



**ACME TOWNSHIP SPECIAL BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
10:00 a.m. Friday, October 8, 2004**

CALL TO ORDER 10:06 p.m.

ROLL CALL

INQUIRY AS TO CONFLICTS OF INTEREST: Walter and Agruda stated conflicts of interest with item C. on the agenda. Christopherson stated that he and Amon have had discussions about whether or not Amon may have a conflict of interest. Amon stated that he does not have any intention to request reimbursement for health insurance.

A. CONSENT CALENDAR

Motion by Hoxsie, support by Agruda to approve the Consent Calendar as presented, including:

ACTION:

1. Approval of the minutes of the September 30 and October 5, 2004 Board Meeting Minutes

Motion carried unanimously.

B. LIMITED PUBLIC COMMENT: None

C. Discuss request by Chuck Walter, Trustee, for reimbursement of certain expenses related to healthcare insurance incurred on the basis of denied entry into Township healthcare insurance plan at an earlier date: Amon stated that Agruda has provided an e-mail also requesting reimbursement of certain healthcare expenses. Christopherson stated that he asked Corpe to review historical minutes to see what actions have been taken regarding healthcare insurance. He noted that there are several ways for the township to address compensation: through a compensation commission, an annual meeting or through the budget. The latter route is the route the township currently employs, and is subject to referendum. 08/4/97 Motion for the township to participate in Community Blue health coverage for full-time employees and the Supervisor, Clerk and Treasurer. This is the only formal motion found in the records, although there have been discussions. He can find no evidence that the Board actually voted to grant coverage rights to Walter and Agruda; therefore, he does not believe a reimbursement request can be authorized. Christopherson spoke with Lew Wolters, the township's insurance agent at Riske, Brown associates, who essentially agreed with Christopherson's point of view. Mr. Wolter stated that insurance coverage plans are optional.

Amon asked if there had been any township-provided health insurance prior to 1997, the balance of the board stated that there had not. Knopf feels certain that it was decided that Walter should receive insurance, and that he requested insurance when he became a trustee in 2000 and was denied by Mark Ritter as being ineligible. Agruda, looking at the minutes, sees that in 1997 a motion proposed by then-Trustee Bill Kurtz and seconded by Knopf named the specific officials to be included. He recalls the discussions saying that only full-time employees and elected officials could be in the plan, and wondering why he as an elected official wasn't included. He has also been asked questions related to his healthcare insurance through his primary work, and has been told that if he was eligible for benefits through the township he should have signed a waiver if he didn't take them.

Christopherson stated that the Board has the ability to define the group of individuals to which it will extend healthcare benefits as an option. It may define some or all of the Board members. He noted in the minutes of July 1 2003 that there was discussion between the

Board and Lew Wolters as to who may be in the plan according to Blue Cross, but no vote was actually taken to change the list of individuals eligible for coverage according to the Board. Because the insurance would have been part of an overall elected official compensation package, it would have been subject to referendum had there been a vote.

Walter stated that when he first inquired in 2000, he was told only that one was only eligible to participate in the plan in they worked 32 hours or more for the township per week. He has participated in the plan since September 2003, after Mr. Wolters clarified Blue Cross' requirements. As with other staff and elected official members of the plan, the township has been paying for 85% of Walter's premium for himself, with Walter issuing a check to the township for the 15% copay and 100% of costs to insure Carol Walter, Walter's wife. Hoxsie had never been aware before that Walter wasn't paying his full premium costs; Walter stated that it had to be that way because of his understanding that various individuals in the same plan must be treated alike.

Hoxsie observed that in 1997 there was a motion to cover only the Supervisor, Treasurer and Clerk, along with those defined as full-time employees in the absence of a definition of "full-time" provided by Blue Cross. His current thinking is that ground rules were clearly set up excluding Trustees from coverage. Amon observed that this was changed in 2003, but Christopherson stated that this was not done by formal motion as specifically required by state statute.

Walter provided five sheets detailing medical expenses incurred by himself and his wife. Knopf asked him to clarify his request, as she would be opposed to any reimbursement for Carol's expenses. Walter stated that he is only asking for reimbursement of what he has paid out-of-pocket for himself, totaling \$15,918.59 (total under CBW on the totals page.)

Amon referred to the second paragraph under item 7 on page 6 of the July 1, 2003 minutes. He asked if anyone has asked Mr. Wolters if the current policy that anyone elected, appointed or hired to local government can participate in Blue Cross plans. Hoxsie says for him it's a simple matter: in 1997 a motion was adopted that excluded Trustees from coverage. Agruda observed that an associated issue is whether that motion was adopted under false pretenses – whether Mark Ritter misled the Board about whether or not they had to be excluded. Christopherson stated that regardless of this fact, the law requires a motion defining the individuals eligible for coverage is required, and the 1997 motion was made and never amended. Agruda's interest today is that if Walter receives compensation related to non-participation in the plan, he feels he should make a request and have it considered as well.

Amon noted that according to the 1997 motion, Blue Cross verification of requirements for coverage as a full-time employee was to be requested, and if none was received, the township would define full-time as 32 hours. Knopf stated that after the discussions in 2003 he received a bill from Walter for healthcare insurance as authorized by the insurance agent. She just paid it. She thinks that either the Board must reimburse Walter or risk a lawsuit from him.

Walter stated his belief that there have been gross inconsistencies in the entire system since 1997. Knopf expressed concerns that if Walter's claim is upheld, Agruda's must be considered. Dawn Plude, the Assessor, might also have a claim for the period during which she was an employee but working part-time as a new mother, and she felt Corpe might have grounds for a claim as well as an employee who has elected not to accept the insurance. Christopherson observed that it would be within the Board's right to treat elected officials and hired personnel as separate categories subject to separate rules.

