

Cumberland County ABC Board
March 30, 2015
Special Meeting
Main Office, 1705 Owen Drive, Fayetteville, NC 28304

PRESENT: Johnson Chestnutt, Chairman
Wade Harden, Vice Chairman
Terri Thomas, Board Member
Bob Lewis, Board Member
Neil Yarborough, Attorney
Paul Sydor, Independent Benefit Advisors
Gene Webb, General Manager
Debbie Disbrow, HR Director
Carolyn Parker, Finance Officer/Secretary

ABSENT: Alice Stephenson, Board Member

Mr. Chestnutt called the Special meeting of the Cumberland County Alcoholic Beverage Control Board at 10:00 AM to order.

Mr. Chestnutt welcomed Mr. Paul Sydor, Independent Benefit Advisors, to the meeting.

Required Reading

Mr. Chestnutt read the required reading statutes GS 18B-201. The Board members did not have any conflicts of interest pertaining to the meeting.

NEW BUSINESS

Health Insurance Plan

Mr. Chestnutt said the purpose of this special meeting is to change the health insurance plan and to adopt an HSA plan.

Mr. Sydor explained to the Board that the current Blue Cross Blue Shield PPO health plan is considered a "Cadillac" plan because of the high premium. Effective 2018, the ACA "Cadillac Tax" will place a 40% tax on premium dollars in excess of a threshold that the Board's current PPO plan exceeds. In order to eliminate the "Cadillac Tax", the Board has chosen to participate in the ACA Transitional Policy Program which is a 3-year delay from classifying the Board from a large employer plan to a small employer plan (less than 50 employers) and avoiding the higher premiums of a small group.

Effective April 1, 2015, the Board's healthcare plan will be a BCBS High Deductible Health Plan (HDHP) with a \$1,800 Health Savings Account (HSA). The HDHP preserves the Board's status as a large group for the next 2 – 3 years and reduce the cost for the employees, dependents and the Board. The HDHP premium is subject to change every year and does not have any effect on the HSA contribution. The Board has the right to change the amount of contribution to the HSA at the beginning of the healthcare plan year.

The IRS HSA regulations permit the Board to make the \$1,800 HSA contribution only for employees that have a HDHP and do not have other non-HDHP health coverage. The Board has 12 employees with non-HDHP health coverage. There are 9 employees with Tricare and 3 employees with other non-HDHP insurance.

Mr. Saydor said IBA's attorneys, Hinkle Law Firm, have reviewed the complex regulations concerning IRS Section 125, HSA regulations, and regulations specific to Tricare and employer health coverage. Hinkle Law Firm has recommended that the Board give the Tricare and other non-HDHP employees a \$1,000 Flex Credit to help with their dependent premiums or as taxable income. The Board by law is not required to give the non-HDHP employees a Flex Credit.

Mr. Saydor recommended that the Board hire a law firm to update the system's Section 125 Cafeteria Plan to include the HSA and the Flex Credit. He said Hinkle Law Firm in Wichita, Kansas, would update the Board's Section 125 Cafeteria Plan for \$1,500.

Mr. Chestnutt asked for a motion to adopt the healthcare plan recommended by IBA.

MOTION: Ms. Thomas made a motion to adopt the new healthcare plan recommended by Mr. Sydor, Independent Benefit Advisors, to include the High Deductible Health Plan with a Health Savings Account and a \$1,000 Flex Credit for the non-HDHP employees.

SECOND: Mr. Hardin

VOTE: Unanimous

Mr. Chestnutt asked for a motion to hire Hinkle Law Firm to prepare the Section 125 Cafeteria Plan for a HSA and a Flex Credit plan .

MOTION: Mr. Hardin made a motion to contract with Hinkle Law Firm, Wichita, Kansas, for the amount of \$1,500 to draw up the IRS Section 125 Cafeteria Plan documents for the High Deductible Health Plan with a Health Savings Account and Flex Credit plan for non-HDHP employees through IBA at IBA recommendation.

SECOND: Mr. Lewis

VOTE: Unanimous

Mr. Chestnutt asked for a motion to adjourn.

MOTION: Ms. Thomas moved to adjourn.

SECOND: Mr. Hardin

VOTE: Unanimous



Chairperson