AGENDA

Labor Negotiations and Contracts Committee Meeting

Van Buren County

January 26, 2021 1:00 PM

Board of Commissioners Chambers - 219 East Paw Paw Street

1. CALL TO ORDER
   - A. Zoom Meeting Information
2. ADDITIONS/DELETIONS TO THE AGENDA
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES
   - A. Minutes - November 24, 2020
5. AGENDA ITEMS
   - A. Sheriff: Local Units Service Contracts
   - B. MERS Defined Benefit Plan Updated Adoption Agreement
   - C. Rose Street Advisors and Blue Cross Blue Shield Fee for Service Agreements
6. ADJOURNMENT

Van Buren County will provide necessary and reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at any meeting/hearing upon ten (10) days notice to the Van Buren County Board of Commissioners' Office. Individuals with disabilities requiring auxiliary aids or services should contact Van Buren County by writing, Anna Cerven, 219 Paw Paw Street, Ste. 201, Paw Paw, MI 49079, or by calling the Board of Commissioners' Office at (269) 657-8200, option 8 ext. 1271.

County Administrator Agenda Item
Labor Negotiations and Contracts Committee Meeting

TO:
FROM:
DATE: January 26, 2021
RE:

ATTACHMENTS:

	Description
🗋	**Zoom Invite**

VAN BUREN COUNTY BOARD OF COMMISSIONERS

219 EAST PAW PAW STREET, STE.201, PAW PAW, MICHIGAN 49079-1492
(269) 657-8253 FAX (269) 657-8252

NOTICE:

Due to COVID-19, Tuesday, January 26, 2021 at 1:00 pm, the Labor Negotiations & Contracts Committee meeting will be conducted remotely through Zoom.

For Public Attendance, please see the call – in instructions below:

Hi there,

You are invited to a Zoom webinar.
When: Jan 26, 2021 01:00 PM Eastern Time (US and Canada)
Topic: Labor, Negotiations & Contracts Committee

Please click the link below to join the webinar:
https://us02web.zoom.us/j/87212076688

Or iPhone one-tap :
US: +19292056099,,87212076688# or +13017158592,,87212076688#
Or Telephone:
Dial(for higher quality, dial a number based on your current location):
US: +1 929 205 6099 or +1 301 715 8592 or +1 312 626 6799 or +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799

POSTED: 01/22/2021

Board Meetings: Held in B.O.C. Room, 2nd Floor of the Administration and Land Services Building, unless otherwise posted.
If you desire to meet with a Commissioner or be placed on the agenda for a Committee/Board Meeting, please call 657-8253.
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County Administrator Agenda Item
Labor Negotiations and Contracts Committee Meeting

TO:
FROM:
DATE: January 26, 2021
RE:

ATTACHMENTS:

	Description
🗋	**Minutes**

MINUTES

Labor Negotiations and Contracts Committee Meeting

Van Buren County

November 24, 2020 1:00 PM

Board of Commissioners Chambers - 219 East Paw Paw Street

1. CALL TO ORDER

The following Committee members present: Commissioner Godfrey, Commissioner Hanson, and Commissioner Peat located at his home office: 47802 45th St, Paw Paw MI.

Others in attendance: Administrator Faul, Anna Cerven, Human Resources Director Frazier, Commissioner Doroh and Commissioner Chappell.

A. Zoom Meeting Information

2. ADDITIONS/DELETIONS TO THE AGENDA

3. APPROVAL OF AGENDA

Motion to approve agenda by Commissioner Hanson; Supported by Commissioner Peat; Motion: Carried

4. APPROVAL OF MINUTES

Motion to approve minutes by Commissioner Hanson; Supported by Commissioner Peat; Motion: Carried

A. Minutes - October 27, 2020

5. AGENDA ITEMS

A. Family Reunification Court - Case Manager: Salary Exception Request

Administrator Faul spoke on an item for Rachel Lindley. This position is grant funded. Due to the experience of this candidate, she is asking for a salary exception.

Recommended to CoW 11-24-2020/BoC 11-24-2020

Motion to approve by Commissioner Hanson; Supported by Commissioner Peat; Motion: Carried

B. MERS Defined Benefit Plan Updated Adoption Agreement

Human Resources Director Frazier spoke on the updated adoption agreement and all that it entails. There will be no changes, just completing an updated agreement to have on file.

Discussion ensued.

No action required at this time.

6. ADJOURNMENT

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County Administrator Agenda Item
Labor Negotiations and Contracts Committee Meeting

TO: Labor & Negotiations Committee
FROM: Sheriff Abbott and Lt. Charon
DATE: January 26, 2021
RE: Sheriff: Local Units Service Contracts

REQUEST:

The request is to receive a report from the Sheriff on planned increase of Local Units Service Contracts and the hiring of a deputy to support the contracts.

BACKGROUND:

The County has a standard agreement utilized throughout the County for the Sheriff to provide public safety for local units of government. The Board Chair has been authorized by resolution to sign the agreements subject to consent of the Board.