Agruda stated that his request would be different than Walter; they have some different issues. But, if Walter had 85% of his premiums paid, what's fair is fair. Knopf believes that reimbursement for premiums is inappropriate for someone who has other group healthcare insurance such as Agruda. Hoxsie still feels that in light of the records provided, the township is not legally liable for the requested payout because healthcare insurance participation and premium payment for Trustees was never specifically authorized.

Knopf believes that if Walter is paid, Agruda would also be eligible to submit a claim for approximately \$5,500.

Amon asked to discuss his situation. When he was hired in December 2002 he was driving a school bus. He took a leave of absence for the entire 2003 calendar year, and was eligible for COBRA benefits through April. He kept the TCAPS policy because the benefits were better, paying himself for all the premium costs when COBRA expired. He has never submitted a bill for reimbursement of the healthcare premiums. He does not plan to submit a bill now; he just wants the Board to be informed and for this information to be on the record. Christopherson says that as Amon has stated that he will not request any money now or in the future in this regard from the township in the future, there is no personal pecuniary interest and no conflict of interest exists.

Amon agrees with Hoxsie that based on the record, whether or not Mark Ritter made true or false inferences, the township made a decision as to who would and would not be eligible for insurance in 1997. Regarding the situation from September 2003 forward, he believes Agruda and Walter should be treated equally and that if Walter has or will receive reimbursement, so should Agruda. Walter stated that Ritter didn't make inferences; he made very definite statements. Amon asked if a motion made based on false information still has force. Christopherson noted that regardless of the information provided, the township has always had the ability to include or exclude any class of individual in the healthcare plan he offers.

Discussion ensued about how one would have determined if a Trustee has been working part time. Christopherson observed that this is irrelevant as he was an elected official and not a hired hourly employee. Knopf observed that if one takes the point of view that Walter was never eligible to participate according to a motion, perhaps he owes the township reimbursement for the insurance premiums paid on his behalf. Christopherson said this was a legi

Motion by Hoxsie, support by Amon to deny \$15,918.59 healthcare expense reimbursement request from Chuck Walter.

Knopf is concerned that by denying the request, it isn't just going to evaporate. Hoxsie agrees, saying that if the Board agrees that there will be a lawsuit the Board then needs to consider whether it will cost more to the township to pay Walter and Agruda than to defend the lawsuit. Knopf feels there is an ethical problem with what the Board has done. Walter has always asked for health insurance, and he was unfairly denied. A motion was not made to specifically include trustees, but looking at the overall history of the situation the whole issue never would have occurred if false statements had been made. She feels the situation should be corrected, not just "covered up" by a denial. Hoxsie agreed that Walter has requested insurance throughout his tenure and that things may have been done wrong, but he still feels compelled to follow the law as respects what actually occurred. Amon feels Knopf has raised valid concerns, and that Hoxsie correctly points out that if the record shows that a decision was legally made and never legally changed, He asked Walter if he had a written statement from Ritter about Ritter's assertions; Walter does not, and asked if it would make a difference that when he originally found out about the situation he asked Christopherson whether or not he might have a valid claim, Christopherson said he might. Christopherson confirms recollection of the conversation and that he said a claim might or might not exist.

Motion carried by a vote of 2 in favor (Hoxsie, Amon), 1 opposed (Knopf) and 2 abstaining (Agruda, Walter).

Knopf asked if a motion stating that Walter will not be asked to reimburse the township for healthcare insurance premiums expended on his behalf would be appropriate. Christopherson said this could be done, although it might mean that Agruda could seek compensation of a similar amount to those premiums.

Motion by Knopf, support by Hoxsie that Chuck Walter shall not be required to reimburse the township for healthcare premiums paid on his behalf from August 2003 through November 2004.

Hoxsie clarified that the first motion essentially meant that Walter was never eligible for the insurance that the township paid for, and might be liable for repayment of the premiums. Amon is concerned about what might happen if the township becomes involved in litigation or mediation, and might be held liable for not taking appropriate steps to make sure that the desire expressed on July 1, 2003 were not made official through a motion.

Motion carried by a vote of 3 in favor (Amon, Hoxsie, Knopf), 0 opposed and 2 abstaining (Agruda, Walter.)

Amon asked what should be done in relation to Agruda. Knopf feels that he should be reimbursed the same dollar amount paid on behalf of Walter for 85% of the healthcare insurance premiums. Hoxsie noted that he has other insurance; Agruda and Knopf replied that the single rate for insurance is the same number regardless of whether Agruda has outside insurance or not. The rate is the same for every plan participant or class of participant. Hoxsie asked if Agruda has provided a written request; Knopf has not seen one but Agruda's statement and abstention seems to be a clear indicator. Hoxsie believes that payment should not be considered until and unless a written request is received; the township does not pay bills it hasn't received. Knopf has received e-mails requested information, but agrees that reimbursement to him should be considered when and if he files.

Walter asked Christopherson what would happen if the issue enters litigation after the new board takes office. Who would pay for the costs to depose current board members, including their time lost from other pursuits?

- D. PUBLIC COMMENT/OTHER BUSINESS THAT MAY COME BEFORE THE BOARD:** Amon stated that the issue raised at the last Board meeting about surveying monuments that had been covered up by recent recoating of local roads has been addressed by the Road Commission.

Meeting adjourned at 11:05 p.m.