

April 29, 2021

The Martin County Board of Commissioners met in a Special Called Session on Thursday, April 29th, 2021 at the Martin County Government Center, Commissioners' Boardroom, 305 E. Main Street, Williamston, North Carolina. Martin County provided the opportunity for virtual participation through Cisco Webex and FaceBook.

ASSEMBLY

Present in the Commissioners' Boardroom: Chairman Ronnie Smith, Vice Chairman Dempsey Bond, Jr., Commissioner Joe Ayers, Commissioner Emily Biggs, Commissioner David "Skip" Gurganus, County Manager James Bennett, Deputy Clerk Marion B. Thompson, Finance Officer Cindy Ange, Sheriff Tim Manning, Chief Deputy Drew Robinson and IT Director Jeb Gardner.

Others present: Payroll Administrator Donna Zube, Elections Director Kristy Modlin, Retired Register of Deeds Tina Manning and Williamston Enterprise Editor Sarah Stalls.

Chairman Smith called the meeting to order at 7:00 p.m. Commissioner Ayers led the Pledge of Allegiance. Commissioner Gurganus provided the invocation.

Commissioner Smith welcome everyone participating in person and virtually.

AGENDA APPROVAL

Vice Chairman Bond made a MOTION to approve the agenda as presented, with a SECOND by Commissioner Gurganus. The Board APPROVED the motion unanimously (5-0).

PUBLIC COMMENTS

Pre-65 Retirees Health Insurance Options

Due to increasing insurance cost for all employees, active and retired, County Manager Bennett, Finance Officer Ange and Staff began to examine ways to reduce cost where possible. County Manager Bennett mailed retirees a letter regarding the proposed change to offer individual Bronze BSBS plans to Pre-65 Retirees with the option to pay an additional premium to obtain the individual Gold BCBS Plan. This proposal would affect thirteen (13) Pre-65 retirees.

Before beginning the Public Comments period, Chairman Smith asked Deputy Clerk Thompson to read aloud public comment procedures.

Seven Martin County retired employees, one soon to retire and one active employee requested time to make comments by either live, virtual, or written form.

Retired Register of Deeds Tina Manning attended the meeting to speak to the Commissioners.

The following Pre-65 retirees provided comments virtually:

Ms. Susan Manning – Department of Social Services

Ms. Amy James – Department of Social Services

Mr. Michael Stalls – Sheriff’s Office
Mr. Kent Roberson – Animal Control

Chairman Smith asked Deputy Clerk Thompson to read each written comment received. The following Pre-65 Retirees submitted written comments.

Ms. Anna Shaw – Department of Social Services
Ms. Donna Ward – Department of Social Services (Effective April 30th)
Ms. Norma Gray – Department of Social Services

Active Employees
Ms. Janet Parks

The major focus of the concerns were:

- Agreement/conversation made or implied that the County would provide Pre-65 retirees the same level of coverage for health insurance as the active employees at no cost, until age 65; then Medicare Supplement and Medicare Part D at no cost.
- Preexisting conditions and having to meet another medical deductible in the same year as well as a prescription deductible mid-year.
- For what medical expenses could the retiree use the HRA (Health Reimbursement Account).
- High deductible.
- Being on a fixed income and the potential of having to contribute monthly \$300 to \$400 or more to keep present plan.
- The fear of Martin County discontinuing health insurance for Pre 65 retirees.
- Request to grandfather in present Pre-65 and allow them to keep their present insurance.
- Establish a new Martin County policy for any future Pre-65 retirees.
- Reportedly, being told Pre-65 retirees were a burden to Martin County

PRESENTATION – PRE-65 RETIREES HEALTH INSURANCE OPTIONS

County Manager Bennett mailed a letter to Pre-65 Retirees concerning meeting with Insurance Agent Kathy Norman, Mark III on potential individual health insurance policies for FY2021-2022. County Manager Bennett explained the following presentation on the Pre-65 Health Insurance Options to hopefully address some of the misinformation and questions.

History of Retiree Health Insurance

In 2011, Martin County Board of Commissioners amended the County Policy for Retirees Health Insurance.

Current Policy States: For employees hired prior to September 1, 2011, the County of Martin provides Hospitalization and Medicare Supplement coverage for its retirees.

In 2016, Martin County changed to State Health Plan due to increase cost. Increase in cost was due to plan experience rating with Martin County increase of 177%.

State Health Plan came into effect April, 2016

- Current and future retirees are not allowed to participate.
- The only solution for retirees are individual policies.
- Session Law 2020-48 adopted N.C. Gen Stat. 135-48.47 €: which clarifies that a Local government unit's election to participate in the Plan is IRREVOCABLE.

Fiscal year 2016-2017 Increase Cost of 177% to Health Insurance Plan

		Per Employee per month	Per Employee per year	Total per year	Base on # of employees
2015-2016	Actual cost	\$714.75	\$8,577	\$1,835,478	214
2016-2017	Potential increase	\$1,265.11	\$15,182	\$3,248,948	214
2016-2017	State Health Plan	\$477.88	\$5,735	\$1,135,530	198

Retirees Individual Plan	Per retiree per month	Total per year	Base on # of retirees
2016-2017	\$15,500	\$247,992	16

- Savings of \$451,956 for 2016-2017 year

Potential FY 2021-2022 costs – Active Employees

- Expected increase for 2021-2022 Active Employees \$548/month or \$6,577/year
- Based on 181 Active employees – \$1,190,437/year

Potential costs – Pre-65 Retirees Current & Potential

- 2020-2021 Gold Plan \$229,896/year – 13 total
- 2021-2022 Gold Plan \$560,721/year; Bronze Plan \$476,551/year – 35 total
- 2022-2023 Gold Plan \$640,848/year; Bronze Plan \$544,638/year – 38 total
- 2029-2030 Gold Plan 870,806/year; Bronze Plan \$720.239/year – 36 total

County Manager Bennett stated the cost estimates were of a conservative nature with a 5% increase.

