

# AGENDA

## BAY ARENAC BEHAVIORAL HEALTH BOARD OF DIRECTORS SPECIAL PERSONNEL & COMPENSATION COMMITTEE MEETING

Monday, December 18, 2023 at 5:00 pm

William B. Cammin Clinic, Bay Room, 1010 N. Madison Avenue, Bay City, MI 48708

<b>Committee Members:</b> Ernie Krygier, Ch Colleen Maillette, V Ch Ex Off Jerome Crete Kathy Niemiec	<b>Present</b> _____ _____ _____ _____	<b>Excused</b> _____ _____ _____ _____	<b>Absent</b> _____ _____ _____ _____	<b>Committee Members:</b> Robert Pawlak Toni Reese Richard Byrne, Ex Off	<b>Present</b> _____ _____ _____	<b>Excused</b> _____ _____ _____	<b>Absent</b> _____ _____ _____	Others Present: BABH: Chris Pinter, Jennifer Lasceski, Marci Rozek, and Sara McRae  Legend: M-Motion; S-Support; MA-Motion Adopted; AB-Abstained
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	Agenda Item	Discussion	Motion/Action
1.	Call To Order & Roll Call		
2.	Public Input (Maximum of 3 Minutes)		
3.	Agency Insurance 3.1) Workers' Compensation Policy Renewal		3.1) Consideration of a motion to refer the 2024 Workers' Compensation Insurance Policy from Accident Fund Insurance Company of America for an annual premium of \$99,412 to the full Board for approval
4.	Policies 4.1) Proposed Revisions to the Employee Handbook  4.2) Bay County Voluntary Employees' Beneficiary Association (VEBA) Policy/Procedure		4.1) No action necessary  4.2) No action necessary
5.	Plans 5.1) 2024 Strategic Plan Initiatives		5.1) No action necessary

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BOARD OF DIRECTORS  
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December 18, 2023 at 5:00 pm  
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6.	Employee Compensation 6.1) Update on BABH Staff Compensation Review  6.2) Proposed Rulemaking Changes to the Fair Labor Standards Act (FLSA) Overtime Provision		6.1) No action necessary  6.2) No action necessary
7.	Adjournment	M –	S – pm MA

PROPERTY & CASUALTY  
Proposal Prepared for  
**Bay-Arenac Behavioral Health**

Policy Period 1/1/2024 – 1/1/2025



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*This proposal is based upon the exposures made known to the Agency by you and contains only a general description of the coverage(s) and does not constitute a policy/contract. For complete policy information, including exclusions, limitations, and conditions, please refer to your policy. In the event of differences, the policy will prevail.*

# Who We Are

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## Growth has no finish line.

No matter where you are on your growth journey, we can help you find solutions to meet your ever-evolving insurance and risk management needs. If you are a highly complex multinational company, an individual or anything in between, our experienced teams can help every step of the way.

## Discover Our Capabilities

As a successful business, you plan for the future and adapt as circumstances change your course. At Brown & Brown, we help you navigate the path forward, by taking a different approach to how you view, analyze and purchase insurance. Your exposures are unique, and you deserve coverage options designed to help protect your assets, interests and reputation. Our teams work to understand your business and your risk management plan by providing personalized local service complemented by the exceptional resources and capabilities of a national brokerage.

## Our History

Brown & Brown Insurance was founded in Daytona Beach, Florida, in 1939 by cousins J. Adrian Brown and Charles Covington Owen. In 1959, Adrian's son, Hyatt, took leadership of the family business. Under his direction, the Brown & Brown vision of a lean and profit-oriented organization came into focus. Following a merger in 1993, the company became Poe & Brown, Inc., publicly traded on Nasdaq. In 1998, Poe & Brown was changed back to Brown & Brown and became listed on the New York Stock Exchange (NYSE: BRO), joining the S&P 500 in 2021. The company has continued to thrive under Chief Executive Officer (CEO) J. Powell Brown, who became the third generation to lead the organization in 2009. We consistently deliver high-quality solutions and services to a broad array of customers. With a precise and focused acquisition strategy, Brown & Brown has become one of the insurance industry's most powerful and influential leaders.