The Sheriff is anticipating increasing 10 hours in Lawrence Township (making it 20 hours total) and 20 hours in Arlington Township effective April 1, 2021. This will create a full time Deputy position to be funded through a contract in the "Law Enforcement Fund"

Prior to April 1, 2021, the Sheriff would like to fill the position utilizing funds budgeted for a vacant position in the Law Enforcement Voted Millage. The position has been vacant for close to a year.

There is only one concern that we do not believe will be problematic but for full disclosure, we want to make sure the Board is aware. That is, if the Deputy who is currently out on military leave AND the contracts are not approved, then the new deputy will have to continue to be paid from the Law Enforcement Fund until a position opens up in June through attritions. Again, we do not think this will be an issue but in any event, there is no risk to the General Fund.

FINANCIAL IMPACT:

There is no impact to the General Fund and is not subject to the hiring freeze because the position will be paid from the Law Enforcement Voted millage and then from a contract.

RECOMMENDATION:

The recommendation is to consent to the local unit contracts and the hiring of the deputy position utilizing Non-General Fund revenue.

County Administrator Agenda Item
Labor Negotiations and Contracts Committee Meeting

TO: Labor & Negotiations Committee
FROM: Norman Frazier
DATE: January 26, 2021
RE: MERS Defined Benefit Plan Updated Adoption Agreement

REQUEST:

The request is to approve updated MERS Defined Benefit Adoption Agreement.

BACKGROUND:

Van Buren County is required to submit an updated Adoption Agreement Addendum indicating changes/and or clarifications to our MERS Defined Benefit Plan. Options for change are included in the Plan Eligibility (Employee Classification, Probationary Period) Service Credit Provisions (Day of Work Definition Modification, Leaves of Absence, and Definition of Compensation). The County can also choose to not make any changes but will still be required to submit the Adoption Agreement. The only change recommended is to update the Day of Work definition to use the MERS approach of hours per month instead of x number of days per month. The benefit is that alleviates confusion for calculating the service credit for part time workers. It has no financial impact from what we are doing now.

FINANCIAL IMPACT:

Our financial obligations will not change assuming we adopt the agreement with no changes (other than clarifying Day of Work definition) to the existing Plan.

RECOMMENDATION:

The recommendation is to review the updated Adoption Agreement at the February 9, 2021 Committee of the Whole and approve at the February 23, 2021 Board of Commissioners meeting authorize the Board Chair to sign the documents on their behalf.

ATTACHMENTS:

Description

- **MERS DB Updated Adoption Agreement**

MERS DB Provision Summary Document

II. Identifying Information and III. Plan Eligibility

The member definitions were taken from prior MERS Adoption Agreements and Amendments. These definitions would remain unchanged.

One unit to note. 8006 02 is labeled as POLC, however, the original documents include all four Sheriff Office units. Further, all four Sheriff Office units were included in the original valuations.

Division Number	Division Name and Eligible Members
8006 01	**Elected Officials and Non Union Employees**. *Contains Public Safety Employees*
8006 02	**POLC.** Members of the POAM Dispatch, POAM Road Patrol, POLC Command and GELC Corrections Units. *Contains Public Safety Employees*
8006 11	Members of the **AFSCME General Unit**
8006 12	Members of the **AFSCME Supervisory Unit**
8006 13	Members of the **AFSCME Circuit Court FOC Unit**
8006 14	Members of the **AFSCME Probate Juvenile Court Union**
8006 15	Members of the **AFSCME District Court Unit**
8006 16	**Court Association** Members
8006 17	**Assistant Prosecutors Association**. Members of the Assistant Prosecuting Attorneys Association, Member of the Legal Secretary Association
8006 18	**Full Time** Transit Employees

Employee Classification

The employee classification definitions were taken from MERS Adoption Agreements and Amendments. Please note: Part time employees are eligible across all units with the exception of the Transit Unit. The Transit unit will allow for past part time service time to be awarded should an employee be put into a full time status. This would not effect their the pension benefit earned, but would impact service credit given for vesting purposes, etc….. This provision is codified in the Transit CBA Agreement.

Temporary Employees	Excluded in all groups
Part Time Employees	Included in all units except Transit 8006 18. *Service Credit will be granted for part time service if the employee turns full time.*
Seasonal Employees	Excluded in all groups
Voter Elected Officials	Excluded in all groups except 8006 01 Elected Officials and Non-Union Employees
Appointed Officials	Included in 8006 01
Contract Employees	Included in 8006 01

Probationary Periods

Service begins with the employee's date of hire. Effective with the date of hire, wages paid, and any associated contributions are submitted to MERS. Applies to all Plan Divisions.

IV. Service Credit Provisions

The language in the original Adoption Agreements listed service credit in terms of days. MERS would like for us to adopt the hours approach. There is not an impact in terms of eligibility, but it simplifies the process for auditing and administrative tasks. Further, it assists in alleviating some confusion for part time employees who would meet the hours requirement but not work 10 full time days.

