



**TOWN OF HAMDEN, CONNECTICUT**  
**Economic & Community Development Department**  
2750 Dixwell Avenue  
Hamden, Connecticut 06518

**Dale Kroop, Director**

**Minutes:** The Economic Development Commission, Town of Hamden, held a Regular Meeting on Tuesday, October 8, 2013 at 5:30 p.m. in the third floor conference room, Hamden Government Center. The following issues were discussed:

Commissioners in Attendance: Mr. Sachetti, Mr. Rolnick, Ms. Gretencord, Mr. DeNicola, Ms. Borrelli, Mr. Inzero, Mr. Moses, Mr. Diaz, Mr. Zambrano, Mr. DelGrego

Commissioners Excused: Ms. Giannini

Others in Attendance: Guest Mr. Koscinski of Weinstein & Anastasio, P.C., Speaker Mr. Joseph McDonagh, CLU, ChFC, CLTC, Mr. Kroop, Economic & Community Development Director, Ms. Tobin, Commission Clerk

1. Call to order

Mr. Sachetti called the meeting to order at 5:30 p.m.

2. Reading and Approval of minutes of the Meeting of September 10, 2013

**Mr. DelGrego made a motion to approve the minutes of September 10,, 2013. Mr. Zambrano seconded the motion. The vote was unanimous in favor.**

3. Speaker Series:

Joseph McDonagh, CLU, ChFC, CLTC

The Impact of the New Affordable Health Care Act on Small Businesses: Health Care Exchanges

Mr. McDonagh distributed an information sheet on the new Affordable Care Act, a copy of which is attached. The sheet provides information on Large Businesses, Small Businesses and Individual plans and includes definitions of large/small businesses and information for individual plans. Mr. McDonagh said this is one of the most misunderstood pieces of legislation in years. Coverage must provide 60% of medical costs. Large company group insurance will be based to some degree on health history. Some individuals will be eligible for subsidies based on their income and number of family members. For small companies, health history does not matter. As of 1/1/14 no matter what your health history is you will get insurance – and pay the same amount as the person standing next to you. One of Mr. McDonagh's clients is a three person business and their rates were raised 45% because one person got sick. That will not happen under the Affordable Health Care plan. Ages are factored in to the cost of the small business rates, and there are categories consisting of employee, employee plus spouse, employee plus children, and employee and family. Mr. McDonagh quoted a client, a mid size firm, for December 1<sup>st</sup> and January 1<sup>st</sup>. The rate came to 3% less in the January quote. If a company has nothing but young men, the cost will go up.

Connecticut uses four factors, age of employees, gender of employees, geographical location of company, and size of company. After January 1<sup>st</sup>, gender is eliminated, and if the business is made up of young women under 40, the cost might go down.

Mr. McDonagh said for small businesses, there is now an opportunity to purchase insurance for the company with specific plans designed to be offered on the exchange. Mr. Kroop commented that 85 % of businesses in Hamden have fewer than 20 employees.

The Exchange Marketplace is Access Health CT. For individuals, Anthem, ConnectiCare and HealthyCT are the providers listed. Anthem has created a new doctor network called Pathway, they will have 85% of the doctors and 90% of the hospitals on their plan. What hospitals and doctors will be cut? ConnectiCare set up a subsidiary and will have different doctors on that network. The Non Exchange Individual Markets will be the same insurers as today and are expected to have larger doctor networks than the Exchange products and will cost more. Aetna, Anthem, ConnectiCare, CIGNA and United Health Care (Oxford) and HealthyCT.

There are 16 plans for individuals. The subsidy is meant to get you to the \$600 per month based on different metal levels. All of the plans have significant deductibles. Insurance companies had to come up with plans to meet the 60% (58-62%). Some insurance companies will be getting rid of certain plans. Some will benefit and some will not. The main changes will be for small businesses and individuals.

Mr. Rolnick asked if on all of the individual plans there is a maximum individual out of pocket. Mr. McDonagh said \$350. In the past businesses could give an employee a check and tell them to find a suitable plan. Now companies offer defined benefits and will pay a certain amount, but if you choose a higher plan the employee will pay the overage. There was discussion on facility fees being added to the costs of certain services, such as MRIs. Legislation is being introduced to require the facility fee to be stated. Mr. Kroop said he is trying to be a source of information and will try to have some vignettes explaining the Affordable Care Act on the web site. He will also email the Kaiser video to commissioners. We want to be a resource for a person wanting to start a business, or move their business from their home to a small facility. If someone doesn't know their income, how would they know what 9.5% is. Mr. McDonagh said when you go on the Exchange, they will ask you about your household income, (2012 tax return). Based upon what you say (information will be checked with IRS, etc.) you can take your subsidy as you go, or you can get a credit on your tax return the following year. You might have to repay some of the subsidy, or you might earn additional subsidy. Subsidies are done on a monthly basis.

