

**ROSE TOWNSHIP BOARD OF TRUSTEES
SPECIAL MEETING
SEPTEMBER 21, 2010**

CALL TO ORDER

A special meeting of the Rose Township Board of Trustees was called to order by the Township Supervisor at 7:00 p.m. at the Rose Township Hall, 204 Franklin Street, Holly, Michigan.

Residents in attendance:

Chester Koop

Don Walls

Pat Walls

Emile Bair

Roll Call:

Present: Gordon, Kalcec, Slaughter, Scheib-Snyder

Excused: Miller

Moved by Kalcec, seconded by Slaughter, motion carried to excuse Miller.

Approval of agenda:

Moved by Slaughter, seconded by Gordon, motion carried to approve the Agenda for the Special Meeting of the Rose Township Board of Trustees on September 21, 2010 as presented.

Voting Yes: Slaughter, Gordon, Kalcec, Scheib-Snyder

Voting No: None.

This meeting is being held for the purpose of reviewing health insurance options. Supervisor Kalcec states the Trustees are not eligible for health insurance from Priority Health, and was contacted by insurance coordinator to make decisions regarding the health insurance. Everyone, except retirees, still covered under the same BC/BS plan as last year. After discovering this, Gordon spoke with Supervisor Kalcec and suggested that the Trustees receive \$600 per month raise in lieu of benefits. Supervisor Kalcec stated MTA dictates we cannot offer cash in lieu of benefits. However, after further investigation with insurance coordinator at Burnham & Flower, this is in fact permissible. This would have to be offered to all employees eligible for benefits. Supervisor Kalcec is in the process of obtaining more information from MTA. Slaughter spoke with Jack at Burnham & Flower and all we have to do is an actuarial and Burnham & Flower will perform this at no charge. Scheib-Snyder states we have received a lot of misinformation from Jack at Burnham & Flower. Supervisor Kalcec states there are copies of what needs to be done, policy modifications and ordinance amendments. Jack said we have options. Supervisor Kalcec ran the numbers on various scenarios to see what impact it would have on the budget. At this point, looking at 4 months and 1 more month of BC/BS if Trustees have to have 30 days to find other health insurance. Supervisor Kalcec said there is still the need to find other cuts to minimize effects on the fund balance. The outcome of the decision will determine how Supervisor Kalcec will cut the budget. There is one option of staying with BC/BS and doing a 20% co-pay, one for BC/BS 20% and keeping retirees at flat rate, and one for staying with BC/BS for everyone as before, and one for BC/BS but restricting to the

employee only. There may be other scenarios but this is what Supervisor Kalcec has completed thus far.

Slaughter states this has been thrown on us by Priority Health, not Jack at Burnham & Flower and Priority Health stated there would not be problems and if we went with Priority Health. Slaughter states there is one issue, the Constable is treated as an equal to the Trustees and has been getting the payment but only been receives ½ of one person and this figure is from many years ago and we would have to address this also. The 2001 Policy states that anybody hired in after that date is not eligible for payment in lieu of benefits. This would make Scheib-Snyder ineligible. Slaughter states if we are going to make an exception for Scheib-Snyder, what about Miller, who has never received any benefits?

Supervisor Kalcec states we would have to offer it to everybody and leans more towards the eligibility for benefits which gives them a qualifying event but is concerned about doing something in the middle of the year.

Gordon does not want to do a payment in lieu of benefits and wants a \$600 salary. Scheib-Snyder states it is her understanding under the policy that the Constable is not supposed to get payment in lieu of benefits, he was not supposed to get this anymore and Slaughter said he did not. Slaughter said the Constable cannot have dual coverage but can get the payment in lieu. Scheib-Snyder knows it was discussed at Board level but nobody ever voted on it. Gordon said Slaughter stated it was taken care of and Slaughter states she does not remember voting and does not have the right to take away anyone's benefits without board action.

Supervisor Kalcec states it would take Trustees off the liabilities. Slaughter states this was discontinued in 2001 and no longer available.

Supervisor Kalcec states it takes the eligibility away from the Trustee's going forward.

Refer to p. 44, wherein it states Trustees can be given more responsibilities and may be compensated for additional duties such as a police commissioner, fire commissioner, noxious weeds, etc. (MCL §4196). There a lot of options and they will be revisited.

Supervisor Kalcec does not want to cut into fund balance for employee's benefits. Slaughter said we may be able to recoup some money from the winter's tax season and from the Fire Fund (in a few years) now that the proposal passed.

Supervisor Kalcec asks how much Slaughter transferred to make the fire payment and slaughter believes it to be approximately \$75,000. Scheib-Snyder questions the BC/BS for employees only. Supervisor Kalcec explains the co-pay is pretty close. Scheib-Snyder states that the retiree flat rate decision was made by Supervisor Kalcec and Slaughter. Supervisor Kalcec states it was in the budget, the board wanted them off the insurance and they talked to Jack and it is in the budget. \$575 a month for retirees. Scheib-Snyder said this is close to what she and Gordon want each month. Supervisor Kalcec states she thought it was a good option to go with the \$600 to the Trustees.

Slaughter states it is not a bad option but there are many other factors and what do we do about the Constable who takes on many responsibilities? Gordon states the Trustees are taking a 30% salary cut and asks Constable not to take it personally.

