

# Village of Bellaire

## ADMINISTRATION AND PERSONNEL COMMITTEE

David Schulz, Chairman

Butch Dewey

Laurie Sexton

### Meeting Minutes

January 18, 2013

12:00 p.m.

1. **Call to Order:** Chairman Schulz called the meeting to order at 12:10 pm.
2. **Attendance**
  - Members Present:** Chairman David Schulz, Butch Dewey, Laurie Sexton
  - Members Absent:** None
  - Staff Present:** Janet Koch, Clerk
  - Others Present:** None
3. **Approval of Agenda: The agenda was approved.**
  - Motion by Dewey, seconded by Sexton, to approve the agenda as presented. Motion carried by unanimous voice vote.**
4. **Approval of Minutes:** The December 17, 2012 Administration Committee minutes were approved.
  - Motion by Dewey, seconded by Sexton, to approve the minutes as presented. Motion carried by unanimous voice vote.**
5. **Public Comment on Agenda Items: None presented.**
6. **Old Business**
  - a) **Health Insurance:** Schulz presented a number of health insurance options provided by Darci Fitch of the Dewey Agency. He noted that the cost of the village's existing health insurance package for the next fiscal year is about a 13% increase from last year, an increase of more than \$20,000.

Schulz had confirmed with Bob Englebrecht of the Antrim County Equalization Department that the final evaluation numbers won't be ready until mid-February. He added that a second council meeting will need to be held in February since the budget cannot be finalized until the village receives the final evaluation numbers.

The committee looked at the options from Dewey Agency. The Community Blue products are very close to the current policy, but the annual out of pocket costs for deductible and co-insurance are a maximum \$1250 for a single policy and \$2500 for a family.

The number of Simply Blue policies is far greater. Schulz pointed out the Simply Blue HRA 4000 policy includes annual out of pocket costs of deductible and co-insurance are a maximum of \$6,500 for single and \$13,000 for family. With an HRA product, the village could choose to pay the entire out-of-pockets costs. Community Blue does not allow the employer to pay out-of-pocket costs.

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If the village chooses to pay for all out-of-pocket costs for an HRA product, there is a financial risk to the village if all employees maximize their health insurance benefits in one year. According to Fitch, average utilization is 30%. Schulz said he would estimate that the village's utilization would be closer to 50%. If that were the case, the cost of health insurance for the village employees would be more than \$10,000 less than the current policy. The Community Blue policy with the lowest deductible allowed would cost the village about \$9,000 less than the current policy.

A third party company, MEBS, Michigan Employee Benefits Services, would be hired to process the out-of-pocket payments if council chooses to purchase a Simply Blue HRA product. There will be an annual fee and a small monthly per-employee fee.

The committee discussed the differences in coverage between the Community Blue and Simply Blue products. Koch said she had talked to the DPW about the potential changes in the employee health insurance coverage. She said if the Community Blue coverage is more complete than the Simply Blue, that they might prefer the out-of-pocket costs. Schulz asked Koch to arrange an informational meeting between Darci and the village employees regarding insurance questions before the next Administration & Personnel Committee meeting.

No action was taken by the committee.

**7. New Business**

- a) **FY 2013-2014 Budget:** Schulz said a lot of the committees are meeting and finalizing numbers for the new budget. He added that the two largest components of the budget are wages and health benefits which the Administration Committee is currently working on.

Koch said that the village does not have a current Capital Improvements Plan and that one should be implemented. Schulz asked Koch to work with the treasurer and the DPW Supervisor to create a draft CIP by the next committee meeting.

No action was taken by the committee.

- b) **Various Matters As Appropriate:** None presented.

**8. Discussion Items:** The committee discussed the status of the Wastewater Treatment Plant personnel.

**9. Communications/Informational:** None presented.

**10. Member/Public Comment:** None presented.

**11. Adjourn:** Meeting adjourned at 1:10 p.m.

Minutes compiled by:  
Janet Koch, Clerk

**Approved:** \_\_\_\_\_

**Date:** \_\_\_\_\_