If you have a grown offspring living with you that you don't claim in your tax form, they are not part of your household for insurance purposes.

Mr. McDonagh strongly urged that insurance be addressed now, even though there is a one year postponement for businesses. The waiting period for employees to be eligible for insurance is no more than 90 days, so some companies are adopting a 1<sup>st</sup> of the month after 60 days eligibility. The penalty for individuals not purchasing insurance is \$95 or 1% of your income, and is assessed once per month.

Another non profit health care plan will be opening in CT. Once the Affordable Care plan is in place, people will begin to accept it.

#### 4. Report of the Director

Budget: Page 2 shows encumbered funds. We are waiting for paper work from Rite-Quote. They have opened their call center in an old house on State Street. A group will be putting their temple in there. The gentleman's name is Manny. He is very aggressive and did a great job on the house.

Tri Con purchased 400 Goodrich Street, and the renovations are just about done. They are doing a great job and should be done by the end of October. That is basically all we have in the works. We currently have \$380,000 in unencumbered funds available.

The \$5,000 grant for Burt Laboratories was approved by the Legislative Council last night for their manufacturing facility on Overlook Drive.

Regarding the two micro loans that the Commission previously discussed, one is contacting their lawyer and will try to work it out amicably. The other will give us a letter saying what we can do. How much do we want to spend to collect \$800. Mr. Kroop is not sure if there is anything in the loan documents saying that the borrower would have to pay collection fees.

#### 5. Old Business:

Mr. Kroop said that he was attempting to get a speaker on internet commerce for November, but it didn't work out. He does have a human resources consultant that will make a presentation. The ECD Department has an electronic mailing list of about 700, plus specialized mailing lists. Mr. Kroop is about to make some upgrades in sharing information to our web site, adding energy programs, (on the commission's site and the Town's) and you can go to residential or business programs. With help from Mr. Diaz, it will have information on job training programs, plus other links to Gateway, and others. We will publicize this to email lists and media. Mr. Kroop put an article in "Community News" and said that paper prints everything he sends. DelGrego said the front page of the web site should bring you to the ECD information and be set so you don't have to go back and forth.

Ms. Gretencord asked if Mr. Kroop thought of webinars for presenting this information. Mr. Kroop said he will use podcasts. He has done 20 minute podcasts on Mr. Pearce's Business Assistance Center programs.

#### 5. New Business:

Mr. Kroop said there used to be a business resource center in the Library. Through the years, and with the opening of the Business Assistance Center, the resource center was neglected. The new library director contacted him about refreshing it. We need to modernize what we have. Ms. Amodeo also spoke to CT Works about having a job resource area. Mr. Kroop will find out what the tasks are and then present an outline to the Commission. Mr. Sachetti asked if other towns have these centers. Mr. Diaz said Branford and Old Saybrook have some business presence in the libraries. A lot more people are using these services than ever before. This would be a perfect intern project. Perhaps we can model our resource center after Mr. Diaz's.

Mr. Kroop announced that Economic Development will be having a couple of cluster meetings before the end of the year, and Commission members are always welcome to come. Mr. Kroop is planning a real estate cluster, and a workforce cluster. Cluster meetings usually take place at 8:30 and include a speaker and refreshments.

Mr. Kroop is starting to take an inventory at the Acme Mall, to discuss what their needs are, and he is in touch with the mall owner who is interested only in filling the space. Stop & Shop will be leaving in a couple of weeks, and their lease expires in February, 2014.

Economic Development's administrative help has been extended until February. The budget package comes out after Thanksgiving, and then gets submitted to the Town and is finalized in May. He will ask for more help in his office.

The Spanish brochure is done and there are 300 Spanish businesses on the statewide mailing list. This will be a test case.

Burt Laboratories was awarded the package this Commission approved for them, but the Legislative Council with help from Mayor passed an Ordinance that only pertained to Burt processing. They want to do a huge install of solar panels on their current manufacturing facility at a cost of \$3-400,000 and needed a two week tax abatement on their solar panels this year, and as of January 1, they will be eligible for federal benefits.

A three story hotel that will be built behind the strip center on the Centerbrook Lumber property is almost approved. It will have 105 rooms with nice facilities in it. There will be another small building where the strip center is currently, and the Centerville Lumber building will have a small addition on it for retail.

