

Michael Borg
Town Manager



TOWN OF NORTH ATTLEBOROUGH
43 South Washington Street
North Attleborough MA 02760
508-699-0100

INTEROFFICE MEMORANDUM

DATE: Tuesday, April 15, 2025
TO: Town Clerk Pat McNielly
FROM: Michael Borg *MB 16 APR 25*
CC:
Town Accountant Linda Catanzariti
Tax Collector/Treasurer Chris Sweet
Human Resources Director Cheryl Butts

RE: Measure 2025-056- Approval to withdraw, re-purpose, and transfer \$1.8mm from Capital Improvement Stabilization to fund the Health Insurance Account.

Town Council Meeting- President Justin Paré
Measure 2025-056- Approval to withdraw, re-purpose, and transfer \$1.8mm from Capital Improvement Stabilization to fund the Health Insurance Account.

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.

The Town Council met on March 24, 2025, and on behalf of the Town Council, a motion was made by Vice-President Simmons to refer Measure 2025-056- Approval to withdraw, repurpose, and transfer \$1.8mm from Capital Improvement Stabilization to fund the Health Insurance Account to the Finance Sub-Committee for further review and discussion.

The motion was seconded by Councilor Donovan.

Motion carried. 8-0 UNANIMOUS

The Finance Sub-Committee met on April 7, 2025, and on behalf of the Committee, a motion was made by Councilor Donovan to refer Measure 2025-056- Approval to withdraw, repurpose, and transfer \$1.8mm from Capital Improvement Stabilization to fund the Health Insurance Account back to the Full Town Council with a positive recommendation.

Councilor St. Pierre seconded the motion.

Motion carried 6-0.

The Town Council met on April 14, 2025, and on behalf of the Town Council, a motion was made by Vice-President Simmons to approve Measure 2025-056- Approval to withdraw, repurpose, and transfer \$1.8mm from Capital Improvement Stabilization to fund the Health Insurance Account.

Councilor Donovan seconded the motion.

Motion carried 9-0.