## Our Mission

We are dedicated to making a positive difference in the lives of our customers by helping to protect what they value most. With 350+ locations and growing, we have teammates across the globe who are dedicated to serving our customers and local communities.

## Our Culture

We believe in doing what is best for our customers, communities, teammates, carrier partners and shareholders—always. Powered by a culture that values high performance and perseverance, the cornerstone of Brown & Brown's guiding principles are people, service and innovation.



**5TH LARGEST**

Insurance Brokerage in the Nation



**350+ LOCATIONS**

And Growing



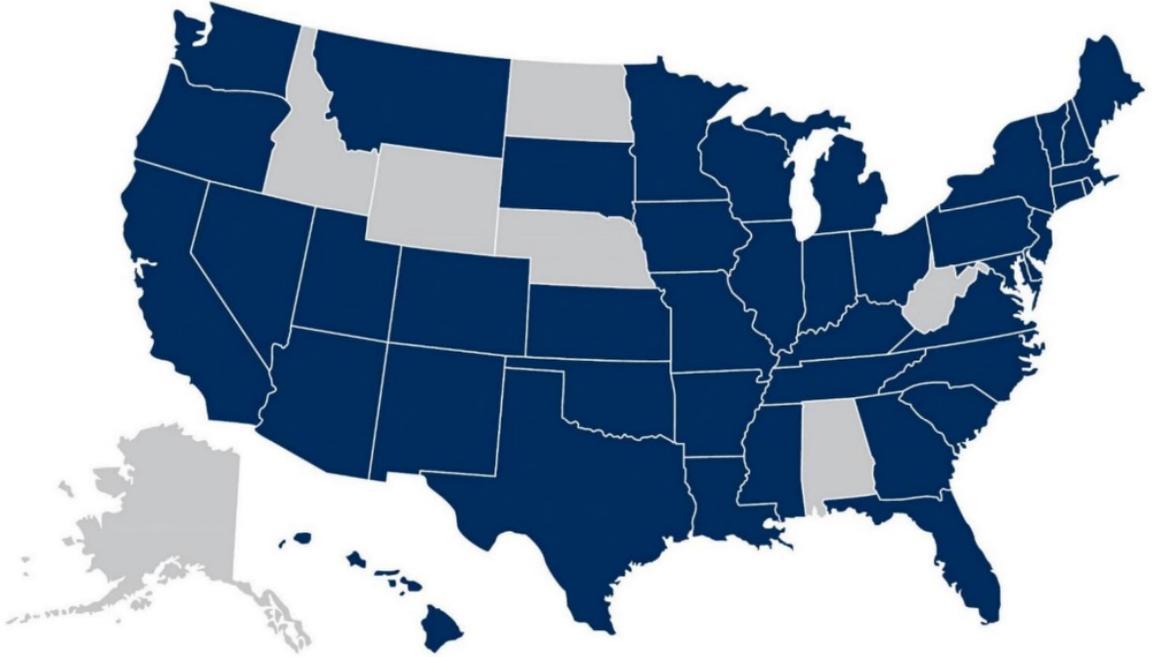
**8,000+**

Retail Teammates



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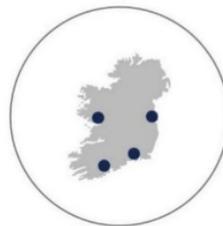
# Brown & Brown



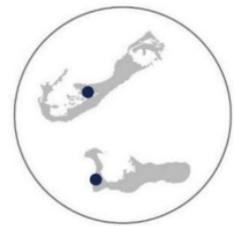
Canada



London, England



Ireland



Bermuda & Grand Cayman

In the map above, blue indicates states or countries with Brown & Brown locations.



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# Preparing You for Tomorrow's Risks—Today™

We pride ourselves on our ability to couple national strength with local, personalized service. Our Brown & Brown of Michigan, Inc. - based team is as connected to the more than 11,000 teammates across Brown & Brown and our team of companies as it is here in our community.

