

A REGULAR MEETING of the Board of Chippewa County Road Commissioners was held in their offices located at 3949 S. Mackinac Trail, Sault Ste. Marie, Michigan on February 27, 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, Surveyor Wiggins, Foreman Erickson, Foreman Pesola, Foreman McConkey and Union President Hopper.

ABSENT: Chief Mechanic Avery and Assistant Engineer Deatricks

Chairman Timmer approved agenda as presented.

MOTION by Commissioner Ormsbee **SECONDED** by Commissioner LaJoie that the Payroll in the amount of \$146,988.35 and Vouchers in the amount of \$258,724.10 be approved and authorized for payment from the County Road Fund subject to audit.

MOTION CARRIED

MOTION by Commissioner LaJoie **SECONDED** by Commissioner Ormsbee to approve the minutes from the Regular Meeting held on February 12, 2014 and place them on file.

MOTION CARRIED

PUBLIC COMMENTS

Jesse Knoll stated crew on Sugar Island has done an exceptional job keeping up with roads this winter.

STAFF REPORTS

Foreman Pesola

- Indicated he is just returning to work after being gone for a few weeks and wanted to commend his crews for a great job in his absence.
- Will be working on winging banks back and taking care of routine winter maintenance.

Foreman Erickson

- Dealing with a few water problems.
- Winter maintenance

Foreman McConkey

- Winging banks and routine winter maintenance.

Surveyor Wiggins

- Working on Act 51 reports

Office Mgr. Decker

- Our web site is published and online. It will cover audit compliance requirements for 2014.
- Received rebate check from Cloverland Electric for the improvements performed last spring. It worked out to be around 18% of the total cost.
- Stated he had included the financial statements for the end of the year in Board packets today for their review. In discussing year end numbers with the auditor they don't foresee any large adjustments.
- Primary winter maintenance through the last payroll is at \$423,000 approximately 46% of budgeted amount and local winter maintenance is \$266,000 and is about 53% of the budgeted amount. We should stay within budgeted figures as long as winter doesn't extend to long.

Manager Laitinen indicated we did mirror last years winter costs reducing summer maintenance with hopes that if we came through winter ok then we could add things back in.

Manager Laitinen stated that Chief Mechanic Avery is in Pickford today working on their grader. Chief Mechanic Avery made a trip to Saginaw to check on the status of our truck and trailer. He indicated that the truck is about 70% complete and the trailer is done.

COUNTY COMMISSIONERS' COMMENTS-None

MANAGERS REPORT

- Have completed reviewing the URS Corp contract. All amendments have been included and the contract has been signed and sent to them.
- Mayer house across the street has been advertized for bid with a bid opening set for March 26th.
- MDOT has a standard set of plans for the construction of the new salt barn in Kinross. We have hired Gary Nitz, PE to help us with preparing the site plans, obtaining necessary permits and getting the bid package ready for an April or May letting.
- New web site is up and running www.chippewacountyroads.org. A lot of information is available on this site. He thanked Office Manager Decker for all his hard work getting this site up.
- Meeting later today with DEQ and Mackinac Environmental regarding UST (Under Ground Storage Tanks). DEQ has been granted some funding to help cleanup identified sites which have been left open. Potential sites which may qualify are Paradise garage, old garage site at Detour and also the Rudyard garage site.
- While in Lansing next week, we have been invited to attend a coffee and discussion session at Senator Walker's office at 8:00 a.m. to 9:00 Wednesday, March 5th. State Representatives have been invited as well. Also have arranged a meeting with Dan

Wyanttt, DEQ Director and Bill Creal, Chief of the Water Resources Bureau on Tuesday from 4 to 5 p.m. Two people may attend.

- Will be making presentation on March 10th at the Rotary lunch regarding Sugar Island storm and funding mechanism.
- Looking at switching to FHWA method for frost law calculation. Would like to begin tracking and comparing side by side with our observations.

Manager Laitinen presented two printed sets of the Act 51 annual maps which are a complete listing of all roads under our control. He stated they are required to be signed by the Chairman and sent to MDOT. He indicated these maps are used for computing our MTF.

MOTION by Commissioner LaJoie **SECONDED** by Commissioner Ormsbee to authorize Chairman Timmer to sign annual Act 51 maps.

MOTION CARRIED

Manager Laitinen stated he has been approached by an employee to purchase MERS Service time. He indicated MERS does allow this practice for an individual with approval of the governing body to purchase generic or military service time.

Manager Laitinen indicated in the past the purchase of service time has been allowed both generic and military. He explained the problem isn't in how it relates to retirement time for receiving a pension, but in receiving a health care benefit upon retirement. He stated as it currently stands an employee must have at least 10 years of service and be 60 years old or be 55 and have 25 years of service in order to receive health care benefits upon retirement.

Manager Laitinen stated he did contact our attorney Wendy at Michael Kluck's office and she indicated it's really up to the board, some counties allow the purchase of either, generic or military, some only military time. He stated that it's not an uncommon practice but Wendy did suggest that we set a policy on it. She also stated there is a form which the individual purchasing time needs to sign along with setting policy which the MERS Plan Document does require.

