

MINUTES OF SPECIAL MEETING OF EAST TAWAS CITY COUNCIL AUGUST 31, 2009

Meeting called to order by Mayor Bruce Bolen at 7:00 p.m. in the Council Chambers of the East Tawas City Hall.

Present: B. Bolen, L. Bolen, Cano, Freel, Klenow, Look and McMurray.

The Pledge of Allegiance was offered.

Public comments on agenda items: John Brummeler requested permission to speak concerning the Tawas Triathlon when that agenda item was addressed.

The following bid for curbing for the first block of West Washington Street was received: Hunt Brothers - \$12.00 per foot. Freel moved, Look seconded, CARRIED, to receive and accept the bid from Hunt Brothers for curbing for the first block of West Washington Street at a cost of \$12.00 per foot and to authorize City Manager Leslie to sign the required documents on behalf of the City. Yes: B. Bolen, L. Bolen, Cano, Freel, Klenow, Look, and McMurray.

Freel moved, Klenow seconded, CARRIED, to approve a peddler's permit for the organizers of the Women's Softball Tournament to sell T-shirts on Saturday, September 12th and Sunday, September 13th with the permit fees waived.

City Manager Leslie explained the request for closing the first block of East Bay Street and a portion of the Main Street parking lot for the Tawas Triathlon. Annmarie from 3 Disciplines Racing was present to answer any questions and indicated that they are now expecting between 400 and 500 athletes to participate in the Triathlon. John Brummeler indicated that he is opposed to the plans that include closing the parking lot on Thursday evening and placement of a Recreational Vehicle in the alley since he and other business owners in the area would not have access to their private parking areas. Following discussion it was the consensus of the Council members to request that the organizers of the Triathlon use the north half of the Main Street parking lot rather than the south side to allow the business owners in that area access to the alley and parking closer to the businesses.

Closing of the affected area of the parking lot will not occur until Friday morning. 3 Disciplines Racing will ask the owners of Edward Jones for permission to use their private parking area for the RV and tents for the Triathlon so the alley would remain open. City Manager Leslie mentioned to Annmarie that the running course includes a portion of Cranberry Pike which is not within the City limits. If the course is not changed to remain within the City of East Tawas, 3 Disciplines will need to contact Baldwin Township for permission to use Cranberry Pike. A suggestion was made that 3 Disciplines Racing contact William Look and Sons to request permission to use a portion of its parking lot for volunteer parking.

A work session on employee compensation and insurance benefits was held. Councilwoman Bolen provided information concerning the current employee wages and benefits and a spreadsheet showing the percentage increase in premiums compared to the cost of the insurance paid by employees. Mark Elliott from Tawas Bay Agency provided information on a choice of insurance plans that would include a higher deductible and copay. He also provided information on three changes to the plan that he would recommend. These changes include raising the preventive care

benefits from \$500 to \$1000, adding a 100% mammogram rider and increasing the emergency room copay from \$50 to \$150. The plan would also include a \$30 copay for all office visits including chiropractic visits. This is a change from the current copay of \$10 for office visits other than the chiropractic visits which include 24 visits per year with no copay. This change in the plan would be paired with a Health Reimbursement Account that would reimburse employees for the additional deductible and copays in amounts to be determined by the Council. Mr. Elliott asked the Council to consider when a plan change would occur if the Council decided to change the policy. Because the deductible is for the calendar year, a change in October could mean an additional liability for the City because many employees could have already reached the \$250/\$500 deductible. Mr. Elliott indicated that, if the Council decided to make the change in October, the Council make sure that employees are kept "whole" and not required to pay additional deductible or copay. The Council could also decide to wait until January 1st to begin the new plan but would be paying approximately \$4,500 more per month in premiums from October through December. Mr. Elliott also noted that if employees need to use their insurance it could mean they would have less out of pocket expenses because their \$1000 copay would not be in effect until after the \$2500/\$5000 deductible is met. Mayor Bolen thanked Mr. Elliott for the work he has done.

On behalf of the Compensation Committee, Councilwoman Bolen recommended that the compensation paid to employees who have health insurance through a spouse and opt-out of the City's insurance be reduced from the current payment of \$3,785 to \$500. The committee also recommended that no pay increase be given to employees for the 2009-10 fiscal year. Discussion was held on both of these recommendations. Since the reduction in opt-out compensation was so drastic, a suggestion was made to lower the opt-out payment incrementally to get it to a level that is acceptable to the Council. A suggestion was made to set the opt-out payment at \$2,500 for the 2009-10 fiscal year.

Mayor Bolen suggested that employees are asked where they are currently at in regard to deductibles so the Council has more information to determine when to institute a plan change. Decisions on compensation and benefit issues will be made at the September 8, 2009 meeting.

Meeting adjourned at 9:03 p.m.

Blinda A. Baker
Clerk/Treasurer