We have become a leading insurance brokerage because we view insurance differently and utilize our vast experience and wide-reaching network to deliver superior service and solutions to our customers, both big and small.

We believe that our teammates and the relationships they form with our customers are our strength. Our reputation has been built on a solid foundation of teamwork, strengthened by people who are dedicated to providing the highest degree of service. Our team thanks you for the opportunity to work together. Please find our contact information below.

## Service Team

Name	Role	Title	Email	Business Phone
Jason Vandeberghe, CIC ARM	Account Executive	Profit Center Leader	JAV@bbrown.com	(810)714-5852
Cheryl Hamilton	Account Representative	Account Manager	Cheryl.Hamilton@bbrown.com	(810)714-5825



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# Named Insured

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## Named Insured

Bay-Arenac Behavioral Health

This list includes all the named insureds we presently have on your policies. Should any revisions to this listing be required, please notify our office immediately.

# Location(s)

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Bay-Arenac Behavioral Health  
201 Mulholland Bay City, MI 48708

Loc #	Address	City	State	Zip
1	201 Mulholland	Bay City	MI	48708
2	1000 W Cedar St.	Standish	MI	48658
3	1010 N Madison	Bay City	MI	48708
4	1961 E Parish Rd	Kawkawlin	MI	48631
5	1717 Horizon Rd	Essexville	MI	48732
6	909 Washington	Bay City	MI	48708



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# Workers' Compensation

## A. Workers' Compensation Insurance:

Part One of the policy applies to the Workers' Compensation Law of the states listed below:

State
MI

## B. Employers' Liability Insurance:

Part Two of the policy applies to work in each state listed in Item A

Each Accident Limit	Disease Policy Limit	Disease Each Employee
\$1,000,000	\$1,000,000	\$1,000,000

Higher limits may be available.

## C. Other States Insurance:

Part Three of the policy applies to the states, if any listed below:

Does not apply to ND, OH, WA, and WY (Monopolistic States).

## Rating Basis:

State	Class Code	Description	Payroll	Rate
MI	7380	Chauffers, drivers	\$0	7.00
MI	8810	Clerical	\$4,026,277	0.19
MI	8829	Convalescent Home	\$1,737,875	4.79
MI	8832	Physicians, clinical	\$7,074,968	0.36
MI	8835	Home Health Care	\$44,618	3.65
MI	8868	Schools: Professional	\$635,410	0.39
MI	9015	Janitorial Operation	\$82,148	4.86

Policy is subject to audit.

Experience Mod :	1/1/2024 – 1/1/2025	1.02
	1/1/2023 – 1/1/2024	1.00
	1/1/2022 – 1/1/2023	1.50

### Notes:

- Renewal payroll up \$741,995
- Renewal net rate reduction -5.4%

### Subjectivities:

Added States of Hire must be reported when payroll begins in that state



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# Proposal Premium Summary

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Line of Business	Expiring Premium	Renewal Premium
Workers' Compensation	\$99,340.00	\$99,412

*This quote is valid for (30) days or until the proposed effective date, whichever is first. Please include if applicable Minimum Earned Premium / Premium is Minimum & Deposit / Fees are fully earned*

## Payment Plans

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Line of Business	Payment Plan	Billing Plan
Workers Compensation	Direct Bill	Annually



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# A. M. Best

## A. M. Best Rating of Proposed Carriers:

### Basic Policy Info

Line of Business	Insurance Company	Rating	Admitted
Workers Compensation	Accident Fund Insurance Company of America	A-, XI	Admitted

### General Rating:

Rating Categories	Rating Symbols
Superior	A+ to A++
Excellent	A to A-
Good	B+ to B++
Fair	B to B-
Marginal	C+ to C++
Weak	C to C-
Poor	D

These rating classifications reflect AM BEST's opinion of the relative position of each company in comparison with others, based upon averages within the Property-Casualty insurance industry. They are reflective of overall company services and standing within the industry.