County Manager Bennett provided a graph on current trends for Pre-65 retirees, a cost comparison on the Gold plan versus the bronze plan as well as the estimated cost of insurance as more employees choose to retire from FY 2020-2021 through FY 2049-2050. A cost comparison and a scenario were given showing co-pays, annual exams, deductible, meds, lifetime maximum,

etc. County Manager Bennett presented Medicare Supplement and Medicare Part D for post-65 retiree estimated FY 2021-2022 cost information, as well.

Payroll Administrator Donna Zube informed the retirees that deductibles already met would carry over, if they switch to the gold or bronze plan. If they go on the subsidy, the deductible will end. Payroll Administrator Zube recalled a situation where through subsidy a retiree was able to cut his/her payment from \$1403/month to \$61/month. A single individual with an income less than \$59,000 would qualify for the federal subsidy. Married filing jointly income limit was stated to be \$29,999 up to \$69,999 to qualify for the federal subsidy. Two others were working on income information for the subsidy.

Retiree Tina Manning cautioned that the marketplace would affect insurance payments as income increased or decreased. A taxpayer may receive a letter stating additional money was due. Chairman Smith encourage retirees to see if they qualify for the subsidy.

Like active employees, Finance Officer Cindy Ange added Martin County would continue to handle the insurance in a way to be a pre-tax benefit for the retirees. Finance Officer Ange also stated retirees could use the HRA for co-pays and deductibles.

County Manager Bennett expressed a desire to know who stated retirees were a burden to Martin County. County Manager Bennett stated that could not be further from the truth. Without the retirees, no one would be here.

Chairman Smith commented the Board had charged County Manager Bennett with finding ways to reduce expenses. Adding, none of this was a done deal.

Vice Chairman Bond commented the Board voted to discontinue retiree health insurance for employees hired after September 1, 2011. When Martin County went on the State Health Plan, it was a Board decision. Although being denied at first, Vice Chairman Bond stated Martin County was able to join the State Health Plan due to intervention by two Commissioners (Smith and Bond). The Board was trying to do the best for the employees. Vice Chairman Bond urged retirees to let the Board look at this and the right decision would be made. Adding, no one said insurance would be cut-off. Martin County has to provide insurance for Pre-65 retirees. Vice Chairman Bond asked the retirees to give the Board a chance. Vice Chair Bond asked all to stop and exhale, look at all the options and make a decision.

Commissioner Ayers commented it was not unreasonable for the Pre-65 retirees to be upset. The letter appeared to be a done deal by stating the plan would change at a certain date. Commissioner Ayers stated he was not in favor of the change. Commissioner Ayers added providing the HSA would pretty much washout any savings in expense to Martin County.

Commissioner Biggs thanked all for the presentations. Stating, the Board was charged with coming up with a median with what we see and what we have.

Commissioner Gurganus stated he was not in favor of the change, in a time of fixed income. Commissioner Gurganus commented he was still paying for personal insurance even with the County's insurance. Saying, he could get kicked off the Board. Commissioner Gurganus stated somebody decided without the Board's knowledge to send the letter. Adding, a lot of good information was given tonight that may change some peoples' minds. Commissioner Gurganus

commented he had not been a part of this and asked to be made aware of things like this beforehand. Commissioner Gurganus was very concerned as to who said Pre-65 retirees were a burden to the County.

County Manager Bennett stated he discussed looking into life insurance, health insurance, department increases and the Moratoc Park Building during the Planning & Budget Retreat. The reason for the meetings with the retirees was to have discussions with a license insurance agent. Ideally, March was the time to examine rates and solicit quotes. County Manager Bennett stated he took full responsibility for the text of the letter and apologized to those who were upset by the letter.

Commissioner Gurganus suggested doing away with the proposed raise for the Commissioners' pay to balance the budget. Commissioner Gurganus also suggested looking at Commissioners' travel as a way to cut cost. Commissioner Gurganus stated this was not a money making position. Commissioner Gurganus thanked all individuals who submitted written comments, as well those attending live and virtual.

Chairman Smith stated in life, there are always difficult decisions. Some pleasing and some not so pleasing. Chairman Smith thanked the citizens for the opportunity to serve. In his state position, Chairman Smith commented he had had many opportunities to ask about insurance. Many locations are in the same situation. Some self-insured larger counties cannot even get a quote on insurance. In order to make the best decision possible, one wants all the facts. As far as travel and training, Chairman Smith commented one needs to venture out and learn outside of county lines.

ADJOURNMENT

With no further business to discuss, Commissioner Gurganus made a MOTION to adjourn, with a SECOND from Vice Chairman Bonds. The Board APPROVED the motion (5-0). Chairman Smith adjourned the meeting at 8:58 p.m.

Ronnie Smith, Chairman

Marion B. Thompson
Deputy Clerk to the Board