

**BOARD OF COUNTY ROAD COMMISSIONERS
GOGEBIC COUNTY ~ BESSEMER MICHIGAN**

**REGULAR MEETING
MONDAY, NOVEMBER 14, 2016**

The regular meeting of the Board of County Road Commissioners was held in its offices in the Courthouse Annex, City of Bessemer, on the above date.

Present:	Marti Wegner, Vice-Chair	Rob Drier, Commissioner
	Dan Siirila, Commissioner	Roy D'Antonio, Commissioner
	Darren Pionk, Engineer/Manager	Patricia Hagstrom, Secretary

Also Present: 9 Public Attendees

- I. Call to Order** ~ Vice-Chair Wegner called the meeting to order at 5:15 pm.
- II. Pledge of Allegiance**
- III. Approval of Agenda** ~ A motion was made by D'Antonio, 2nd by Siirila, with all in favor to approve the agenda.
- IV. Approval of Meeting Minutes** ~ A motion was made by Siirila, 2nd by Drier, with all in favor to approve the following minutes:
 - Finance Meeting of Monday, October 24, 2016
 - Regular Meeting of Monday, October 24, 2016
- V. Public Comment ~ On Agenda Items Only ~ 5 minute limit ~ None**
- VI. Old Business**
 - a. Lake Road Culvert Replacements Update ~ Darren stated that the conspan structure at location #13 has been installed and backfilled with access to Wisconsin. Culvert #13 will be installed on November 15, 2016 and the big fill area work will be completed today. Guardrail work will be started and MJO will be moving out on Thursday, November 17th. Siirila stated that the repair locations near the Ribich and Maki residences seem narrow. Darren stated that the locations look narrow but after additional fill the road will be 34' wide.
- VII. New Business**
 - a. Don Grbavcich Health Insurance ~ Mr. Grbavcich presented 2 solutions to the Board regarding the health insurance. He stated that PA152 is an insurance that has put a strain on the entire workforce. He discussed his own experience and how PA152 affected him. He stated that the health insurance coverage has a high deductible that he is still faced with. His procedures took place on January 2, 2015. The amounts of his procedures were \$5,406 that he is faced with today. He stated the PA152 amount covered by the Road Commission is \$13,095.95 and the amount allotted for him is \$1,106.04 and he has \$289 going towards the smoothing aspects for the other employees. If we do go into a smoothing and GCRC has been doing the smoothing aspects since July of 2013 he figured that the \$289 multiplied by 29 months amounts to \$8,407 that he donated towards smoothing. Siirila asked what was smoothing. Mr. Grbavcich stated that with the formula of the PA152 cap there are some employees that are over the allotted amount and since he is under the amount of the cap that amount goes towards the people who are over the cap and this is fine with him. Siirila asked if the amounts over the caps go into a health care account. Darren stated that HRA's are not allowed under the current coverage plan. Grbavcich stated that GCRC is not allowed to have HRA's under the cap and as of July of