Plan Number	Current Practice	MERS Approach
8006 01	Ten 7.5 Hour Days	75 Hours
8006 02 POLC Groups	Ten 8.0 Hour Days	80 Hours
8006 11	Ten 7.5 Hour Days	75 Hours
8006 12	Ten 7.5 Hour Days	75 Hours
8006 13	Ten 7.5 Hour Days	75 Hours
8006 14	Ten 7.5 Hour Days	75 Hours
8006 15	Ten 7.5 Hour Days	75 Hours
8006 16	Ten 7.5 Hour Days	75 Hours
8006 17 APA, Leg Secretary	Ten 7.5 Hour Days	75 Hours
8006 18 Transit Group	Ten 8.0 Hour Days	80 Hours

Leaves of Absence

Information for this section was researched by Miller Canfield and Mike Overly, MERS of Michigan.

Type of Leave	Service Granted or Not Granted
Short Term Disability	Service Credit Given. Subject to employer and employee Contributions.
Long Term Disability	3rd Party Vendor Service Credit not granted unless supplemented with PTO. If supplemented, PTO would be subject to employee and employer contributions.
Unpaid FMLA	
Workers Compensation	3rd Party Vendor. Service Credit awarded. Sheriff's Office supplement subject to employee and employer contributions

Definition of Compensation

We have reached out to MERS to gain a definition of compensation. MERS studied our current definition and returned the following form. We would recommend we keep it the same.

Defined Benefit Plan Adoption Agreement Addendum

EMPLOYER NAME: DIV:

SKIP THIS TABLE if you selected one of the standard definitions of compensation on page 4.

CUSTOM: If you choose this option, you must select boxes in each section you would like to include in your Definition of Compensation. You will be responsible for additional reporting details to track custom definitions.

Types of Compensation

Regular Wages

- [x] Salary or hourly wage X hours
- [x] PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified)
- [ ] On-call pay
- [ ] Other: _____

Other Wages apply: **YES** [x] **NO** [ ]

- [x] Shift differentials
- [x] Overtime
- [ ] Severance issued over time (weekly/bi-weekly)
- [ ] Other: _____

Lump Sum Payments apply: **YES** [x] **NO** [ ]

- [x] PTO cash-out
- [x] Longevity
- [ ] Bonuses
- [x] Merit pay
- [x] Job certifications
- [x] Educational degrees
- [ ] Moving expenses
- [ ] Sick payouts
- [ ] Severance (if issued as lump sum)
- [ ] Other: _____

Taxable Payments apply: **YES** [x] **NO** [ ]

- [ ] Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement)
- [ ] Prizes, gift cards
- [ ] Personal use of a company car
- [x] Car allowance
- [ ] Other: _____

Reimbursement of Nontaxable Expenses (as defined by the IRS) apply: **YES** [ ] **NO** [x]

- [ ] Gun, tools, equipment, uniform
- [ ] Phone
- [ ] Fitness
- [ ] Mileage reimbursement
- [ ] Travel through an accountable plan (i.e. tracking mileage for reimbursement)
- [ ] Other: _____

Types of Deferrals

Elective Deferrals of Employee Premiums/Contributions apply: **YES** [x] **NO** [ ]

- [x] 457 employee and employer contributions
- [x] 125 cafeteria plan, FSAs and HSAs
- [ ] IRA contributions
- [ ] Other: _____

Types of Benefits

Nontaxable Fringe Benefits of Employees apply: **YES** [ ] **NO** [x]

- [ ] Health plan, dental, vision benefits
- [ ] Workers compensation premiums
- [ ] Short- or Long-term disability premiums
- [ ] Group term or whole life insurance < $50,000
- [ ] Other: _____

Mandatory Contributions apply: **YES** [x] **NO** [ ]

- [x] Defined Benefit employee contributions
- [x] MERS Health Care Savings Program employee contributions
- [x] Other: DC EE contribution IF dual DB & DC enrollment

Taxable Fringe Benefits apply: **YES** [x] **NO** [ ]

- [ ] Clothing reimbursement
- [ ] Stipends for health insurance opt out payments
- [ ] Group term life insurance > $50,000
- [ ] Other: _____

Other Benefits / Lump Sum Payments apply: **YES** [x] **NO** [ ]

- [ ] Workers compensation settlement payments
- [x] Other: Transcript fees

Defined Benefit Plan Adoption Agreement Addendum

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 www.mersofmich.com

The employer, a participating municipality or court within the state of Michigan, hereby agrees to adopt and administer the MERS Defined Benefit (DB) Plan provided by the Municipal Employees' Retirement System of Michigan, as authorized by 1996 PA 220, in accordance with MERS Plan Document, as both may be amended, subject to the terms and conditions herein.

I. Effective Date

The effective date shall be the first day of **January, 2021**.

II. Employer name _____

Municipality number _____

This is an amendment of the existing Adoption Agreement for the MERS Defined Benefit.