### Financial Size Category:

Class	Range (\$ in Thousands)
Class I	Up-\$1,000
Class II	\$1,000-\$2,000
Class III	\$2,000- \$5,000
Class IV	\$5,000-\$10,000
Class V	\$10,000-\$25,000
Class VI	\$25,000-\$50,000
Class VII	\$50,000-\$100,000
Class VIII	\$100,000-\$250,000
Class IX	\$250,000-\$500,000
Class X	\$500,000-\$750,000
Class XI	\$750,000-\$1,000,000
Class XII	\$1,000,000-\$1,250,000
Class XIII	\$1,250,000-\$1,500,000
Class XIV	\$1,500,000-\$2,000,000
Class XV	\$2,000,000-Greater

The Financial Size Category is an indication of the size of an Insurer and is based on reported policyholder's surplus conditional or technical reserve funds, such as mandatory securities valuation reserve, or other investments and operating contingency funds and/or miscellaneous voluntary reserves in liabilities (\$ in Thousands)

This information has been provided to you so that consideration is given to the financial condition of our proposed carriers. The financial information disclosed is the most recent available to Brown & Brown, Inc. Brown & Brown, Inc. does not guarantee financial condition of the insurers listed above.



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# Compensation Disclosure

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**Compensation.** In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or “pooled”) with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date of premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

If an intermediary is utilized in the placement of coverage, the intermediary may or may not be owned in whole or part by Brown & Brown, Inc. or its subsidiaries. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services is derived from your premium payment, which may on average be 15% of the premium you pay for coverage, and may include additional fees charged by the intermediary.

**Questions and Information Requests.** Should you have any questions, or require additional information, please contact this office at (810) 629-1566 or, if you prefer, submit your question or request online at <http://www.bbinsurance.com/customerinquiry/>



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**Personal Appearance/Dress Code**

BABH employees are expected to present a neat, clean, and businesslike appearance while on the job at all times and adhere to good personal hygiene habits in order to promote a positive public image. All clothing and shoes should be clean and in good repair. Employees presenting to the public such as court appearances, meetings with community representatives or accrediting bodies, employment interviews, etc. are to be dressed in business professional or business casual ~~business~~ attire and reflect the atmosphere of the work being conducted. Employees working in the community to deliver services to consumers, business casual attire and jeans (free of rips, tears, fraying) are allowable. Staff working on an Alternative Remote Work schedule will be expected to abide by the Personal Appearance/Dress Code while on virtual meetings.

~~The following are not considered appropriate business attire for any BABH employee:~~

- ~~❖ Denim jeans of any color (except for designated casual days and those instances noted under exceptions below)~~
- ~~❖ Tank tops/muscle shirts/crop tops~~
- ~~❖ Sweat pants, sweat shirts, or other active wear~~
- ~~❖ T shirts with slogans/pictures~~
- ~~❖ Short skirts (higher than mid-thigh)~~
- ~~❖ Shorts~~
- ~~❖ Sheer, provocative (low cut, tight), or revealing clothing~~
- ~~❖ Excessively baggy clothing~~
- ~~❖ Flip flops or other beach shoes~~
- ~~❖ Leggings worn as pants~~

