



Measure #: 2025-056

TOWN COUNCIL MEASURE SUBMITTAL

Date: 03/24/2025

Submitted By: Town Manager

Telephone #: 508-699-0100

MEASURE DESCRIPTION:

Approval to withdraw, re-purpose, and transfer \$1.8mm from Capital Improvement Stabilization to fund the Health Insurance Account

Signed:

Michael Borg

Digitally signed by Michael Borg
DN: c=US, ou=Town Manager, cn=Michael Borg, email=Emmborg@nattleboro.com
Reason: I am the author of this document
Location:
Date: 2025.03.24 12:57:04 -0400
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PURPOSE AND JUSTIFICATION:

Purpose:

The purpose of this measure is to address a projected deficit in the Town's Health Insurance Account by voting to withdraw and re-purpose \$1.8 million from the Capital Improvement Stabilization Fund. This transfer will ensure that the Town has sufficient funds to meet its health insurance obligations through the remainder of the fiscal year, thereby maintaining essential health coverage for Town employees and retirees.

Justification:

Projected Deficit – The Town's health insurance budget is currently experiencing a premium-to-claims experience ratio of 110% and climbing, indicating that the costs of claims are exceeding the budgeted amount. Without additional funding, the Town will face a shortfall in meeting its health insurance obligations by late April or early May.

Recognizing this potential deficit, the Town Council previously set aside funds from FY25 Free Cash as part of a proactive funding strategy to address this anticipated shortfall.

Taking action now allows the Town to avoid the risk of a funding shortfall, which could otherwise require emergency measures or disruption in services. This transfer is a measured and responsible approach to maintaining financial stability and operational continuity.

By approving this measure to withdraw and re-purpose these funds, the Town Council will ensure that health insurance claims are fully funded through the fiscal year, thereby protecting employee benefits and upholding the Town's financial integrity.

SPECIAL REQUIREMENTS: Requires 2/3 Vote

ATTACHMENTS:

REFER TO SUB-COMMITTEE: Finance Sub-Committee

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PURPOSE AND JUSTIFICATION CONTINUED: