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Press Release
FOR IMMEDIATE RELEASE

MAYOR ESTIMATES MILLIONS IN SAVINGS FOR CITY AS COUNCIL PASSES HEALTHCARE REFORM OPTION

Coming off a 13 to 5 favorable vote last night from the City Council, Mayor Carlo DeMaria Jr. is now preparing for the next phase of Healthcare reform in the city. At Monday night's City Council meeting the Council voted to enact legislation enabling the mayor to begin the process of negotiating with City Unions in hopes of curtailing soaring healthcare costs.

"We have been working with the State House for over three years," notes Mayor DeMaria, "I fully appreciate and would like to thank the entire Board of Aldermen and the thirteen City Councilors who worked with me on this important issue, bringing much needed fiscal relief to our residents."

As part of the process described by the State Legislature, now that the local option has passed the City Council as a whole, the Mayor can now convene a committee consisting of representatives from the City's Unions and the Administration. The group will negotiate and create a plan that is beneficial for the workers while reducing the cost of healthcare for the city.

"What is truly important," adds Mayor DeMaria, "is that we work together to create a plan that helps everyone. The quicker we form the commission, the quicker we can finalize a plan, the quicker we can implement a program and start building savings."

The City estimates to save as much as \$1.7 million dollars in health care costs per year. The Mayor is looking forward to initiating negotiations with the City's Union

representatives and developing a plan that works for all parties. While the City does not have option to enter into the Group Insurance Commission (GIC) the Mayor is eager to present multiple options to the Union's weighing all variables and possible healthcare plans to the employees. The State Legislation does not allow cities and towns to enter the GIC if the savings meets a 5% savings threshold. The Mayor's Healthcare consultants, Cook and Company, estimate the City will not reach the 5% threshold, meaning the city will have to redesign their current healthcare coverage plans.

"One key benefit of the program," states Mayor DeMaria, "is that the legislation calls for a percentage of the total savings to go back to the employees. While we are looking to decrease our total fixed costs, we are not expecting employees to carry the entire load, we are excited about the opportunity to work together and build a responsible plan."

Under the new option, the City can open a 30-day negotiation period with the Insurance Panel, once the new plan is approved by the panel and by the State Department of Administration and Finance the City will give the Unions a 60-day notice of implementation.

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