~~Tennis shoes, unless medically necessary~~

~~**Proposed format change:**~~

**Commented [JL1]:** I recommend replacing the list of what is not acceptable with the table format below.

<b>Business Professional / Business Casual Attire Chart</b>	
<b>Appropriate</b>	<b>Inappropriate</b>
<u>Pants/Skirts/Dresses</u>	
<ul style="list-style-type: none"> <li>• <u>Dress pants, khakis, corduroys, or capris</u></li> <li>• <u>Suits, dresses, skirts (mid-thigh or longer)</u></li> <li>• <u>Jeans (clean and free of rips, tears, fraying; not excessively tight, revealing)</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>Sweatpants</u></li> <li>• <u>Exercise apparel or activewear</u></li> <li>• <u>Beachwear</u></li> <li>• <u>Shorts</u></li> <li>• <u>Ripped pants of any kind</u></li> <li>• <u>Very short skirts (higher than mid-thigh)</u></li> <li>• <u>Leggings unless paired with an appropriate length skirt or dress (see appropriate column)</u></li> <li>• <u>Excessively baggy clothing</u></li> </ul>
<u>Shirts/Tops/Jackets</u>	
<ul style="list-style-type: none"> <li>• <u>Polo collar knit or golf shirts</u></li> <li>• <u>Button down shirts</u></li> <li>• <u>Sweaters, long or short sleeve</u></li> <li>• <u>Short-sleeve blouses or shirts</u></li> <li>• <u>Turtlenecks</u></li> <li>• <u>Blazers or sports coats</u></li> <li>• <u>Jackets</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>Shirts with offensive writing or large logos</u></li> <li>• <u>T-shirts or sweatshirts with slogans/pictures</u></li> <li>• <u>Beachwear, tank tops</u></li> <li>• <u>Exercise apparel or activewear</u></li> <li>• <u>Crop tops, clothing showing midribs, halter tops</u></li> <li>• <u>Tank tops or muscle shirts</u></li> </ul>

	<ul style="list-style-type: none"> <li>• <u>Sheer, provocative (low cut, tight) or revealing clothing</u></li> </ul>
<u>Shoes / Accessories</u>	
<ul style="list-style-type: none"> <li>• <u>Loafers or tie shoes</u></li> <li>• <u>Dress shoes, pumps (low to high heeled)</u></li> <li>• <u>Dress sandals with heel strap</u></li> <li>• <u>Deck shoes, dress boots</u></li> <li>• <u>Casual, open back shoes (mules, sling backs)</u></li> <li>• <u>Athletic or walking shoes – solid neutral color (black, brown, white, grey)</u></li> </ul>	<ul style="list-style-type: none"> <li>• <u>Flip flops or floppy sandals</u></li> <li>• <u>Beach shoes</u></li> <li>• <u>Slippers</u></li> <li>• <u>Shoes with significant signs of wear and tear (rips, tears, fraying, or stained)</u></li> <li>• <u>Baseball hats or caps</u></li> </ul>

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Employees whose job or work assignments require uniforms, protective clothing, or equipment must wear such attire when necessary or as required.

Exceptions

In the event an employee is required to perform work that necessitates the need for durable clothing, with supervisor approval, the employee may be allowed to dress in more casual attire to fit the setting and the work being conducted. For example, staff may wear jeans and athletic shoes when they are participating in a physical or off-site work activity such as training, moving, assisting with skill building activities such as cleaning an apartment, etc. Employees are to seek supervisor approval prior to deviating from the established dress code. If the program is hosting an event for persons receiving services (such as a picnic) an alternative to business casual may be considered and, if appropriate, will be reviewed for approval through the service director. Business casual is the standard for all other occasions.

If an employee believes a certain manner of dress, personal appearance or hygiene is necessary because of religious beliefs, medical condition or an otherwise legally protected reason, the employee must notify Human Resources of this reason, in writing, before reporting to work. BABH may require appropriate proof of this belief, condition or otherwise protected reason. Employees should also refrain from using strong smelling perfumes, after-shave or deodorant. No more than a light odor should be noticeable. Strong cigarette smoke odor is not acceptable.

Employees who do not conform to the expectations contained herein will be sent home to change. Such employees will be required to use banked leave time during this absence from work. Continued violation of the dress code will result in disciplinary action.

## ALCOHOL AND DRUG-FREE WORKPLACE

### 26.1 Policy

BABH has a legal responsibility to provide a safe work environment. Use of illegal drugs, drug dependence and drug or alcohol abuse can seriously impair an employee's work performance and general physical and mental health. To receive a federal grant or contract, BABH must ensure employees are free from drug dependence, illegal drug use or drug or alcohol abuse. This procedure has been developed to ensure an employee's fitness for duty as a condition of employment and to ensure drug tests are ordered based on a reasonable and objective cause, following an established written policy and procedure.

