

Village of Bellaire

ADMINISTRATION AND PERSONNEL COMMITTEE

David Schulz, Chairman

Butch Dewey

Denny Balon

Meeting Minutes

November 10, 2011

3:00 p.m.

1. **Call to Order:** Chairman Schulz called the meeting to order at 3:00 p.m.
2. **Attendance**
 - Members Present:** David Schulz, Denny Balon & Butch Dewey
 - Members Absent:** None
 - Staff Present:** Russ Fillmore, Ken Stead, Al Odom, Cathy Odom, Aaron Kirt, Janet Koch, Bill Drollinger, Brad Rowe, Chris Thompson.
 - Others Present:** None
3. **Approval of Agenda: The agenda was approved.**
 - Motion by Dewey, seconded by Balon, to approve the agenda as presented. Motion carried by voice vote.**
4. **Approval of Minutes:** The Administration Committee minutes for October 27, 2011 were approved.
 - Motion by Balon, seconded by Dewey, to approve the minutes of the October 27, 2011 meeting. Motion carried by voice vote.**
5. **Public Comment on Agenda Items:** Schulz said he would like to combine public comment with Old Business if the other committee members agreed. Dewey and Balon thought that would work fine.
6. **Old Business**
 - a) **PA 152 of 2011 (formerly known as Senate bill 7):** Schulz summarized PA 152 for the committee and employees present. He said that the state legislature passed PA 152 which required council to choose one of three options for employee health care. One is an 80/20 split of premium payments between the municipality and employees. Second is a maximum amount that the village would pay for single, 2 person, or family coverage. The third option is exempting out of either of the previous options. This will require a 2/3 vote of the village council.

Schulz asked everyone to look at a handout showing insurance costs for the last five years. Another handout was a list of what other municipalities in the state are doing regarding the PA 152 decision.

Schulz said he had run numbers and determined that, with the 80/20 option, an employee with a family insurance policy would be paying about \$380 per month, or a nice car payment. If the village goes to the hard cap, that monthly payment would go to

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\$580 a month, or a monthly mortgage payment. He said he has problems with both of those.

He said that he thinks the Admin. Committee will recommend to council that the village exempt out, effectively telling the state that the village can figure out on their own what is needed. He said the committee would be meeting in another week to finalize their recommendation in time for the December council meeting. Information is being gathered from other area villages regarding benefits. He wants council to understand where Bellaire stands in relation to Elk Rapids, Central Lake, Mancelona, etc., concerning the overall employee wages & benefit package. To him it's important to know if Bellaire's employees are in the middle of the pack, at the bottom, or at the top. He thinks there are some perceptions that Bellaire is much more generous than any other village.

He said the decision that council will make will impact the lives of the staff and he feels it's a necessity to find out what's acceptable to the employees. The goal, he said, is to somewhat reduce annual increases in health insurance costs. Last year's increase was about \$14,000.

Fillmore said that Schulz had said that tax values are going down. Fillmore said that would be pertinent if wages had gone up when revenues had gone up.

Stead pointed out that on the snow sheet and with the phone, just on the weekends from November 1 to April 1, that there are 792 hours that no one's getting paid for, and not asking to get paid for. He said the only time they get paid is if they come in. During the week there are 990 similar hours, because you're responsible for 18 hours during your shift to look. Stead said that if you're responsible, you can't leave home.

Kirt said there are a lot of different financial situations among the employees. Koch said she appreciated the committee inviting the employees to discuss the issue. Drollinger and Rowe said they appreciate the health insurance the village provides.

Rowe said he didn't want the concessions and wage freezes and agreements made in past years to be forgotten. He added that his fear is that the employees will lose the current Blue Cross plan, because once that plan is gone, it can't be reinstated.

Thompson said if the money employees are asked to contribute for insurance is too great an amount, he'll have to find additional employment to compensate that loss, and with the responsibilities of his job with the DPW, finding that employment would be difficult.

Schulz asked Koch to get with Ken and factor in the weekend and weekday snowplowing hours into wages, take an average DPW wage and multiply it out so council can see the amount of money the village would have paid if those hours had been wages. He said the talent in the room was huge and they need to impress upon council what could happen to the village's ability to provide services to residents if any employee leaves to find other employment so they can afford to meet their bill obligations.

Dewey asked if they knew the amount that the premiums would be increasing and was told they didn't. Stead said the employees understand the financial difficulties the village faces and all do their best to save the village money. Schulz said the decision

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will ultimately come down to revenue sources and expenses. He added that everyone has done a phenomenal job saving money and being able to continue that will be a huge help.

Rowe asked if the issue of paying for health insurance will have to be revisited every year to determine what is affordable for the employees. Schulz said that Antrim County has a formula to deal with that issue and will get that information from the county. He agreed that it would be best to have a long term solution.

No action was taken by the committee.

7. New Business

a) **Various Matters As Appropriate:** Schulz mentioned the village Christmas get-together. He asked everyone to tell Janet or Cathy whether they'd prefer meeting at someone's home or at a restaurant. He also asked for a preference for a day of the week.

8. Discussion Items: Dewey told the employees that if they had any suggestions or plans regarding village operations to talk to a council member.

9. Communications/Informational: None presented.

10. Member/Public Comment: Schulz thanked employees for taking an hour out of their schedules and told them to expect more of that type of meeting in the future. He said there is no way for council to make intelligent decisions without asking and talking. Stead said he appreciated being asked. There was general agreement at this statement.

11. Adjourn: Meeting adjourned at 3:52 p.m.

Respectfully Submitted by:
Janet Koch, Clerk

Approved: _____

Date: _____