that exceed the \$1,250 cap to a maximum of \$2,500) for the (covered individual) until January 1, 2006. Seconded by C/P Inch. Pres. Mengel called for a vote on the motion.

AYES: SIX (6)

NAYS: NONE

MOTION CARRIED

It was stated for clarification that, if Medicare (Part) B in the amount of \$78.20 will be taken directly from the employee's Social Security check, the Borough will then reimburse the employee. According to a CPA, this will then be taxable income. The employee will be reimbursed approximately \$1,876 (\$78.20 per person per month x 2 persons x 12 months) of which 15 percent, or \$281.40, will be taxable income. Mr. Wendt asked what the Borough would be paying for Plan I and Pres. Mengel replied that (the monthly premium) is \$149 per person. C/P Kinney stated it is the same benefit as Signature 65 with the exception of the cap on the medicine, but under Signature 65 the premiums would be \$300 per person. Mgr. Bickhart stated that the Borough has been told that if they pay directly to the recipient on the employee's behalf then those amounts will not be considered income for the employee. If the employee does not sign up for Social Security, the Borough might be able to pay the \$78.20 to the Social Security Administration. If the employee does sign up for Social Security, he must take Part A and Part B. Mr. Wendt asked if the vision and dental insurance would stay on the same plan and Pres. Mengel replied that that stays the same.

ADJOURNMENT:

Motion to adjourn by C/P Handlan. Seconded by C/P Hetherington. Meeting adjourned at 7:58 P.M.