Illegal drugs, marijuana and alcohol in the workplace present a danger to us all. Drugs and alcohol impair safety and health, lower productivity, work quality, and undermine public confidence. BABH will not tolerate the illegal use of drugs.

Effective immediately, all BABH premises, including work sites and vehicles, are declared to be alcohol and drug-free workplaces.

No employee shall manufacture, possess, sell, distribute, dispense, use or be impaired by alcohol, marijuana or illegal prohibited drugs on BABH property, while on BABH business, while in a BABH vehicle, or during working hours, including rest and meal periods. "Illegal prohibited drugs" are those substances that are illegal to sell or possess under **State or Federal law** (which, currently would include marijuana, even if an employee is registered in the Michigan Medical Marijuana Program) and those drugs which require a prescription if the employee does not possess a valid prescription.

If the employer has reason to believe an employee may be under the influence of drugs or alcohol, the employer will request the employee to undergo drug and/or alcohol testing. Should the employee refuse to undergo testing, said employee will be presumed to have violated this policy and shall be subject to immediate discharge. Should the employee agree to testing, he/she must agree to release the test results to the employer. The employer shall arrange for the testing and shall transport the employee to the test. The employee shall be suspended without pay during the testing procedures and while awaiting the test results.

### 26.2 Testing And Reporting Of Convictions.

It is the policy of Bay-Arenac Behavioral Health that its designated medical authority, may require the employee to submit to breath, urine, ~~or~~ blood, or hair sample testing on the following to ensure a drug-free workplace:

- All pre-placement applicants;
- Any employee, post workplace property damage accident
- Any employee, post workplace accident resulting in injury or illness if the employee's supervisor and/or Human Resources determine there is a reasonable possibility that employee drug or alcohol use caused or could have contributed to the reported accident
- Any employee, for reasonable suspicion.

Any employee convicted of violating a criminal drug statute must inform the Chief Executive Officer of such conviction (including plead guilty and nolo contendere) within five (5) days of the conviction. Failure to so inform BABH subjects the employee to disciplinary action, up to and including termination for the first offense. By law, BABH must notify the granting agency within ten (10) days of receiving such notice from any employee or otherwise receiving notice of such a conviction.

### 26.3 Drug Testing Protocol

1. This protocol applies to BABH's requests for submission of either a urine, ~~or~~ blood, or a hair specimen.
2. BABH shall be solely responsible for all costs incurred in conjunction with the securing of all of the required specimen(s) and the necessary laboratory analysis and report(s).
3. BABH shall have the responsibility for initially selecting a laboratory that will properly conduct the drug test and furnish reliable results. The laboratory selected must also provide the ancillary services needed, including specimen retention of "positive" samples for at least six (6) months. The laboratory shall have the capability of timely (within forty-eight (48) to seventy-two (72) hours after specimen collection) providing hard-copy reports of specimen analysis results.
4. BABH shall make the necessary advance arrangements for approved medical collection of the urine/blood/hair sample by qualified medical personnel in an agency-approved setting in a medical office, clinic or lab. Sample collection and testing shall take place upon the employee/applicant's receipt of notice from BABH of a drug test request. The notice to the employee/applicant shall be verbal with written confirmation.
5. The medical facility's personnel credentials and procedures shall be reviewed in order to satisfy the need for a proper "chain of custody" and to minimize the risk of an adulterated sample.
6. BABH shall have the absolute right to approve or reject the selection of a laboratory to conduct the testing on urine, ~~or~~ blood, or hair specimens collected.
7. The employee/applicant shall cooperate with the arrangements and procedure necessary to assure thorough "chain of custody" documentation in order to positively link the employee/applicant's sample to the ultimate test result. Documentation shall be required to include signatures, dates and times of all persons who handle the specimen from the time the specimen(s) are collected until results are reported and what actions were taken in each step of the specimen and testing process.
8. The employee/applicant shall sign whatever form is necessary to authorize the clinic, medical facility and/or doctor's office and the laboratory to disclose the test results immediately to BABH. The employee/applicant's refusal to sign the form and/or the employee/applicant's withdrawal or rescission of previously executed authorization shall constitute a violation of the Board's Policy and is a basis for immediate termination of the employment relationship.

