

MEMORANDUM

TO: City of Beacon City Council

FROM: Keane & Beane, P.C.

RE: Health Insurance for City Council Members

DATE: May 17, 2017

The City Council is considering limiting health insurance benefits for Council members instead of eliminating this benefit completely as suggested by the Charter Commission. Any reduction in compensation for City Council members is subject to a mandatory referendum. If the City Council decides to eliminate health insurance benefits for City Council members such a provision is subject to a mandatory referendum. If the City Council decides to limit and restrict health insurance benefits for City Council members, the question is whether such a restriction constitutes a reduction in compensation. It is our conclusion, that if the City Council votes to reduce health insurance benefits in a clear way, such a provision is subject to a mandatory referendum because it constitutes a reduction in compensation.

Currently, the City Charter provides that Council members and the Mayor shall have the option of receiving individual or family coverage through the City of Beacon's health insurance plan. If the City Council adopts a provision that only allows Council members to receive individual coverage, and not family coverage, the Council is clearly reducing compensation by restricting health insurance coverage. The Charter states that the City will pay the premium cost of providing individual or family health insurance coverage. If the Council removes the family health insurance option from the Charter such a change will be subject to a mandatory referendum.

The Council members currently receive the same health insurance benefits as regular City employees. If the City Council adopts a provision to restrict Council members to a health insurance plan with less coverage such a change will also be subject to a mandatory referendum because it will result in a clear reduction in benefits when compared to what the Council currently receives.

ecc: Anthony Ruggiero