

On Thursday, June 20, 2013, at 1:00 p.m., Finance Chairman Jim Brennan called the Iron County Finance Committee to order. The meeting was held in the Commissioners Room. The Pledge of Allegiance to the American flag was recited. County Clerk Joan Luhtanen called the Roll of Members. Present were: Ray Coates, Patti Peretto and Brennan. Chairman Brennan asked if anyone had financial issues:

Equalization Director Joan Mussato: The summer property tax bills have been printed.

County Treasurer Melanie Camps: Provided information about the machine that folded, stuffed and sealed a large number of envelopes. There were three different models to lease. Usually the lease runs from three to five years. There was also a discontinued, but brand new model available at approximately \$ 3,455. In addition, there is an \$800 maintenance agreement. Camps has also contacted the local treasurers to see if they would be interested in using this machine. Informational at this point.

Peretto made a motion, seconded by Coates, to approve the Journal Entries # 42 through#85, which had been submitted earlier for review.

Roll Call Vote: AYES: Coates, Peretto, Brennan

NAYS: None

Motion carried.

Treasurer Camps said that the auditors reported that the Youth Camp has a petty cash account of \$3,000 that does not go through the County. Camps wants to get rid of it entirely. Youth Camp Director Brian Schulze also has a county credit card with a limit of \$ 3,000. Camps suggested having the Youth Camp's credit card limit go up to \$ 10,000. The limit could also be set at \$ 6,000. Camps had talked to Schulze who was in agreement. This issue will be brought before the full board to decide.

Commissioner Patti Peretto had been told about some new park policies which had been implemented, but which she was unaware of being approved by the County Board. She also questioned the amount of wages being paid at Pentoga Park. The wages which were submitted now, she approved. However, she would not do so in the future. She did not feel there was money in the Parks' budget to sustain those types of payments. Peretto again asked about when the annual Parks' meeting was going to be held. No scheduled meeting date was announced.

The bills were reviewed, and Peretto made a motion, seconded by Coates, to approve the bills, except the WE Energy bill of \$30.21 for the Cooks Run Fish Hatchery, as submitted in the amount of \$ 455,748.55.

Roll Call Vote: AYES: Coates, Peretto, Brennan

NAYS: None

Motion carried.

With no further business to come before the committee, Peretto made a motion, seconded by Coates, to adjourn. On Voice Vote, the motion carried. The time was 1:35 p.m.

Finance Chairman Jim Brennan

County Clerk Joan Luhtanen

On Wednesday, June 26, 2013, at noon, the Iron County Board of Commissioners, meeting as a Committee of the Whole, held a Special Meeting to discuss health care costs for the County of Iron. The meeting was called to order by its Chairman Carl Lind. The Pledge of Allegiance to the American flag was recited. County Clerk Joan Luhtanen called the Roll of Officers. Present were: Patti Peretto, Tim Aho, Jim Brennan, Ray Coates, and Lind. Brennan made a motion, seconded by Aho, to accept the Agenda as presented. On Voice Vote, the motion carried.

The Administration provided a twelve page hand-out from Vince Rose of Employee Benefits. There were several health care plan options listed with the cost of monthly premiums for a Single Person, Two Person, Family and Two Regular One Comp, and then this was tiered as to the premium costs under the "Hard Cap" and the "80/20" options. The County currently pays a total of \$ 843,396 , and with the increase of 13%, the cost for 2014 will be \$ 951,445. This is an increase of \$ 108,049. Changes are being brought about by the law that the State Legislature passed, as well as the implementation of the Federal Affordable Care Act. The County Board had "opted out" for 2013, but a decision must be made for 2014.

Civil Counsel Steve Tinti stated that under the State law, the County is defined as a local unit of government. Tinti said that four out of the five of the County Board must vote to be in favor of "opting out." If that vote does not happen, then the law states that the premium payment method defaults to the "80/20" formula. The State does have a penalty provision if the 80/20 is not enforced. It affects the ability of the county to participate in the \$ 5 million Revenue Sharing Grant, Tier One Revenues, up to 10 per cent. This is a relatively small penalty.

Tinti continued that the Elected and Appointed Officials are not beneficiaries of any union contract, and would be immediately impacted. Fringe benefits are not considered salary. There is a new union group that is just being formed. This issue will be part of their initial bargaining. There are three union contracts coming due this year, and this health care provision will be part of their discussions as well.

There are four remaining union contracts, and those group plans do not have to be modified until the term of the contract expires.

Commissioner Brennan asked if the 80/20 can be staggered over a number of years. The County Board can vote to have the health care premium shared on a 90/10 basis.

Sheriff Mark Valesano pointed out that a number of years ago, the employees worked closely with the County Board to contain health care costs. Concessions were made at that time, with higher deductibles and other cost savings. He encouraged the Board to continue to "opt out." With the current hourly wages, a premium increase of this magnitude would make a hardship to the employees' households. The employees want to participate to find a solution. Sheriff Valesano felt that we need to be in control, and not the governor.

Brennan stated that over his lifetime, as an employee, he has had to pay more of the cost for health insurance, as well as having a cut in his pay. Peretto asked how much would be saved if the health insurance was just offered to the employee, if the employee's spouse has the availability of health insurance through their employment. This amount was unknown.

With the Affordable Care Act, every insurance plan will have to run with the calendar year. Part of the calculation depends on how many full time employees we have. The last day to "opt out" would be December 31, 2013. However, working on the county budgets begins in August/September, so cost amounts have to be available by then, to help formulate the budget.

We can extend our current health plan, which starts July 1st, until the end of December, but it will cost an additional estimated \$10,000. Prosecutor Powell pointed out that if the plan changes then the language in the contracts would have to be changed. Peretto stated that we all have to work on this together. The question is how much can the County afford to pay? Different cost saving options; such as, higher deductibles, different drug card co-pays; etc. were discussed. One option would be U.P. Blue, but would mean that if one went to a doctor outside of Michigan, then one would have to pay more. This would impact many of employees. (Peretto leaves at 12:50 p.m.)

Under the Affordable Health Care Act, an employee would not have to take the county insurance, but must have proof that they have insurance.

Many of those present wanted to have the different plans/options explained by Vince Rose, and felt that they should be able to part of the decision making process. Chairman Lind said that they discussion will continue when Vince Rose can attend. Lind stated that in the past years, the Board has done a good job of protecting and helping the employees.

Brennan made a motion, seconded by Coates, to adjourn. On Voice Vote, the motion carried. The time was 1:00 p.m.