Manager Laitinen stated he knows in the past purchase of service time has been allowed both generic and military. He indicated we as an employer are not covering the cost of the purchase of service time.

Commissioner LaJoie indicted he feels that if we have offered it in the past then we should allow it now. If we want to change it for the future then we should make policy reflecting this.

Manager Laitinen indicated if we were to allow the purchasing of service time he suggested 1 year for every 10 years of employment.

Commissioner Timmer asked that staff research and get copies of other policies set by other road commissions. He indicated a two or three year range is fairly reasonable. Every case may be unique based upon various circumstances and we as an employer don't want to tie our hands. He stated that some employers have used this practice so as to reduce their workforce.

Perry indicated that MERS does allow the purchase of generic, military and other governmental time. He indicated other employees have purchased military and or generic time.

Manager Laitinen stated that yes the purchase of service time has been allowed in the past, but hasn't been used to retire early.

Perry indicated he did have an actuary performed by MERS and they allow a 60 day time frame for approval before another actuary is required.

Commissioner Ormsbee indicated he believes that MERS would be similar to that of the school system which allows the purchasing of up to 5 years.

Chairman Timmer stated we will do some further research and will draft policy to address it at our next meeting.

Manager Laitinen clarified that it was the consensus of the Board that we would move forward with a policy to allow the purchasing of service time through MERS.

Manager Laitinen opened discussions on health plan implementation upon employee retirement. He indicated even without the purchasing of service time there will be several employees eligible for retirement this year.

In all prior union contracts there was only one identified health care plan and now there are three plans. The base plan, option 1 and option 2. The practice has always been that the health care coverage an employee had in place upon retirement is the coverage that they would carry for the duration. In the union contract under Section 2 Health Insurance For Retired Employees hired before February 1, 2005 it states that the employer agrees to pay the full cost of health insurance for eligible retirees. With that sentence leaves the ambiguity of what coverage level would be covered at 100%. In discussions held with several employees looking at retirement this year, it is their expectation that whatever coverage level they have opted into at the time of retirement will be the benefit they retire with.

Manager Laitinen stated his thoughts were that the base plan would be provide for at full cost and the options to purchase the better plans would be available for purchase. He indicated he has mixed feelings taking into consideration both sides of the argument. He stated this would affect approximately 26 employees and is a diminishing population with the changes in our health care plan.

Manager Laitinen stated that PA152 doesn't come into play because it doesn't speak to retiree benefits. He suggested conferring with our attorney on this matter.

Commissioner Timmer indicated he interprets the language to read that we would provide the base plan and they could opt up to a better plan if they wanted.

Perry Ross stated the problem he sees is that we have an open enrollment for health care changes and anyone wishing to retire this year needs to make a decision now to what plan they would like. He stated he was on the bargaining committee and during the negotiating process it's always been based more on past practices and intent. Neither side needs an attorney there to negotiate for them. This would not effect that many employees, but the employees who would benefit from having the better insurance plan have made concessions for 20 years and if PA152 hadn't been enacted we wouldn't be here today.

Perry stated he is here today to try and get some answers. He would like to purchase the service time so he can retire with the health insurance he has worked for over the last 24 years. He stated the base plan was put into place to satisfy PA152 and PA152 doesn't address retiree benefits.

Chairman Timmer asked that staff determine how many employees this would affect. He also asked that we get a legal opinion from our attorney and suggested the union get a legal statement from the Steel Workers on their interpretation of the language. We will plan to revisit this topic at our next meeting.

Perry stated that according to notice we received we had until the March 31st for any changes to our health insurance, but it verbally came back to the union membership that the date had changed and it was now February 28th. He wanted to make sure that everyone wanting to retire would still be allowed to change to the better plan.

Manager Laitinen indicated he would verify the date and get back with him.

NEW BUSINESS-None

ROAD COMMISSIONERS COMMENTS

Commissioner LaJoie crews are doing a great job.

PUBLIC COMMENTS

Jim Moore commended Perry Ross and his crew from the Ruyard garage for the great job they do. He also thanked Randy Pesola who is always stopping to see if I have any concerns.

Jim asked about the Tribal monies allocated from last year.

Manager Laitinen stated there will be 5 or 4 roads on the Tribal TIP this season to be included in the local paving.

Perry Ross thanked the Board and Rob for taking the time to give consideration to his request and for a timely decision.

Manager Laitinen thanked crews for all their hard work this winter and for working and putting in so many overtime hours during last weekends storm. He stated because of the type of operations we perform we are exempt from the hours of service law under the motor carrier code. He asked that employees give consideration to safety when performing extended hours in the trucks and asked that if an employee is tired that they get out and take a break. He suggested opening discussions on developing a policy for consecutive hours behind the wheel.

Commissioner Timmer indicated we should be documenting break times to show the safety measures we are taking.

Foreman Erickson stated that when crews are performing these long hours he is in contact with them making sure they are not getting tired and if they need a break he calls them in.

There being no further business before the Board Chairman Timmer adjourned the meeting at 9:13 a.m.

Christine A. McDowell
Secretary for the Board

Richard B. Timmer
Chairman