

A REGULAR MEETING of the Board of Chippewa County Road Commissioners was duly held in their offices located at 3949 S. Mackinac Trail, Sault Ste. Marie, Michigan on March 13, 2014.

The meeting was called to order at 8:00 a.m. followed by the Pledge of Allegiance.

PRESENT: Commissioners Timmer, LaJoie and Ormsbee, Manager Laitinen, Office Mgr. Decker, Clerk McDowell, Assistant Engineer Deatruck, Surveyor Wiggins, Foreman Pesola, Foreman Erickson, Foreman McConkey, Chief Mechanic Avery and Union President Hopper.

ABSENT:

Chairman Timmer approved agenda as presented.

MOTION by Commissioner Ormsbee **SECONDED** by Commissioner LaJoie that the Payroll in the amount of \$158,578.05 and Vouchers in the amount of \$393,916.21 be approved and authorized for payment from the County Road fund subject to audit.

MOTION CARRIED

MOTION by Commissioner Ormsbee and **SECONDED** by Commissioner LaJoie to approve the minutes from the Regular Meeting held on February 27, 2014 and place them on file.

MOTION CARRIED

PUBLIC COMMENTS-None

STAFF REPORTS

Foreman Pesola

- Crews are busy winging, blowing back banks and opening drains in preparation for spring thaw.
- General equipment maintenance.

Foreman Erickson

- His crews are also busy winging, blowing banks and dealing with water problems.
- Patching when weather allows
- Frost level is deep this year and will be a rough spring for pot holes.

Foreman McConkey

- Crews are winging, working to try and cut ice from roadways and general equipment maintenance.

Surveyor Wiggins

- Working on preparing stream crossing permits.

Office Manager Decker

- Audit completed with no significant findings. Preliminary audit report should be back next week and will be schedule an exit conference with the auditor.
- Certification maps have been added to the road commission web site.
- Working on adjustments to the fringe and equipment rental rates for the State.

Assistant Engineer Deatrick

- Federal aid project, 1 ½ Mile Road on Sugar Island, has been cleared for bidding.
- Working on final accounting of the federal aid projects from last year.
- Working on bridge approach paving project.
- Will be attending a paving show this next week.
- Received notice from the Federal Lands Assistance Program that our application for improvements to the Curley Lewis Hwy was rejected.

Chief Mechanic Avery

- Working on routine repairs

COUNTY COMMISSIONERS' COMMENTS-None

MANAGERS REPORT

- Reported on CRAM Meeting held in Lansing last week. The entire meeting was very well attended. Had opportunity at the UP Legislative Banquet to have dinner with Dick Postumus from the Governor's office. The following morning we did have meetings scheduled with Representatives Walker and Foster to discuss funding issues. They both were supportive of getting something passed for road funding. There was also a very good presentation by Pennsylvania DOT Director. Pennsylvania doesn't have County Road Agencies but roads are maintained by State DOT along with city and villages. He was very involved in helping to get a 2.3 billion dollar funding package passed in the state of Pennsylvania.
- There have been very positive talks of the possibility that during spring breakup we may see a push to get some funding passed for roads.
- Recent polling numbers relating to states excess revenue and how they feel it should be spent indicated 37% feel it should be used for education 36% feel it should be spent on roads and bridges and 12% stated they would like a refund.

- Press Release received late yesterday stating the legislature did approve a onetime deal of 215 million for transportation. 1 million of this will be redistributed through the MTF formula, which will be approximately \$360,000 of discretionary maintenance funds for us. The other 115 million will be distribute for legislatively selected projects.
- Met with DEQ Director to discuss general ideas to settle our past alleged violations. Seamed to be somewhat productive.
- Made presentation at Rotary luncheon Monday of this week on Sugar Island flood damage. Was surprised by the number of people here in the Soo that had no idea of the extent of the damage. Introduced those present to our new web site and also handed out the Local Roads Matter pamphlets.
- Held Task Force workshop yesterday to work at balancing all the projects to the dollar and zero everything out. All of the projects we had scheduled will proceed. Will hold final RTF Meeting the first part of April.
- Working on Service Time Policy.
- Meeting to attend in Escanaba next Tuesday on employment practices presented by our liability pool.
- Continue to monitor the frost levels and foresee spring weight restrictions will be a while yet.

Manager Laitinen presented letter dated February 24, 2014 from the Department of Natural Resources supporting flexibility in this year's spring weight restrictions for the timber producers carrying wood to the mills.

Manager Laitinen stated we have always tried to work with the loggers and when temperatures and conditions are right have allowed them to move timber to the mills during restricted times.

Discussion ensued on percentage for roads which is written into the DNR's agreement and how it is used.

UNFINISHED BUSINESS

- a. Policy on Purchase of MERS Service time.