The building at the corner of Mather and Dixwell will start coming down in the next couple of months.

The Town Attorney wants to make modifications to our Ordinance regarding incentives to match what the state has. We will discuss this at the November or December meeting. Mr. Kops will present an outline for the Commission.

6. Project Updates: Redevelopment, Openings, Etc.

Minuteman Press will have their ribbon cutting on Friday, October 11<sup>th</sup> at noon - 2348 Whitney Avenue

The Smoke Shop ribbon cutting will be held on October 15<sup>th</sup> – on Whitney Avenue near Tonino's.

The Business Incubator at Newhall and Morse is moving forward. The Legislative Council approved the \$5 million grant at its meeting last night. There will be another tour and he would like commissioners to see what it looks like today as compared to the future. They are in the process of seeking an historic property designation which will provide tax credits. Construction is scheduled to begin in April of 2014.

8. Adjournment

**Mr. DelGrego made a motion to adjourn. Mr. Diaz seconded the motion. The vote was unanimous in favor. The Meeting adjourned at 6:45 p.m.**

Submitted by: \_\_\_\_\_  
Gerry Tobin, Commission Clerk

## The Affordable Care Act/Obamacare

### 1. Large Businesses

Definition: 51+ full-time and/or full-time equivalent (FTE) employees  
(full-time = 30 or more hours; FTE = # hours worked ÷ 30)

- a. No benefits offered  
Penalty: \$2,000 x all full-time employees minus the first 30 (i.e., 55 employees, \$2,000 x 25 = \$50,000)
- b. Benefits offered
  - i. Is coverage affordable (employee's share of premium less than 9.5% of employee's W-2 wages)?
  - ii. Does plan provide benefits that meet Minimum Actuarial Value?
  - iii. If no to either question, *and* at least one employee enrolls on the Exchange, *and* receives a Federal subsidy, then Employer pays a penalty of the lesser of \$3,000 x all employees receiving Federal subsidies, or \$2,000 x all full-time employees minus the first 30.
  - iv. Plans offered will be designed to match the "metal tiers" – bronze, silver, gold, and platinum. Premiums, like now, will be based on a variety of factors, including group census, claims experience, geographic location. New plans and rates go into effect on the anniversary date of the insurance.

Note: Penalties have been delayed until 2015.

### 2. Small Businesses

Definition: Less than 51 full-time and/or full-time equivalent (FTE) employees

No penalty for failing to offer insurance to employees.

Plans offered will be designed to match the "metal tiers" – bronze, silver, gold, and platinum. Premiums will be based solely on geography (location of the business) and age. No five-year age banding. No gender discrimination. Dates of birth of the employee, employee's spouse, and employee's children will all be used to determine the employee's cost. New plans and rates go into effect on the anniversary date of the insurance.

Companies with (a) more than 20 employees, or (b) a mainly young, male census, might consider renewing their insurance plans *before* January 1, 2014, to delay ACA's impact.

Companies with (a) fewer than 10 employees, or (b) a mainly older and/or female census, might consider renewing their insurance plans *on* January 1, 2014, to take advantage of ACA.

### 3. Individuals

Individuals now will include sole proprietors. Small group coverage will no longer be available to a sole proprietor.

No medical underwriting. No pre-existing conditions exclusions. Individual mandate (\$95 penalty or 1% of annual income, whichever is higher) if no insurance. Open enrollment period: October 1, 2013 to March 31, 2014. First enrollment, January 1, 2014. If not insured by March 31, 2013, insurance will be *unavailable* until January 1, 2015.

Alternatives for individual coverage:

a. The Exchange/Marketplace:

- Access Health CT.
- Three insurers: Anthem, ConnectiCare, and HealthyCT
- Only way that an individual can receive a Federal subsidy
- Subsidies available if household income is below 400% Federal Poverty Level (FPL)\*
- Metal tiers: Bronze, silver, gold, and platinum (some carriers may not offer platinum level plans)
- Provider networks expected to be smaller than offered by non-exchange products (Anthem's network called Pathway)

b. Non-Exchange Individual Markets:

- Same insurers as today (Aetna, Anthem, ConnectiCare, CIGNA, United Healthcare (Golden Rule))
- Doctor networks expected to be larger than Exchange products
- Premiums expected to be higher than Exchange products

\*

	1 Family Member	2 Family Members	3 Family Members	4 Family Members	5 Family Members	6 Family Members
138% FPL	\$15,856	\$21,404	\$26,951	\$32,499	\$38,047	\$43,594
400% FPL	\$45,960	\$62,040	\$78,120	\$94,200	\$110,280	\$126,360

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