9. If the test results from a first test are positive, the employee/applicant may be asked to provide a list of prescription and over-the-counter medication the employee/applicant is taking at the time of testing. The purpose of requiring this list of medications shall be to identify possible causes of “false positives” due to a “cross-reactivity” with the medications that the employee/applicant is taking. A copy of the results of the drug test shall be furnished to the employee/applicant immediately upon request.
10. BABH shall treat the drug test results as highly confidential information. It shall file drug test results in the same manner in which it files other confidential medical data about employees and/or applicants.
11. BABH shall ensure the confidentiality of drug test results and shall protect against the unauthorized disclosure of test results both internally and outside of BABH. Within the agency, access to the test results shall be restricted to individuals with a “need to know the results”.
12. A “positive” result shall not be released or relied upon until a confirmatory test has verified its accuracy. Confidential hard-copy results of testing shall be provided to BABH within forty-eight (48) to seventy-two (72) hours after specimen pickup.
13. If a test is negative, BABH shall pay the employee his/her normal straight time wages for the period of the suspension. A drug awareness program for all employees on the dangers of drug abuse in the workplace is available. To assist employees in overcoming drug abuse problems, BABH may offer an Employee Assistance Program. (See the Human Resources department for additional information)

BABH supports the purpose and goals of the Act and by this procedure, announces its intention to comply with the Act and make continuing “good faith” efforts to provide a drug-free workplace. All employees are expected to cooperate and give this policy their full support.

## CORPORATION COUNSEL



## BAY COUNTY

Amber Davis-Johnson, Corporation Counsel  
johnsona@baycounty.net

JAMES A. BARCIA  
County Executive

Heather Brady Pitcher, Assistant Corporation Counsel  
pitcherh@baycounty.net

Tel: (989) 895-4131  
Fax: (989) 895-2094

**TO:** Steve Gray, Chair of the Bay County VEBA Board  
**FROM:** Heather Brady Pitcher, Assistant Corporation Counsel  
**RE:** Adoption of the VEBA Policy/Procedure  
**DATE:** December 6, 2023

Bay County along with the Department of Water and Sewer, Bay County Road Commission, Bay County Library System, Bay Arenac Behavioral Health, and the Bay Medical Care Facility (collectively, Component Units) provide qualified retired employees with Retiree Medical Benefits.

In 2001, Bay County and the Component Units adopted the VEBA Trust to prefund Retiree Medical Benefits and reduce their unfunded liability. In 2021, the VEBA Board hired outside legal counsel, Samantha Kopacz from Miller Canfield, to review and amend the VEBA Trust. The VEBA Trust updates were necessary due to significant legislation changes in Michigan. In January 2023, the updated Amended VEBA Trust was approved by the VEBA Board, the Bay County Board of Commissioner and adopted by all the Component Units.

Section 3.6(b) of the Amended VEBA Trust provides that "at such time as the assets held within the Employer Account meet the *Funding Threshold*, such assets may be utilized to fund Employer's Retiree Health Benefits to pay for up to 100% of the cost Retiree Health Benefits". The *Funding Threshold* means a funded ratio of at least 60% as determined by the Trust's actuary.

On May 9, 2023, GRS, the VEBA Trust actuary, presented the 2021 Actuary Report for Bay County and the Component Units to the VEBA Board. The Funding Ratio in the 2021 Actuary Report for Bay County and many of the component units exceeded the Funding Threshold set forth in the Amended Trust.

On June 13, 2023, the VEBA Board approved a resolution to continue its work with Ms. Kopacz to create a policy to streamline the process for accessing funds from the VEBA Trust to pay for retiree healthcare costs. Ms. Kopacz will present the Bay County's VEBA Board of Trustees Rules and Regulation Related to Use of Trust Assets (VEBA Policy) and corresponding forms at the December 2023 VEBA Board Meeting.