Any changes to plan provisions apply to employees in the division on the effective date, as well as to new hires ongoing. Definitions will apply for all service accrued after the effective date.

Division number _____

Division name on file with MERS _____

III. Plan Eligibility

Only those employees eligible for MERS membership may participate in the MERS Defined Benefit. If an employee classification is **included** in the plan, then employees that meet this definition will receive service credit if they work the required number of hours to meet the service credit qualification defined below. All eligible employees must be reported to MERS.

Using your Division Name above, expand on the employee classifications that are eligible to participate in MERS. For example, if Division is "General," please insert specific classifications that are eligible for MERS such as "Clerical Staff," "Elected Officials," "Library Director," etc.:

_____

Employee classification contains **public safety employees:** ☐ Yes ☐ No

Public safety employees include: law enforcement, parole and probation officers, employees responsible for emergency response (911 dispatch, fire service, paramedics, etc.), public works, and other skilled support personnel (equipment operators, etc.).

EMPLOYER NAME: DIV:

If you elect to include a special classification (chart below), then the employee will be required to meet the Service Credit Qualification as defined under section IV (Provisions) in order to earn a month of service. Excluded classification will require additional information below.

To further define eligibility (select all that apply):

Employee Classification	Included	Excluded	Not Employed
Temporary Employees: Those who will work for the municipality fewer than _____ months in total.	☐	☐	☐
Part-Time Employees: Those who regularly work fewer than _____ per _____.	☐	☐	☐
Seasonal Employees: Those who will work for the municipality from _____ to _____ only.	☐	☐	☐
Voter-Elected Officials	☐	☐	☐
Appointed Officials: An official appointed to a voter-elected office.	☐	☐	☐
Contract Employees	☐	☐	☐

Probationary Periods (select one):

☐ Service will begin after the probationary period has been satisfied. Probationary periods are allowed in one-month increments, no longer than 12 months. During this probationary period, the employer will not report or provide service.

The probationary period will be _____ month(s).

Comments:

☐ Service will begin with the employee's date of hire (no Probationary Period). Effective with the date of hire, wages paid and any associated contributions must be submitted to MERS.

EMPLOYER NAME: DIV:

IV. Provisions

1. Service Credit Qualification

To clarify how eligible employees earn service credit, please indicate how many hours per month an eligible employee needs to work. For example, if you require 10 eight-hour days, this would be 80 hours per month. If an 'hour per day' has been defined (like ten 7-hour days), electing 70 hours will be required. Employees must meet the definition of Plan Eligibility in order to earn service credit under the plan.

To receive one month of service credit, an employee shall work (or be paid for as if working)

_____ hours in a month.

2. Leaves of Absence

Indicate by checking the boxes below, whether the potential for service credit will be allowed if an eligible employee is on one of the following types of leave, regardless of meeting the service credit qualification criteria.

Regardless whether an eligible employee is awarded service credit while on the selected type(s) of leave:

- MERS will skip over these months when determining the FAC amount for benefit calculations.
- Third-party wages **are not** reported for leaves of absence.
- Employers **are not** required to remit employer contributions based on leaves of absence when no wages are paid by the employer. However, an employer may submit additional voluntary contributions for the period of the leave in an amount determined by the employer.
- For **contributory divisions**, employee contributions are required for service credit to be retained. Employee contributions will be collected based on the Service Credit Qualification. Employers will calculate employee contributions due using the employee's current hourly rate (prior to leave). For example if 120 hours is required for service credit, then employee contributions shall be equal to 120 hours times the employee's hourly rate. Employees have three times the length of leave, to a maximum of five years, to pay required employee contributions. Leaves of absence are required to be reported to MERS, including the employee's start and end date per month, along with the employee's hourly rate.

Type of Leave	Service Credit Granted	Service Credit Excluded
Short- and Long-Term Disability	☐	☐
Workers' Compensation	☐	☐
Unpaid Family Medical Leave Act (FMLA)	☐	☐
Other: _____ For example, sick and accident, administrative, educational, sabbatical, etc.	☐	☐
Other 2: _____ Additional leave types as above	☐	☐

Leaves of absence due to military service are governed by the Federal U*niformed Services Employment and Reemployment Rights Act* of 1994 (USERRA), IRC 414(u), effective January 1, 2007, IRC 401(a)(37).

EMPLOYER NAME: DIV:

3. Definition of Compensation

The Definition of Compensation is used to calculate a participant's final average compensation and is used in determining both employer and employee contributions. Wages paid to employees, calculated using the elected definition, must be reported to MERS.

Select your Definition of Compensation here. If you choose to customize your definition, skip this table and proceed to page 5.

