

**MINUTES OF THE SOUTHFIELD TOWNSHIP BOARD OF TRUSTEES
SPECIAL MEETING HELD ON DECEMBER 17, 2013**

Supervisor Schmitt called the meeting to order at 5:35 p.m. at the Township Hall.

ROLL CALL:

Present: Supervisor Schmitt, Clerk Tischler, Treasurer Mooney, Trustees Koss and Walsh
Arrived Late: Trustee Holloway at 5:44 p.m.
Absent: Trustee Nelson

Others Present: Sandra LaJoie, Deputy Clerk

APPROVAL OF AGENDA:

Motion by Mooney, supported by Koss, the agenda be approved as presented.

Motion carried unanimously.

**DISCUSSION AND POSSIBLE REVISIONS TO THE 2014 HEALTH CARE
RESOLUTIONS:**

Trustee Koss indicated that at the December meeting it was suggested the Township reconsider a Group Health Insurance for the Township.

Trustee Koss explained after discussions with an Insurance Agent the following is being offered for consideration by the Board. Effective January 1, 2014, employee's contributions will be increasing from 10% to 15% of the monthly premium amount and will also include a deductible and co-insurance. The deductibles are as follows: \$500.00 single/\$1,000.00 two person or family. Co-Insurance of 20% to a maximum of \$1,500.00 single/\$3,000.00 two person or family.

Spread sheets were provided that can be placed side by side which provided a comparison between what was currently provided and the other proposals with various levels of contributions by employees. The Board can decide on any one of these or offer other options.

One of the major changes included in all options is the use of an HRA (Health Reimbursement Account) versus an HSA (Health Savings Account). Employees would no longer have a lump sum deposited into an HSA. Funds deposited in an HRA belong to the Township and are only paid when all other deductibles are met. The deductibles on the attached HRA plans are \$2,000.00 for individual policies and \$4,000.00 for family plans; \$500.00 and \$1,000.00 of those amounts respectively are paid in full by the employee before any co-insurance applies. Once that deductible is met, employees are responsible for 20% co-insurance payments until the \$2,000.00 and \$4,000.00 deductibles are met. If and when the employee deductible is met, the Township (out of the HRA contribution) pays 80% of the submitted bills and Blue Cross pays 20%. Once the Township meets its' deductible limit, Blue Cross pays the entire amount. In summary, employees out of pocket expenses would be the portion of the premiums that they will be

responsible for paying and the \$2,000.00 deductible for an individual policy and \$4,000.00 for a family plan.

None of the policies include dental or vision insurance.

Trustee Koss proposed 15% of premium contribution by the employees and the 80% (Twp. HRA/20% employee deductible for 2,000/4,000. Clerk Tischler will be included in the 15% employee contribution but not included in the deductibles. Trustee Koss noted the 15% and the contributions to the HRA are the total cost to the Township and are lower than what raises **increases in salaries** would have cost the Township. The Township will only fund the four employees that currently work at the Township.

Resolved by Koss, supported by Tischler, that effective January 1, 2014 the Township will establish an HRA in the amount of \$10,000. Employees and Elected Officials are to pay 15% of all premiums expended by the Township and have an 80/20 deductible which they have to pay \$500 and \$1,000 toward a maximum of \$2,000/\$4,000 per person or family respectfully.

Summarization of Koss's proposal:

- Effective January 1, 2014 the Township will establish a Health Reimbursement Account (HRA) up to a maximum of \$10,000.
- Employees and Elected Officials are to pay 15% of all premiums paid by the Township.
- Employees and Elected Officials will be responsible for deductibles \$500 individual and \$1,000 family.
- The Employee will pay 20% of the co-insurance, which will be applied to the remaining amount of their deductible; maximum of \$1,500 individual or \$3,000 per family.
- The Township will pay 80% from the HRA until the maximum deductible of \$2,500 individual and \$5,000 per family is met.
- After all the deductibles are satisfied Blue Cross/Blue Shield will cover 100%.

Trustee Holloway arrived at 5:44 p.m.

Supervisor Schmitt provided Trustee Holloway with an overview of the proposed Health Care Plan under review.

Trustee Walsh questioned the change in the percentages.

Trustee Koss responded the employees are making sacrifices with this Health Care Plan in order to stay in a Group Plan.

Tischler noted the Board provided raises to help cover the cost of Health Insurance last year. Tischler stated the Board and members of the Compensation Committee need to consider the additional out of pocket expenses by employees during wage review.

Tischler suggested eligibility for retiree healthcare, be changed from 25 years to 24 years due to terms of office.

Holloway clarified that it would cost about the same as last year if not less, but cost the four employees sufficiently more.

Holloway inquired if anything else would be apt to happen with Obama Care in the next six months.

Treasurer Mooney responded the policy being proposed is compliant with the Affordable Health Care Standards.

ROLL CALL:

Ayes: Tischler, Mooney, Holloway, Koss, Walsh, Schmitt
Nays: None
Absent: Nelson

Resolution declared adopted.

RESOLUTION TO RESCIND TERMINATION OF HEALTH CARE INSURANCE

Supervisor Schmitt explained to the Board the reason for rescinding the Resolutions passed at the November 12, 2013 and the Resolutions presented for adoption this evening.

Motion by Koss, supported by Holloway, to remove from the table and to rescind the Resolution adopted November 12, 2013 which was resolved by Koss, seconded by Schmitt, that effective January 1, 2014, Southfield Township will no longer provide Health or Dental Insurance to its active employees or eligible elected officials. The Township will no longer provide Dental benefits, to any former employee.