Manager Laitinen presented draft policy for purchasing MERS service time. The policy states that an employee must attain an age of 55/25 or 60/10 in order to retire with the pension and health benefits in effect in the collective bargaining agreement at the time of retirement. The policy addresses the MERS process for the purchasing of service time. It states that the substitution of purchased service time in place of actual service places additional financial burden upon the employer. Manager Laitinen recommended that upon completion of 10 years of actual service an employee may substitute up to one year of purchased service time and upon completion of 20 years of

actual service an employee may substitute up to an additional two years of purchased service time for actual service time. Manager Laitinen stated he did ask other counties for their policy or comments regarding purchasing of service time, but no one county has sent him any specific language or a policy they have adopted for the purchasing of service time. The one comment he did receive was that it does affect your unfunded liability as it appears on our audit report.

Discussion ensued on approval of the MERS service purchase policy.

Commissioner Ormsbee indicating he feels that we should revise the policy and allow the purchasing of 5 years of time following the MERS current guidelines.

Discussion ensued.

Manager Laitinen was directed by the Board to revise the MERS Purchase of Service Time policy to reflect the ability for an employee to purchase up to 5 years of service time and bring it back for approval at our next meeting.

b. Retiree Health Insurance plan upon Retirement.

Manager Laitinen opened discussions regarding retiree health insurance plan effective upon retirement. He indicated after a phone conversation with our attorney and after her review of the union contract language she was in agreement that we are on good legal standing to implement the Base Plan as identified in the contract, which would be at no cost to the retiree. She also indicated we could offer the ability for a retiree to upgrade to the other plans, but the additional cost would be the responsibility of the retiree. Manager Laitinen stated that if the option of purchasing up to a different benefit level fits well with some retiree's life style he would like to see this option allowed.

Commissioner Ormsbee stated personally, after review of the current contract language and discussions held with others while at the CRAM Meeting last week he is of the opinion, and stressed to all of our retirees and current employees that the health care plan they retire with isn't necessarily the health care plan that they will continue to have in retirement. He stated so, for whatever reason our current health care plan changes, then he would like to see this plan carry over to our retirees.

Manager Laitinen stated because our Blue Cross Blue Shield plans are self funded we are allowed to have various coverage levels. We currently have several different suffixes with different benefit levels for retirees. He indicated it has been the desire of the Board and Boards past to continue this practice. Manager Laitinen stated this is a diminishing population as it really only affects those employees hired prior to 2005.

Chairman Timmer discussed the 80/20 rule stating this is what the county has set up.

Union President Hopper stated past practice and what has been the interpretation of the contract is that a retiree would have the same coverage level as on the day of his retirement.

Commissioner Ormsbee stated we're not dealing with past practices but with rising health care cost. He stated the language in the contract is not specific, only that the employer agrees to pay the full cost of health insurance coverage for eligible retired employees, and it does not describe any particular coverage level.

Union President Hopper stated if this is the case then it should be negotiated into the contract to reflect that any employee hired after a certain date and eligible for retirement would have a changing health care benefit. He stated when the current contract and many before it were negotiated it was with the intent that whatever coverage level an employee had on the day of retirement would be his benefit level for the duration.

Perry Ross addressed the Board questioning the fairness in suggesting these changes. He stated himself and others have worked many years and made many concessions on wages and other items in order to provide insurance to the guys who walked out that door. To all of a sudden suggest this wasn't the intent hardly seems right.

Manager Laitinen recommended consulting with our attorney regarding these matters before taking any action that would change existing retirement benefit levels.

Manager Laitinen was directed by the Board that we move forward and implement the Base Plan as the 100% employer provided health insurance plan upon retirement with the two other optional coverage levels being available to purchase if a retiree so desires.

ROAD COMMISSIONERS COMMENTS

Commissioner Ormsbee

- Thanked everyone for doing a great job, roads look great.
- Asked that the plows located close to the intersection in Rudyard be moved back for safety reasons.
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Commissioner LaJoie

- Thanked everyone for all the extra time they are putting in and hopes the weather will break soon.

Commissioner Timmer

- Proud of the work our crews are doing, keep up the great job.

PUBLIC COMMENTS

Office Manager Decker indicated our workers compensation 3rd party administrator will be changing effective July 1st.

Perry Ross thanked the Board for their time and consideration. He expressed his disappointment that a contract which was bargained for in good faith now has to be turned over to an attorney for an opinion. He stated that he understands that there are burdens with health care cost, but asked the Board to be fair moving forward especially for those employees who have dedicated their careers here and who are getting close to retirement.

There being no further business to come before the Board Chairman Timmer adjourned the meeting at 9:23 a.m.

Christine A. McDowell
Secretary for the Board

Richard B. Timmer
Chairman