	○ Base Wages	○ Box 1 Wages	○ Gross Wages
Types of Compensation			
Regular Wages Salary or hourly wage X hours PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified) On-call pay	All Regular Wages included	All Regular Wages included	All Regular Wages included
Other Wages Shift differentials Overtime Severance issued over time (weekly/bi-weekly)	Excluded	All Other Wages included	All Other Wages included
Lump Sum Payments PTO cash-out Longevity Bonuses Merit pay Job certifications Educational degrees Moving expenses Sick payouts Severance (if issued as lump sum)	Excluded	All Lump Sum Payments included	All Lump Sum Payments included
Taxable Payments Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement) Prizes, gift cards Personal use of a company car Car allowance	Excluded	All Taxable Payments included	All Taxable Payments included
Reimbursement of Nontaxable Expenses (as defined by the IRS) Gun, tools, equipment, uniform Phone Fitness Mileage reimbursement Travel through an accountable plan (i.e. tracking mileage for reimbursement)	Excluded	Excluded	Excluded
Types of Deferrals			
Elective Deferrals of Employee Premiums/Contributions 457 employee and employer contributions 125 cafeteria plan, FSAs and HSAs IRA contributions	All Elective Deferrals included	Excluded	All Elective Deferrals included
Types of Benefits			
Nontaxable Fringe Benefits of Employees Health plan, dental, vision benefits Workers compensation premiums Short- or Long-term disability premiums Group term or whole life insurance < $50,000	All Nontaxable Fringe Benefits included	Excluded	All Nontaxable Fringe Benefits included
Mandatory Contributions Defined Benefit employee contributions MERS Health Care Savings Program employee contributions	All Mandatory Contributions included	Excluded	All Mandatory Contributions included
Taxable Fringe Benefits Clothing reimbursement Stipends for health insurance opt out payments Group term life insurance > $50,000	Excluded	Excluded	All Taxable Fringe Benefits included
Other Benefits / Lump Sum Payments Workers compensation settlement payments	Excluded	Excluded	All Other Lump Sum Benefits included

Defined Benefit Plan Adoption Agreement Addendum

EMPLOYER NAME: DIV:

SKIP THIS TABLE if you selected one of the standard definitions of compensation on page 4.

◯ **CUSTOM:** If you choose this option, you must select boxes in each section you would like to include in your Definition of Compensation. You will be responsible for additional reporting details to track custom definitions.

Types of Compensation

Regular Wages

- ☑ Salary or hourly wage X hours
- ☑ PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified)
- ☐ On-call pay
- ☐ Other: _____

Other Wages apply: **YES** ◯ **NO** ◯

- ☑ Shift differentials
- ☑ Overtime
- ☐ Severance issued over time (weekly/bi-weekly)
- ☐ Other: _____

Lump Sum Payments apply: **YES** ◯ **NO** ◯

- ☑ PTO cash-out
- ☑ Longevity
- ☐ Bonuses
- ☑ Merit pay
- ☑ Job certifications
- ☑ Educational degrees
- ☐ Moving expenses
- ☐ Sick payouts
- ☐ Severance (if issued as lump sum)
- ☐ Other: _____

Taxable Payments apply: **YES** ◯ **NO** ◯

- ☐ Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement)
- ☐ Prizes, gift cards
- ☐ Personal use of a company car
- ☑ Car allowance
- ☐ Other: _____

Reimbursement of Nontaxable Expenses (as defined by the IRS) apply: **YES** ◯ **NO** ◯

- ☐ Gun, tools, equipment, uniform
- ☐ Phone
- ☐ Fitness
- ☐ Mileage reimbursement
- ☐ Travel through an accountable plan (i.e. tracking mileage for reimbursement)
- ☐ Other: _____

Types of Deferrals

Elective Deferrals of Employee Premiums/Contributions apply: **YES** ◯ **NO** ◯

- ☑ 457 employee and employer contributions
- ☑ 125 cafeteria plan, FSAs and HSAs
- ☐ IRA contributions
- ☐ Other: _____

Types of Benefits

Nontaxable Fringe Benefits of Employees apply: **YES** ◯ **NO** ◯

- ☐ Health plan, dental, vision benefits
- ☐ Workers compensation premiums
- ☐ Short- or Long-term disability premiums
- ☐ Group term or whole life insurance < $50,000
- ☐ Other: _____

Mandatory Contributions apply: **YES** ◯ **NO** ◯

- ☑ Defined Benefit employee contributions
- ☑ MERS Health Care Savings Program employee contributions
- ☑ Other: DC EE contribution IF dual DB & DC enrollment

Taxable Fringe Benefits apply: **YES** ◯ **NO** ◯

- ☐ Clothing reimbursement
- ☐ Stipends for health insurance opt out payments
- ☐ Group term life insurance > $50,000
- ☐ Other: _____

Other Benefits / Lump Sum Payments apply: **YES** ◯ **NO** ◯

- ☐ Workers compensation settlement payments
- ☑ Other: Transcript fees

V. Execution:

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

This foregoing Addendum is hereby approved by

at a Board Meeting which took place on: _____
(mm/dd/yyyy)

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____

☐ I understand that approved board minutes are required to complete this request.

