

RESOLUTION 256-2022

RESOLUTION OF THE MAYOR AND COUNCIL OF THE BOROUGH OF CLAYTON OPPOSING THE PROPOSED RATE INCREASES TO THE STATE HEALTH BENEFITS PROGRAM

WHEREAS, access to affordable quality health care is critical to the physical, mental, and economic wellbeing of Borough employees and their families; and

WHEREAS, the uncontrolled growth of health care costs negatively affects the Municipal budget as a significant portion of Municipal revenue is used to fund public employee and retiree health benefits; and

WHEREAS, the State Health Benefits Program (SHBP), governed by N.J.S.A. 52:14-17.25 et seq., offers medical, prescription drug, and dental coverage to qualified State and participating local government public employees, retirees, and eligible dependents; and

WHEREAS, all SHBP plans are self-funded, meaning that the money paid out for such benefits comes directly from a SHBP fund supplied by the State, participating local employers, and member premiums; and

WHEREAS, the Division of Pensions and Benefits is responsible for the daily administrative activities of the SHPB, the State Health Benefits Commission is the executive organization responsible for overseeing the SHBP; and

WHEREAS, the State Health Benefits Commission, comprised of State officials and union representatives, annually consider the calendar year premium levels for the Local Government Employer Group of the SHBP based upon recommendations found in the Rate Setting Recommendation Analysis of the Local Government Employee Group; and

WHEREAS, the preliminary rate increase for the 2023 Local Government Employer Group is 22.8%, which includes a 21.6% increase for Active, a 13% increase in Early Retiree, and a 0.7% increase for Medicare Retiree; and

WHEREAS, subsequent news accounts report that the Department of Treasury noting "rates for active members and early retirees would likely be increase between 12-20% across the various plans for the upcoming year"; and

WHEREAS, such proposed exorbitant rate increases will fall upon the local property taxpayer along with the local public employees at a time in our economy where there is record inflation; and

WHEREAS, the proposed premium increase for most active employees will deduct thousands of dollars more out of their paychecks annually and lead to huge costs for local governments which will translate into unnecessarily higher property tax bills for Borough residents; and

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Council of the Borough of Clayton, County of Gloucester and State of New Jersey appeals to the State Health Benefit Commission to reconsider the exorbitant rate increase and propose a rate increase that is appropriate in the current economy and with consideration of the impact on local and county governments; and

BE IT FURTHER RESOVLED, that the governing body of the Borough of Clayton, County of Gloucester, urges the Legislature to adopt legislation expanding the composition of the State Health Benefits Commission to include representatives from both municipal and county government management; and

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to Governor Murphy, State Treasurer Muoio, Senate President Scutari, Assembly Speaker Coughlin, Senator Edward Durr, Assemblywoman Bethanne McCarthy Patrick, Assemblywoman Beth Sawyer and New Jersey State League of Municipalities.

ADOPTED at a regular meeting of the Mayor and Council of the Borough of Clayton, County of Gloucester, State of New Jersey held on December 29, 2022.

BOROUGH OF CLAYTON

BY: 

TOM BIANCO, MAYOR

ATTEST:


CHRISTINE NEWCOMB, Municipal Clerk

CERTIFICATION

I hereby certify that the above resolution is a true copy of a resolution adopted by the Borough Council of the Borough of Clayton, County of Gloucester, State of New Jersey, at a Regular Meeting held by the same on December 29, 2022, at 6:00 PM, in the Borough of Clayton Municipal Building, 125 N. Delsea Drive, Clayton, New Jersey 08312.


CHRISTINE NEWCOMB,
Municipal Clerk