- b. 2013 there were no more HRA's. Grbavcich added that for the month of October we did not have enough money in our funds for the smoothing so he had to donate \$21.17 of his own cash money plus his smoothing account to help out his fellow employees. So his part of the smoothing was a \$311.07 donation towards smoothing. He added that if we go to the total bills from when he was sick \$5,406 and what he donated towards the smoothing amount of \$8,000 since the 29 months he would be debt free right now if we still had our HRAs which the state took away from us. He added that now with the smoothing process and the price of everything we have to go up to \$88 which is coming out of our checks for the smoothing. Wegner asked if this amount was per month and how much more is he paying additional to the \$88. Darren stated that \$88.01 is the amount that the employees will pay each month towards their health insurance. Wegner asked if that was all the employees are paying towards the premium. Grbavcich stated that as far as he knows he will still be underneath the PA152 cap. His solution is that if he was an in-lieu employee his cap is \$13,095 and he would collect \$400 in-lieu for a family so the amount left would be \$995 so as needed if this is legal, would the Board okay to take the people as needed and put them in the smoothing process to equal so we wouldn't have to take cash out of our checks. If we find out later that this is legal to do. D'Antonio asked if Mr. Grbavcich was saying that the money that the employees who get in-lieu of to apply that money towards the formula. Mr. Grbavcich stated that we don't know if the extra money can be used for this. Wegner stated that this means taking people out of the insurance pool. Grbavcich stated that this process would be putting them into the insurance pool. Darren stated that the in-lieu of employees are not enrolled in the insurance pool and can't be included. Secretary Hagstrom stated that employees who are in-lieu of taking the insurance coverage are not included in the pool as that money is not going towards employer (GCRC) paid insurance. PA152 is for actively enrolled employees. Siirila asked if GCRC pays employees who don't take the insurance. Darren stated that the in-lieu amounts are \$300 for a single, \$350 for 2-person and \$400 for a family. Siirila asked if these amounts are paid by a check with taxes taken out and that this payment doesn't go towards insurance coverage. Patti stated that these amounts are included in the employees' pay check. D'Antonio stated that what Don is saying is the difference between the \$400 and the cap should be used towards the smoothing but it can't. Grbavcich stated this maybe a solution and he has a firm checking into this. Siirila asked what the deductibles are. Grbavcich thinks the deductibles are \$3,500 and \$7,500 but don't quote him on that. Siirila sees that the employees are paying \$88 a month towards their health care. Grbavcich stated that will be starting up. Siirila asked so as of today the employees are not paying anything. Grbavcich stated that for the month of October there was a premium. Patti stated that the October premium was due to the group dynamics changing due to 2 employees leaving the group. Darren stated that we try to maximize the amount covered by PA152 to smooth it out to all of the enrolled employees. If a new employee enrolls in the insurance within 90 days of employment, this will adjust the numbers. Siirila stated that he heard that a new employee goes a whole year without GCRC paying anything towards their insurance. Darren stated that this is not true and that Obama Care requires that new employees be able to enroll in the health insurance within 90 days of employment. Siirila asked if they pay for it. Patti stated that this depends on if the premium is above the PA152 required amount. Siirila stated that we have recently hired 3 employees and asked if the GCRC has not paid anything towards their insurance this whole year. Patti stated that if the premium was less than the PA152 amount none of the employees pay a premium. Siirila stated that they are saying that they are on a probationary period for 1 year and they don't get any benefits. Patti stated this is not true and that they get health insurance after 90 days of employment. Darren stated that it states in the union contract that the probationary period is 6 months. Patti stated that new employees are on probation for 1 year but enrollment in health insurance needs to be offered for enrollment after 90 days of employment under Obama Care. Darren