Board minutes should be sent to: **DataCollectionProject@mersofmich.com**

County Administrator Agenda Item
Labor Negotiations and Contracts Committee Meeting

TO: Labor & Negotiations Committee
FROM: Norman Frazier
DATE: January 26, 2021
RE: Rose Street Advisors and Blue Cross Blue Shield Fee for Service Agreements

REQUEST:

The request is to approve a renewal with Rose Street Advisors to provide employee benefit consulting services for the period of March 1, 2021 to December 31, 2023.

BACKGROUND:

Rose Street Advisors are responsible for assisting the County Board and advising them on matters pertaining to fringe benefits, and ensuring the County is compliant with all rules and regulation's concerning fringe benefits, In addition, they manage the County's compliance with PA 152 and Affordability Care Act, prepare bid specifications for Life Insurance, Short and Long Term Disability Insurance, Dental, Vision and Health Insurance and serve as the County's advocate with third party payer's which includes BC/BS.

Rose Street Advisors has been providing these services for close to twenty years. We normally have renewed this agreement to coincide with our benefit plan year. Because we changed our benefit year to be the calendar year, this agreement will end December 31, 2023. Consequently, it is a 2 3/4 year term not a 3 year term as was done in the past.

FINANCIAL IMPACT:

The County will pay a consulting fee of $3,000 per month. This is an increase from $2,860 per month.

RECOMMENDATION:

The recommendation is to approve a renewal with Rose Street Advisors to provide employee benefit consulting services for the period of March 1, 2021 to December 31, 2023 at the February 23, 2021 Board of Commissioners meeting and authorize the Board Chair to sign the appropriate documents on its behalf.

ATTACHMENTS:

Description

- **RSA_ConsultingAgreement_2021**
- **BCBSM_AgentFeeAgreement**

EMPLOYEE BENEFIT CONSULTING SERVICES AGREEMENT

This Agreement made as of March 1, 2021, between the County of Van Buren, a Michigan Governmental Agency with its principal place of business at 219 E. Paw Paw Street, Suite 303, Paw Paw, Michigan, 49079 ("VBC"), and Rose Street Advisors, LLC, a Michigan Limited Liability Company with its principal place of business at 244 North Rose Street, Kalamazoo, Michigan, 49007 ("Consultant").

VBC desires to retain the services of Consultant and Consultant desires to perform certain services for VBC. In consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties agree as follows:

1. ***Scope of Services.*** RSA will provide assistance with the strategic planning and development of VBC's Corporate Health and Welfare Program including Medical, Prescription Drug, Dental, Life, Disability, Vision, Flexible Spending Accounts, and Wellness components. RSA will advise VBC as to the tactical and operational components necessary to support current and future objectives relative to the program's design, implementation, administration, maintenance and management. Specifically, RSA's services will include the following:

Phase I – Objective Setting

- Collect current and historical data from vendor(s)
- Discuss industry updates, trends and strategies
- Perform demographic analysis
- Conduct plan analysis
- Document and analyze current program provisions
- Availability to assist with Wellness Program, additional benefit design and implementation, and payroll/online benefits enrollment platforms
- Availability to assist with special projects as needed.
- Provide Utilization Summary
- Provide Financial Summary
- Develop Benchmarking Analysis
- Conduct Discovery Interviews
- Available to assist with union negotiations for benefits

Phase II – Design and Funding

- Determine prospective plan specifications
- Facilitate plan design and provision modifications (if applicable)
-

- Present and educate on market and plan trends including, but not limited to, value based insurance designs, direct contracting, etc.
- Compare alternative funding mechanisms (fully insured, partially self funded, HRA, HSA, etc.)
- Evaluate current contribution strategies and proposed alternatives

Phase III – Sourcing

- Compile and cleanse data
- Identify potential markets for consideration
- Develop and distribute RFP
- Manage RFP process
- Facilitate vendor communication/Q&A
- Perform technical and financial evaluation
- Evaluate vendor responses
- Present results and recommendations
- Conduct finalist meetings and/or site visits as required / recommended
- Manage final negotiations

Phase IV – Implementation, Education and Enrollment

- Develop plan and audit processes for vendor implementation
- Participate throughout implementation calls/meetings
- Facilitate and assist in development of wellness committee
- Complete and review applications, amendments and endorsements
- Confirm plan designs
- Coordinate employee open enrollments and educational meetings
- Confirm rates
- Facilitate plan provision changes
- Assist in the preparation of program communications
- Evaluate and identify appropriate medium for delivery of enrollment message
- Coordinate delivery of enrollment materials with the insurer
- Assure that all necessary contracts and/or amendments
- Provide health insurance reform updates and guidance
- Facilitate vendor cancellation, if applicable

Phase V – Program Management

- Provide ongoing operational, administrative support and insurance vendor billing assistance

- Provide annual model notices and regular legislative updates
- Implement quarterly or semi-annual face-to-face vendor meetings to address clinical indicators (vendor performance) and review financial metrics and reporting
- Confirm accuracy of short term and long term program objectives
- Coordinate timeline and collect vendor renewal offers
- Perform renewal analysis and negotiate offers
- Develop renewal summary analysis
- Develop plan design models and rate differentials including budget rates and contributions
- Evaluate internal needs and external opportunities to enhance program design and cost effectiveness through ongoing benchmarking, plan analysis, market evaluation, program sourcing and claims analysis.

