

# Village of Bellaire

## ADMINISTRATION AND PERSONNEL COMMITTEE

David Schulz, Chairman

Butch Dewey

Laurie Sexton

### COMMITTEE MEETING MINUTES

Thursday, January 2, 2014

2:00 p.m.

1. **Call to Order:** Chairman Schulz called the meeting to order at 2:03 pm.
2. **Attendance**
  - Members Present:** David Schulz & Eugene (Butch) Dewey.
  - Members Absent:** Laura Sexton
  - Staff Present:** Clerk, Cathy Odom, Treasurer.
  - Others Present:** Colette Stanish, Darci Fitch, Pat Dewey & Dan Bennett (2:15pm) to observe.
3. **Approval of Agenda:** The agenda was approved.  
**Motion by Dewey, seconded by Schulz, to approve the agenda as presented. Motion carried by voice vote.**
4. **Approval of Minutes:** The Administration Committee minutes of December 17, 2013 were approved.  
**Motion by Schulz, seconded by Dewey, to approve the minutes of the December 17, 2013 meeting as presented. Motion carried by voice vote.**
5. **Public Comment on Agenda Items:** None presented.
6. **Old Business:** None presented.
7. **New Business:**
  - a) **Employee Health Benefits:** Darci Fitch presented some information to the committee which explained changes occurring due to the Affordable Care Act (ACA). We will not be able to keep the current plan because it is not ACA compliant. They have mapped us to a different option, but there are also other choices that can be made. Mr. Schulz stated he would like to see the plan that is compliant and the one that most resembles our current plan. Ms. Fitch explained how rates are charged with the ACA. She said there is no longer a single, two person or family rate. Each person has a rate that is based on age so everyone employee will have a different total rate charged. Rates cap at three kids under the age of 19, but we will be charged for everyone if they are over 19. The rates presented do not include Mr. Fillmore, the new clerk or the taxes & fees that are now charged. Taxes & fees are from 5% to 6%. Ms. Fitch explained some of the differences in coverage. With the new plan the

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deductible, co-insurance and maximum out of pocket stay the same. After the deductible is met, the plan pays 80%, employee pays 20% until the maximum out of pocket is reached. One thing different with the ACA plan, co pays will be applied to the in network out of pocket maximum so we will reach the maximum out of pocket quicker. The plan will then pick up claims at 100%. Urgent care co pays are increased with the new plan. Rehab and chiropractic services have also changed. The new plan has combined these services and the plan allows for only 30 visits. The prescription coverage for a 90 day supply has also changed. We could get a 90 day supply for two co-pays and now the cost will be three co-pays minus \$10 except on the generic drugs which stays at the cost of two co-pays. The ACA is also requiring different coverage's for pediatric (under the age of 19) dental & vision. Ms. Fitch suggested to have the employees find out how services will be covered when their children need something done. There is also going to now be a deductible on class 2 & 3 services, however, on some services where they used to be covered at 75%, they will now be covered at 80%. Currently the numbers show a 12% reduction in costs for the next fiscal year, but those costs do not reflect the new Clerk, once they are hired. Mr. Schulz would prefer not to change the coverage any more than we have to and as soon as the Clerk is hired we will have a better idea of actual costs and savings. Trustee Dewey stated that once we add the new employee, the savings may not be there.

Ms. Fitch explained that with the ACA changes, the Village should make sure that the employee handbook specifically explains full time status and how long are benefits in place if someone leaves employment. She explained that the Village should create a summary plan and keep it with the employee handbook in case we are audited due to the requirements of the ACA. If we become a member of the Michigan Business and Professional Association for a cost of \$125, they will provide all of these notices and will create the plan summary. They will also provide any amendments to the plan as they are needed.

Mr. Schulz asked if an employee could go out to the market to look for insurance and if they did, does the ACA allow for a payment in lieu of benefits. Ms. Fitch as of right now it is allowed. Mr. Schulz stated that currently the plan is to stay with the policy that the Village was mapped to, we will put in costs for the new employee and if changes need to be made we will contact her. Mr. Schulz asked her the timeline if changes are made and Ms. Fitch stated that to just add employees no time is needed, but if we would like to make a plan change, then 20 to 30 days notice should be given.

- b) Budget:** The committee reviewed different areas of the budget including public safety, major & local streets and cemetery. The public safety numbers presented show a budget with 2 and 3 officers. Mr. Schulz asked if we had the assessment for next year and Odom explained the numbers are not available at this point. He said he would like to keep the door open for a third officer because we are busier and to be able to provide more coverage. Odom will look at getting the numbers from equalization. Mr. Schulz asked to get the headlee amendment consideration and also

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to see if we can get the numbers for the inside and outside of the DDA. Odom explained the revenue in the cemetery fund and reminded the committee that Forest Home Township pays for ½ of the difference of revenues and expenses and we pay the other ½. They will pay nothing toward the expenses if our revenues exceed the expenses. The parks budget was discussed and it was noted that it's similar to the current budget. Revenue increased slightly due to the campground and the new budget will reflect that increase. Trustee Dewey informed the committee that this will be the last summer Jim Smith will work for us. Dewey suggested hiring a full time employee that will mow in summer and plow in winter for the 15-16 budget. Odom said the committee will have to decide if the opt out payment will be continued. With the ACA, each person has a premium, there is not one family price any longer. Discussion of this occurred. Dewey said it doesn't affect those whose spouse works elsewhere, only those where both work for the Village.

c) **Various Matters as Appropriate:** None presented.

**8. Discussion Items:** None presented.

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

**10. Member/Public Comment:**

- Dan Bennett asked if the insurance representative explained a shop program and it was noted that she had not. He said it is a small business insurance. He would like to see the employees look at the market place to see if there is a savings and the Village could put in what they currently do. Mr. Schulz asked if our insurance representative would help the employees do this and it was noted we would have to ask. Odom is not sure they would do that. Dewey said if the employees opt out and they go to their own plan, are we going to be able to put them back on and would we want to. He noted that there are many new things that could surface over the next few years with the ACA and we don't know what is going to happen.

**11. Adjourn:** Meeting adjourned at 3:07 p.m.

Minutes compiled by:  
Cathy Odom, Treasurer/Deputy Clerk

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

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