Supervisor Schmitt offered an opportunity for discussion or comment.

ROLL CALL:

Ayes: Mooney, Holloway, Koss, Walsh, Schmitt, Tischler
Nays: None
Absent: Nelson

Resolution declared adopted.

RESOLUTION TO REINSTATE HEALTH CARE INSURANCE

Resolved by Koss, supported by Walsh, that effective January 1, 2014 Southfield Township will no longer provide dental insurance to its eligible active elected officials, employees and former employees.

Supervisor Schmitt offered the Board an opportunity for discussion or comment.

ROLL CALL:

Ayes: Holloway, Koss, Walsh, Schmitt, Tischler, Mooney
Nays: None
Absent: Nelson

Resolution declared adopted.

RESOLUTION TO RESCIND SALARY INCREASES

Motion by Koss, supported by Mooney, to remove from the table and to rescind the Resolution adopted November 12, 2013 which was resolved by Walsh, seconded by Koss, effective immediately, the following raises shall be provided: The Clerk's current salary shall be increased \$9,000.00; the Treasurer's current salary shall be increased \$18,000.00; Deputy Clerk's salary shall be increased \$10,000.00; and The Deputy Treasurer's salary shall be increased \$9,000.00.

Supervisor Schmitt offered the Board an opportunity for discussion or comment.

ROLL CALL:

Ayes: Koss, Walsh, Schmitt, Tischler, Mooney, Holloway
Nays: None
Absent: Nelson

Resolution declared adopted.

RESOLUTION TO REINSTATE WAGES TO APRIL 1, 2013 APPROVED AMOUNTS

Resolved by Koss, supported by Holloway, effective November 30, 2013 pay raises which were granted on November 12, 2013 to the Clerk, Treasurer, Deputy Clerk and Deputy Treasurer shall be rescinded and returned to Township Board approved amounts effective April 1, 2013.

Supervisor Schmitt offered the Board an opportunity for discussion or comment.

ROLL CALL:

Ayes: Walsh, Schmitt, Tischler, Mooney, Holloway, Koss
Nays: None
Absent: Nelson

Resolution declared adopted.

RESOLUTION TO RESCIND CHANGES TO RETIREE HEALTH CARE

Motion by Koss, supported by Mooney, to remove from the table and to rescind the Resolution adopted November 12, 2013 which was resolved by Mooney, seconded by Koss, that the Retirement Health Plan be amended to reflect that all eligible elected officials and full-time employees in the Township's employment as of November 12, 2013, who retire and are eligible to obtain Medicare and have the equivalent of 20 years (39,000 hours) full-time service shall be reimbursed for Medicare Part B, D and Medigap or its equivalent if Medicare is no longer available.

Supervisor Schmitt offered the Board an opportunity for discussion or comment.

ROLL CALL:

Ayes: Schmitt, Tischler, Mooney, Holloway, Koss, Walsh
Nays: None
Absent: Nelson

Resolution declared adopted.

RESOLUTION AUTHORIZING ADDITIONAL YEARS OF SERVICE TO RETIREE HEALTH CARE

Resolved by Mooney, supported by Walsh, that the Retirement Health Plan be amended to reflect that all eligible elected officials and full-time employees in the Township's employment as of December 17th, 2013 who retire and are eligible to obtain Medicare and have the equivalent of 24 years (46,800 hours) of full-time service shall be eligible for Medicare Part B, D, and Medicare Supplemental coverage or its equivalent if Medicare is no longer available.

Supervisor Schmitt offered the Board an opportunity for discussion or comment.

ROLL CALL:

Ayes: Tischler, Mooney, Holloway, Koss, Walsh, Schmitt
Nays: None
Absent: Nelson

Resolution declared adopted.

DISCUSSION AND POSSIBLE APPROVAL OF ACTION TO OPT OUT OF THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT:

Supervisor Schmitt presented several options concerning the Publicly Funded Health Insurance Contribution Act (MCL 15.561-15.569), including: Sec 3, Hard Cap; Sec 4, 80/20; Sec 8, Opt Out; and Sec 9, Doing Nothing.

Supervisor Schmitt noted with the actions taken today the Annual Opt. Out Option requires approval by the Board.

Resolved by Schmitt, supported by Koss, that Southfield Township exempts itself from the requirements of the Publicly Funded Health Insurance Contribution Act for 2014, as provided by MCL 15.568, Sec. 8.

Supervisor Schmitt offered the Board an opportunity for discussion or comment.

ROLL CALL:

Ayes: Mooney, Holloway, Koss, Walsh, Schmitt, Tischler
Nays: None
Absent: Nelson

Resolution declared adopted.

COMMENTS FROM THE AUDIENCE:

LaJoie thanked the Board for all their work on the 2014 Health Care benefit.

COMMENTS FROM THE BOARD:

Treasurer Mooney wished everyone a Merry Christmas.

Supervisor Schmitt thanked Treasurer Mooney and Trustee Koss for all of their hard work and their persistence and perseverance on the 2014 Health Care benefit for the Township employees.

Trustee Holloway commented he is glad the Board made the decision to change to a different plan.

Trustee Koss thanked everyone for all of their work, and wished everyone a Merry Christmas.

Supervisor Schmitt adjourned the meeting at 6:07 p.m.

Phillip Schmitt, Supervisor

Sharon Tischler, Clerk