2. ***Term and Termination*****.** The term of this Agreement shall be thirty four (34) months which shall commence on March 1, 2021 and shall continue until December 31, 2023 unless sooner terminated:

a. by RSA for failure of VBC to make a timely payment required in Section 3 within ten (10) days following the receipt by VBC of a written notice from RSA of the failure to pay such amount due or failure of VBC to fulfill its obligations set forth in Section 6.

b. by VBC for any reason. If for any reason Van Buren County may elect to terminate this contract. Van Buren shall provide RSA thirty days notice of their intentions to terminate said contract. Essentially, this agreement shall be considered a 30 day contract with the opportunity for Van Buren County to terminate said contract at any time and only being financially responsible to pay RSA for the thirty days notification period.

c. RSA shall be entitled to payment for its services through the effective date of termination.

3. ***Fees.*** VBC shall pay RSA a consulting fee of $3,000 per month and agrees that Blue Cross Blue Shield of Michigan (BCBSM) will pay RSA a 3.5% bonus on the stop-loss premiums each month commencing March 1, 2021. The Consulting fee is due on the first (1st) day of each month and will be incorporated within the BCBSM invoice.

On the effective date of this agreement, BCBSM is the health insurance provider for the employees of VBC. So long as BCBSM continues to be the selected health insurance provider the consulting fee will be paid by VBC to BCBSM who shall forward the fee to RSA. It is understood that in the event a new or different carrier or provider is

selected that does not cooperate in a "pass through" fee to RSA from VBC, VBC shall pay the consulting fee directly to RSA.

4. ***Performance Report Card.*** No later than December 31st of each year, VBC designated staff will complete a "Consulting Service Client Satisfaction Survey" to provide a measure of RSA's ability to meet or exceed specific performance standards and expectations. VBC and RSA shall mutually agree on the specific performance measures used in the evaluation. The following rating scale shall be used for each performance measure:

Strongly Agree	SA
Agree	A
Kind Of	K
Disagree	D
Strongly Disagree	SD

5. ***Obligations of VBC***. VBC covenants that it will cooperate, to its extent possible, with RSA and promptly and timely provide information and access to information and personnel necessary for RSA to perform its functions in a timely and professional manner. VBC shall make available to RSA at VBC's primary site and at VBC's expense, office space, equipment, supplies and support services reasonably required for the performance of RSA's duties under this Agreement.

6. ***RSA HIPAA Business Associate Status***. RSA acknowledges that it will have reason to use and/or disclose personal health information as protected by HIPAA and defined at 45 C.F.R. §160.103. RSA further acknowledges that VBC is a "covered entity" and that it is a "business associate" as those terms are defined at 45 C.F.R. §160.103. Accordingly, RSA submits the fully executed Business Associate Agreement attached hereto as Exhibit B and incorporated herein.

7. ***Confidentiality***. RSA and VBC mutually covenant and agree that they shall not, at any time, directly or indirectly, on behalf of any person, firm, partnership or corporation, divulge or disclose for any purposes whatsoever any personally identifiable or protected health information of any individual, any work product or work papers produced as a result of the services provided under this Agreement or any trade secret or proprietary or confidential information of either party including financial statements and projections, business plans and marketing plans that have been obtained by or disclosed to each other as a result of this Agreement.

8. ***Ownership of Work Product***. All materials prepared by RSA in the performance of services under this Agreement including, without limitation, analysis, financial reviews and reports shall be the property of RSA and the contents shall not be revealed to any third party without the express consent of RSA. Notwithstanding the foregoing, copies may be retained by VBC for its files.

9. ***Relationship of the Parties***. The Parties acknowledge and agree that RSA is acting as an independent contractor. Nothing in this Agreement shall be construed or deemed to create any joint venture, partnership, agency, employer-employee or other relationship between the parties.

10. ***Entire Agreement***. This Agreement constitutes the entire Agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, relating to the subject matter of this Agreement. No provision of this Agreement may be modified, waived, or deleted unless such waiver, modification or deletion is in writing and is signed by a duly authorized officer of each party.

11. ***Severability***. In the event that any provision of this Agreement shall be held or determined to be invalid, illegal or otherwise enforceable, the validity, legality and enforceable of the remaining provisions shall in no way be affected or impaired thereby. A waiver or consent given by either party on any one occasion shall be effective only in that instance and shall not be construed as a bar waiver of any right on any other occasion or instance.

12. ***Assignment***. Neither party may sell transfer or assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party.

13. ***Governing Law***. This Agreement shall be governed by the laws of the State of Michigan without reference to, or application of, its conflict of laws principles.