stated that an employee's benefits kick in after 6 months. Patti added that if a new employee chooses the payment in-lieu of health insurance they have to wait 6 months as in-lieu of payments are not part of the PA152 requirement or Obama Care. Wegner stated that the employees could have a much better policy if they wanted to pay more than \$88 a month with a lower deductible plan. Grbavcich stated that he understands that GCRC can have only 1 plan. Wegner stated that the plan was chosen for a lower premium. Grbavcich stated that is not the case as he has \$289 left underneath the amounts. Darren stated that he does not have \$289. Grbavcich stated that he is underneath the cap and before there were Gold, Bronze and Silver Plans with Blue Cross Blue Shield and the extra money could be used to select a different plan and Priority Health only offers 1 plan to the group. Patti stated that the decision to have 1 plan was agreed upon by the GCRC Health Care Committee. There were 3 plans offered at one time however due to the small number of employees and the PA152 requirements it was felt that all the employees should be aggregated to have the same coverage. D'Antonio asked how often the decision needs to be made regarding health insurance. Darren stated it is done yearly. Wegner stated that if the employees chose to have a lower deductible and higher premium they could. Patti stated that the employees do not want to pay a premium for their health insurance. Wegner stated that employees that have left employment have stated they have done so because the insurance deductibles were so high and that they would pay the extra to have a lower deductible. Grbavcich stated that his 1st solution is a definitely a maybe. Darren stated that it is a no. Grbavcich stated that his 2nd solution is a definite yes and that is to get competition involved in it and get a new 3rd party administrator. Patti stated that Don provided information last year from a local insurance agent. She contacted this agent who tried to get quotes from the competitive companies and these companies would not provide him with quotes. Siirila stated that other 3rd party administrator's downstate will not quote premiums in the UP due to 44 North having service coverage across the UP. He also understands that there are only certain companies that will cover road commissions. Patti stated that it is her understanding that insurance companies compile premium rates on a quarterly basis; however the GRCC has to remain with the quotes provided during the scheduled open enrollment period which is December of each year. Siirila added that the county also asked a local bank to quote insurance coverage for the entire county and they never came up with anything. The county provides retiree health care which is a high liability. He asked if the GCRC has retiree health care. Darren stated that employees are covered until age 65 and no new hires after 2010 will receive health insurance upon retirement. D'Antonio stated that we should look into this and to let Don finish as he has put a lot of time into his presentation. Grbavcich stated that he has some outside sources checking into the 1st solution and knows there are a lot of legalities regarding this and will bring the information back to the Board. Grbavcich stated that the 2nd solution is definitely legal to get a different broker. Darren stated that premiums are based on usage and the age of the group. Wegner asked about AFLAC. GCRC has AFLAC. D'Antonio asked when the committee meets every year if that is when the decision is made to only provide 1 plan. Wegner stated that the employees could enroll with AFLAC as there are different plans to help supplement their health insurance. Patti stated that if the employee enrolls in AFLAC that the employee pays for the coverage. Darren stated that it is identified in the union contract that PA152 requirements are followed. Grbavcich stated that this issue affects all of the employees and not just the union. Siirila stated that the county opted out of PA152. Darren stated that the GCRC can't opt out. Siirila stated that it was discussed to combine the county governments throughout the UP for insurance quotes but could not be done because of the different job classification groups. D'Antonio asked if the GCRC is required to follow PA152. Darren stated yes and the only option the GRCC Board has is to decide to follow the hard cap amounts or the 80%/20% formula. Patti stated that the PA152 cap went up 3.3% and the health insurance premiums went up 9.18%. Darren stated that the

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health insurance affects all of the employees and that is why a committee was formed to include representation from administrative and union. He added that at the meeting last week there were 3 plans provided by Priority Health, 5 plans from BCBS and 2 plans from United Health. The premiums for the plans from BCBS and United Health were very high. He said this meeting took 2.5 hours to discuss the options and how to decide on providing the best benefit for all employees. He added that there was a plan with no premium however the exposure, if a major health issue arises, would have the employee paying more out of pocket expenses.

- c. Union Grievances ~ Darren asked for direction from the Board as to who will be handling the grievances. Discussion took place and it was felt that Marti Wegner will handle the grievances.
- d. 2017 Draft Budget ~ The draft budget was presented to the Board. This was presented for information only. A Budget Workshop will be held on Wednesday, December 7, 2016 at 5 pm.
- e. Grader Tires ~ The tires on #422 need to be replaced. Three quotes were presented to the Board. Pomp's Tire \$1,442.74, Zifko Tire \$1,442.74 and Al's Heavy Truck \$1,768.64. A motion was made by D'Antonio, 2nd by Siirila, with a roll call taken: Ayes ~ Siirila, D'Antonio, Drier & Wegner to purchase the tires from Pomp's Tire Service for \$5,770.96.
- f. Crack Filling Machine ~ Darren would like approval from the Board to purchase a crack filler machine. A motion was made by Drier, 2nd by Wegner with all in favor to call for bids. The tabulations will be presented to the Board at the November 28th meeting.

VIII. Public Comment ~ None

- IX. **Adjourn** ~ A motion was made by Siirila, 2nd by Drier, with all in favor to adjourn at 6:27 pm.

BOARD OF COUNTY ROAD COMMISSIONERS

Secretary

Chairman