

A SPECIAL MEETING of the Board of Chippewa County Road Commissioners was held in their office located at 3949 S. Mackinac Trail, Sault Sainte Marie, Michigan on May 26, 2016.

The meeting was called to order at 9:00 a.m.

PRESENT: Chairman Timmer, Commissioner Ormsbee, Manager Laitinen, Office Manager Decker, Clerk Price

ABSENT: Commissioner Gagnon

GUESTS PRESENT: County Commissioner Raymond Johnson and Jennifer Michelin with 44North. Union Members Dave Piche, Randy Matheson, Kevin VanSloten, Frank Marsh and Union President Bill Hopper.

PUBLIC COMMENTS-None

HEALTH INSURANCE OPTION

Manager Laitinen opened the meeting by introducing Jennifer Michelin with 44North. Manager Laitinen's opinion is that the proposed change makes sense for all involved. The bulk of the savings in the proposed plan goes right back to the employees. This change would make the tier 2 plan within reach for the first time. Manager Laitinen informed the Board that we need to also talk about how to handle Retiree Insurance buy-ups and how to calculate the premium.

Jennifer Michelin informed the Board that a meeting was held the night before with the Union Members. She went on to discuss the proposed new funding arrangement. By going to a fully insured BC/BS high deductible plan, instituting an HRA (Health Reimbursement Arrangement) and changing prescription drug carriers they were able to preserve the benefit level and still generate a savings and reduce bi-weekly payroll deductions. Discussion ensued

Currently there are three tiers of coverage available to active employees. Each tier has an associated employee monthly contribution. Upon retirement the employee is provided the base plan free of charge. It is proposed that if the retiree so wishes they may pay the difference between the base plan and either Option 1 or Option 2. Example: Option 1 is \$91.00 per month the base plan is \$13.00 a month. The Retiree would pay the difference of \$78.00. It would be stipulated that the buy up amount for retirees would follow the same increases as active employees. Discussion ensued

MOTION by Commissioner Ormsbee to offer the buy-up to the Retirees for the difference in premiums with the understanding that the base plan will always be provided and be funded. Premium is subject to change based on what is available to current members.

MOTION FAILED FOR LACK OF SUPPORT

Chairman Timmer asked that the policy be written and agreed upon before a motion is passed.

In order to realize the full savings a decision needs to be made by June 1st. Manager Laitinen asked the Union members if they could be ready with a decision by Tuesday May 31st. The Union Members in attendance answered yes.

MOTION by Commissioner Ormsbee **SECONDED** by Chairman Timmer to authorize 44North to move forward with the high deductible BC/BS and HRA plan changes with the understanding

MOTION CARRIED

PUBLIC COMMENTS County Commissioner Raymond Johnson asked what type of savings is expected. Manager Laitinen answered approximately \$300,000.00 with most of the saving being on the employee side.

COMMISSIONER COMMENTS

Chairman Timmer thanked the Union Members for their involvement in the process.

There being no further business to come before the Board, Chairman Timmer adjourned the meeting at 10:00 a.m.

Amy L. Price
Board Secretary

Richard B. Timmer
Chairman of the Board