Rose Street Advisors	**County of Van Buren, Michigan**
Name:	Name:
Title:	Title:
Signature:	Signature:
Date:	Date:

CID: _____

AGENT FEE PROCESSING AGREEMENT

This agent fee processing agreement ("Agreement") is effective March 1, 2021, and is made among Blue Cross Blue Shield of Michigan, a Michigan non-profit corporation with offices at 600 Lafayette East, Detroit, Michigan 48226 ("BCBSM"), Van Buren County, Michigan with offices at 219 E. Paw Paw Street, Paw Paw, MI 49079 ("Group") and Rose Street Advisors, LLC with offices at 244 N. Rose Street, Kalamazoo, MI 49007("Agent").

Whereas, Group and Agent have negotiated an agent fee ("Agent Fee") that Group will pay Agent; Whereas,

BCBSM is willing to assist Group with the payment process of the Agent Fee;

Now therefore, in consideration of the mutual promises set forth below, the parties agree as follows:

1. Group and Agent have negotiated and agreed to the following Agent Fee for the period beginning March 1, 2021 until terminated by any party as set forth below:
   a. $_____per month; or
   b. $_____per contract per month (only for non-quarterly settled Groups)
2. Group and Agent acknowledge and agree that such Agent Fee is reasonable compensation for Agent's services.
3. In addition to the services that BCBSM performs pursuant to an administrative services contract ("ASC") with Group, BCBSM is willing to assist Group with the payment process for the Agent Fee.
4. BCBSM will add the Agent Fee to Group's ASC invoice as follows:
   a. If Group's ASC is a weekly or monthly invoice program, the Agent Fee will be added to the invoice that contains the ASC administrative fee;
   b. If Group's ASC is a quarterly settled weekly or quarterly settled monthly invoice program, each month the Agent Fee will be set forth on BCBSM's eBookshelf or eBilling website (Note: Group's Quarterly Payment Schedule will not reflect the Agent Fee, however, the Group's quarterly reconciliation will include a separate line item for the Agent Fee payments that were made in the previous quarter);
   c. If Group's ASC is an advance deposit program or monthly cap program, each month the Agent Fee will be set forth on BCBSM's eBookshelf or eBilling website;
5. Group will pay BCBSM the Agent Fee in addition to Group's required ASC payments and on the same schedule, terms and conditions as set forth in the ASC.
6. BCBSM will process all Agent Fee payments on a pass-through basis and BCBSM will only pay the Agent if BCBSM receives such amount from Group. BCBSM will report the Agent Fee to Group for Group's Form 5500. BCBSM will also report the Agent Fee to the Internal Revenue Service and issue Form 1099s to the Agent.
7. Group may change the Agent and/or Agent Fee by completing and giving BCBSM a new, fully executed Agent Fee Agreement 30 days prior to the 1st of the month in which the new Agent and/or Agent Fee will be payable.
8. Group and Agent acknowledge that BCBSM's process does not allow for any retro-changes to the Agent or Agent Fee.
9. This Agreement may be terminated by any party by giving the other parties 30 days prior written notice.
10. The terms and conditions of this Agreement shall be confidential and shall not be disclosed or released to any third party without the prior written consent of all parties.

11. General Terms.

a. Waiver. The failure of any party at any time to require performance of any provision of this Agreement shall not affect in any way that party's full right to require such performance at any time thereafter.

b. Compliance with Laws. Agent shall comply with all state and federal laws and regulations applicable to Agent's representation of BCBSM. Agent shall also comply with all rules and instructions issued by BCBSM, including but not limited to underwriting rules, regarding the marketing, sale and servicing of any Products offered through BCBSM.

c. Severability. If any provision of this Agreement is invalid, illegal, or unenforceable for any reason, that provision shall be severed from this Agreement and the other provisions shall remain in full force and effect.

d. Merger Clause. This Agreement shall be the entire agreement of the parties and supersedes all previous agreements whether oral or written among BCBSM, Group and Agent.

e. Assignment. The Agent Fee shall not be assignable to any third party without the prior written consent of all parties.

f. Law. This Agreement is entered into in the State of Michigan and shall be construed according to the laws of Michigan.

g. Amendment. This Agreement may be amended only by a written amendment duly executed by authorized representatives of each party.

h. Warranties. BCBSM MAKES NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO ANY OF ITS SERVICES OR DELIVERABLES UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ITS PERFORMANCE.

i. Indemnification. Group and Agent shall indemnify, defend, and hold BCBSM harmless from and against any and all claims, actions, loss, damage, liability, cost or expense resulting from Group or Agent's acts or omission with respect to this Agreement, unless caused by BCBSM's gross or willful misconduct. In addition, BCBSM shall not be liable for any indirect, incidental, reliance, special, consequential or punitive damages (including lost revenue, lost profit, or loss of business opportunity) of any Party, including third parties, whether or not such damages are foreseen or unforeseen.

Group

_____
Signature

_____
Print Name and Title

Date: _____

Agent

_____
Signature

_____
Print Name and Title

Date: _____

Blue Cross Blue Shield of Michigan

_____
Signature

_____
Print Name and Title

Date: _____