Supervisor Kalcec states paying the Trustees \$600/month is significantly less than what we are paying now for BC/BS. Suggest we could pay everyone a flat rate and let them fund their own insurance. Slaughter states we have to give the Trustees time to get benefits. Supervisor Kalcec put Jack on notice as the Trustees need 30 days to find another carrier and this would not be payment in lieu of benefits. Slaughter states we cannot take away and make it a salary. Scheib-Snyder states Slaughter makes a lot more than the Trustees and they would like to make the same? Supervisor Kalcec states we need to make a decision, make them no longer eligible and give them a qualifying event. If Constable was given \$600 it would make him \$16000. Scheib-

Snider states she received \$3200 salary last year and is here to save the Township money. Scheib-Snider states even with the increase, Trustees will not be making same as Constable. Gordon states it was illegal for us to give it to Constable and it would be 18% of his salary. Gordon states Trustees will lose 30% of their salary. Slaughter states it is not illegal. Scheib-Snider asks what Constable receives in lieu of. Supervisor Kalcec responds \$154.17/month. Slaughter states she has no problem with the Trustees, however, the law states if you are going to do something you have to do the same for everybody. Constable states he wants to be treated fair and as an equal and asks how his in lieu of benefits is illegal. How does the Trustees taking money in lieu of not be illegal?? Gordon has words with Constable and Constable will have to take legal action. Slaughter asks Constable if he would be willing to keep it the same. Supervisor Kalcec spoke with Mr. Palka about payment in lieu and he mentioned there was a way to get it done. If Supervisor Kalcec makes a motion it would be contingent upon legality and does not know if we can do this. Slaughter states the Board is responsible for the Trustees and Constable salaries. Supervisor Kalcec states you don't have to do the Trustees as long as they are per Diem/per meeting and would like to do this upon verification. It won't save money if we have to increase everyone. Supervisor Kalcec states that the Constable believes this to be discrimination. Scheib-Snider states to let him sue us. Constable states he has been asked to resign 2 or 3 times. Scheib-Snider states people complaining about Trustee benefits, no other townships pay benefits and pay more per diem. Supervisor Kalcec is not willing to do this if it will cost us in litigation, could keep BC/BS and put retirees on flat rate and would have to find \$27,000 in cuts. Slaughter states raising Trustees' salary to \$600, Constable is already built into budget, would still be savings to get us through this year. Supervisor Kalcec asks Constable if we keep his \$1800 payment in lieu of benefits and give the Trustees \$600, would he still think this is discrimination? Constable responds no. Kalcec states she could go along with that. Constable wants the Board to know that, on several occasions, he asked Chester Koop and Alison Kalcec if he could assume zoning enforcement free of charge as Schang did not want this responsibility anymore and is paid \$10,000.00 to do it. Constable states he would do it free of charge and has been turned down. Constable states this could save \$10,000 multiple times over several years. Supervisor Kalcec states Township can pay cash in lieu of benefits (see 9/20/2010 email, p. 1), if Township does offer, it would have to be offered to all employees and it has to be run as premium only plan and employees would have to sign up. Employees have to be offered and Debbie is one of those, if she chose to take it. Gordon states he did not come up with this idea for a feel good feeling; it was to save us money. Constable said he just brought up the \$10,000 cost savings again and again no one says anything, he does not understand. Constable asks if this is how they award their employees with seniority.

Moved by Supervisor Kalcec, seconded by Scheib-Snider, motion carried that Trustees are no longer eligible for benefits, as of November 1, 2010 Trustees receive a \$600 salary, stay with BC/BS for 4months and then switch to Priority Health, the adjustment in the Trustees' salary of \$600 per month is contingent upon verification that a salary increase mid-year is a legal action.

Scheib-Snider wants to be paid at the end of the month.

Voting Yes: Scheib-Snider, Slaughter, Gordon, Kalcec

Voting No: None

Absent: Miller

Moved by Slaughter, seconded by Supervisor Kalcec, motion fails that the payment in lieu of \$1850/year for Constable.

Supervisor Kalcec states she is subject to this also. In order to make payment in lieu you would have to offer it to everyone and will have to do verification but to do it at all, we have to offer to anyone who is eligible.

Scheib-Snider wants to table.

Motion to keep Constable's cash in lieu of benefits.

Voting Yes: Slaughter

Voting No: Scheib-Snider, Gordon, Kalcec

Absent: Miller

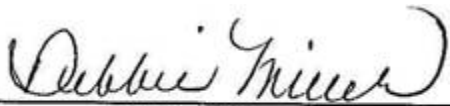
Public comment:

Chester Koop, Resident: Does not why there is confusion. The Board told the public in a public hearing that it was not going to do a payment in lieu and it has to be across the board for all eligible employees. Policy states right now because it is your choice but you never approved it. You should not be making payment because you have already eliminated.

Adjournment:

Moved by Supervisor Kalcec to adjourn the September 21, 2010 Special meeting of the Rose Township Board of Trustees 7:53 p.m.

Approved/Corrected


Debbie Miller, Clerk
Rose Township



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Board Members:

Acting on a request from the clerk I am requesting that the board review this memo and take an appropriate action if the board deems that any action is required. Please note the corrections that were made to the minutes of September 21, 2010. The Clerk brought to my attention that the word "raise" was corrected by the board to read "salary." Subsequently, a recording of the meeting revealed that my actual words were "pay increase."

Also note, in my opinion, the word "salary" more accurately reflects the intention of the trustees and my understanding of the actions that were taken on September 21, 2010.

Should the board wish to correct the record, it would be appropriate to attach this memo to the minutes of this (11-10-2010) meeting.

Christy P. Hawn
11-4-2010