

**Minutes of the Clay Township Regular Board Meeting Held on Monday November 19, 2007 in the Clay Township Meeting Hall, 4710 Pointe Tremble Road, Clay Township, Michigan**

Supervisor Manos called the meeting to order at 7:30 p.m.

**ROLL CALL**

PRESENT: Supervisor Jon Manos, Clerk Michael Pellerito, Treasurer Connie Turner, Trustee Thomas Krueger, Trustee John Makuch, Trustee David Dare

ABSENT: Trustee Jay DeBoyer

Citizens: 15

**BILLS PAYABLE**

**Motion** by Turner, supported by Makuch, to pay the bills in the amount of \$80,154.68

AYES: Krueger, Makuch, Turner, Manos, Pellerito, Dare

NAYES: None

ABSENT: DeBoyer

**MOTION CARRIED**

**CONSENT AGENDA**

Manos: Would like to add #6, presentation by Blue Cross/Blue Shield representative

**Motion** by Makuch, supported by Turner, to approve the Consent Agenda as submitted with the reading of the notices and the addition of #6, BC/BS Presentation

AYES: All

NAYES: None

**MOTION CARRIED**

Clerk Pellerito read the notices of the Thanksgiving Holiday hours and the winter hours for the recycling yard

**OLD BUSINESS**

None

**PUBLIC COMMENTS RELATING TO ANY NEW BUSINESS**

None

**OLD BUSINESS**

**1. Police Chief Drake Request for Fulltime Officer**

Chief Drake: Currently have an opening in the department and am requesting to elevate Paul Smith from part-time to fulltime.

**Motion** by Makuch, supported by Dare, to bring Officer Smith on as a fulltime officer

AYES: All

NAYES: None

**MOTION CARRIED**

**2. – 5. T.A. Bynum & Associates Preventive Maintenance Plan for Police Department, Office, Water Department and Fire Department**

Pellerito: Have reviewed proposal, suggest we go with a pay-as-we-go plan.

Krueger: Did we solicit this?

Pellerito: No

**NO ACTION TAKEN**

**6. Blue Cross/Blue Shield Presentation**

Dennis Doelle: your Blue Cross/Blue Shield representative from Marwil Associates. Enacted the Health Savings account last year and put together a Blue Cross package that has saved the Township somewhere in the neighborhood of \$109,000.00. Have some improvements for this year. One is to move the administration of Seaway and the MBI card, which is a Basic card, and move to a one card system, we feel it would be a better move because it would be less administration and easier for the users. Allows for use at the point of sale. We want to talk about Health Reimbursement arrangement. Using that you would be using a high deductible insurance plan and we would not be funding the HSA accounts would actually paying for those at the point of sale. If a subscriber goes to a pharmacy they would swipe the card and it is going to pickup their prescription drugs.

When we looked at this plan versus the renewal of the HSA accounts we're looking at net effect of around 8% increase this year for BC/BS. We wouldn't be funding the HSA accounts so the net effect would be pretty drastic. The other piece is looking at a retiree system using the same arrangement. We would like to utilize the savings off this plan that would render \$200.00 to \$400.00 savings off the retirees.

Manos: Any plan that would save an adequate amount would be welcome

Doelle: My calculations by moving to these plans are if you took a two-year debt effect you are probably saving in the neighborhood of \$224,000.00, so it drastically cuts your BC/BS premium.

Pellerito: Currently on a family plan we are placing \$2,500.00 into a HSA, the associates then have a \$2,500.00 deductible before the BC/BS would kick in, those dollars would remain the associates if not used, from there went to a 70/30 co-pay under a HRA arrangement. The Board would be liable for the first \$4,000.00 on that family plan, which was the 30% co-pay of the approved BC/BS amounts. Ran into some confusion partly because we had Seaway run one card and MBI run the second card. It was not a streamline effect so when the HSA was finally satisfied the HRA didn't automatically kick in. We thought this time rather than offer the HSA we would roll it out with a straight HRA with a \$4,000.00 deductible. Essentially what this would mean for the associates is that once the \$4,000.00 deductible was achieved then it would go to a straight 100%, so any families that used that \$4,000.00 would no longer pay the 10/20 co-pay on prescriptions because they would be covered at 100%. Those who never spend \$4,000.00 that would be something we would not have spent because we would not be reimbursing the deductible. Bottom line is this new card will enable us, through the use of a third party administrator, the ability to configure it in such a way we can still use the cafeteria program or the section 125 flexible reimbursement for child care and some optical and dental. Along with this would be a \$6.50 maintenance fee to run these cards. What we are looking at is to move towards the retirees. Under current rates a family is at \$1,880.64, under the proposed plan it is \$1,314.55, a savings of \$560.00 a month. Will bring to the Board a proposal for the Board's decision. The retirees will also fall under the same program. By not sitting idle over the last two years there has been a considerable savings and will be in the future. Would like to move on with the Short-term disability. Current have a split-level short-term/long-term to comprise a one-year short-term disability. Short-term went for three months and long-term went for nine months. Ran into a problem. An associate was given a run-around in my opinion. The nine-month extension did not kick in. Propose to bring a policy from the Standard Corporation at a rate of thirty-five cents per \$10.00. There is no savings in this program; it is a lateral movement to save this grief.

Turner: What do we do with the money that the employees haven't used?

Pellerito: Nothing, that is still their money, they can continue to keep that account and make deposits. In the future we may go back to again.

Krueger: We're shifting from a HSA to an HRA, correct? In an HRA we keep the money at the end, they don't get the money?

Doelle: Yes

Krueger: Don't understand, what is all the stuff on the bottom that talks about single rates, couples, etc?

Doelle: These are all policies that are still open that people are still accessing because they retired under those contracts. If we can move these contracts over to the alternative, being the Medicare supplements, relative savings could be almost 50% and then we fund it as needed. The net effect for that retiree would be they didn't have any prescription co-payments, they didn't have any deductibles, it is all being funded under HRA arrangements.

Pellerito: Some of our retirees went out a long time ago and are under \$5.00 & \$10.00 prescriptions. To contact our retirees and say it is going to a \$20.00/\$40.00 it might be a hardship for them but by going to the new program and funding the first \$4,000.00 to the HR effect they then reduce their out-of-pocket expense to zero. Will be an improvement for them.

Doelle: If you look at a savings of roughly \$400.00 per month on a retiree and you have a \$4,000.00 deductible, it's \$4,800.00 to the plus even if the contract reimburses 100%.

Manos: Mike can bring it back to us at the next meeting. Thank you for coming.

#### **PUBLIC COMMENTS**

Chief Drake: Met with the DDA, they gave \$55,000.00 towards the Dispatch Console and will pay for the electrical work. Also will pay for an auto-on switch for the generator and said to get a quote to wire the generator to power the Meeting Hall. This could be used as an emergency management facility.

#### **BOARD MEMBER COMMENTS**

Krueger: The Planning Commission would like to go ahead with the Masterplan so Chairperson DeBoyer will be submitting a letter to the Board with their suggestions.

#### **ADJOURNMENT**

**Motion** by Makuch, supported by Dare, to adjourn the meeting at 7:55 p.m.

AYES: All

NAYES: None

**MOTION CARRIED**