### RECOMMENDATION:

THAT THIS BOARD ADOPT THE VEBA POLICY AND CORRESPONDING FORMS

**BAY COUNTY VEBA BOARD OF TRUSTEES  
RULES AND REGULATIONS  
RELATED TO USE OF TRUST ASSETS**

**WHEREAS**, under Article IV of the Bay County Voluntary Employees' Beneficiary Association Trust Agreement, as amended and restated effective September 20, 2022 ("Trust Agreement"), the Bay County VEBA Board of Trustees ("Board") has certain authority and discretion to manage and control the assets of the Bay County Voluntary Employees' Beneficiary Association ("Trust");

**WHEREAS**, Trust Agreement §3.6 governs the terms and conditions surrounding use of Trust assets to pay for retiree health benefits and other benefits;

**WHEREAS**, Trust Agreement §5.11 provides the Board with the power to promulgate rules and regulations related to the management and operation of the Trust; and

**WHEREAS**, the Board desires to exercise its power to promulgate rules and regulations related to the implementation of use of assets within an Employer Account under Trust Agreement §3.6.

**NOW THEREFORE**, pursuant to the authority granted to the Board in Trust Agreement §5.11, the Board adopts the following rules and regulations related to utilization of assets held within an Employer Account, effective January 1, 2024:

R1. **Definitions.** Capitalized terms not otherwise defined within these Rules and Regulations Related to Use of Trust Assets shall have the meaning prescribed within the Trust Agreement. Additionally, for purposes of these Rules and Regulations Related to Use of Trust Assets, the following terms shall have the following meanings:

(a) "Actuarial Report" means a written determination from the Trust's actuary (meeting the requirements of Trust Agreement §3.6(d)), as adopted by the Board, setting forth the funding ratio as of the end of a given Fiscal Year. A given Actuarial Report shall control for purposes of these Rules and Regulations Related to Use of Trust Assets until the Board adopts a new Actuarial Report associated with the end of a subsequent given Fiscal Year.

(b) "Approved Payment" has the meaning set forth in R5(c).

(c) "Payment Officer" means the Board's Secretary (or the Board's Chairperson in the event of the Board Secretary's absence).

(d) "Payment Request" has the meaning set forth in R5(a).

(e) "Retiree Health Benefit Costs" means up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the Retirees under the Plan, if any).

R2. **Obtainment of Employer's Funding Threshold (Trust Agreement §3.6(b)).**

(a) Notice from Board to Employer. Upon receipt of an Actuarial Report indicating that an Employer Account has met the Funding Threshold, the Board's Chairperson shall, in writing, annually request written direction from the applicable Employer regarding whether the applicable Employer desires to utilize Trust assets held within the applicable Employer Account to pay for Retiree Health Benefit Costs.

(b) Employer Response to Board. The Employer shall respond, in writing in the form and format requested by the Board, to the Board's notice provided under R2(a) within 60 days of receipt of such notice. The Employer's response shall be reviewed for approval by the Board at its next Board meeting. If the Employer directs the Board to utilize Trust assets held within the applicable Employer Account to pay for Retiree Health Benefit Costs (and such request is approved by the Board), then the provisions of R5 shall apply. An Employer's response provided under this R2(b) shall remain in force and effect until (1) the Employer provides a subsequent response to the Board in accordance with this R2(b); (2) the Employer provides a response to the Board after receiving notice from the Board under R2(a) regarding a subsequent Actuarial Report; or (3) the Employer Account drops below the Reduced Funding Threshold. An Employer must affirmatively respond to any and all notices received from the Board under R2(a).

**R3. Obtainment of Employer's Super Funding Threshold (Trust Agreement §3.6(c)).**

(a) Notice from Board to Employer. Upon receipt of an Actuarial Report indicating that an Employer Account has met the Super Funding Threshold, the Board's Chairperson shall contact the applicable Employer annually in writing to inform the Employer that Trust assets held within the applicable Employer Account shall be utilized to pay for Retiree Health Benefit Costs, unless the Employer provides compelling reasons to the Board to not utilize such funds.

(b) Employer Response to Board. The Employer shall respond, in writing in the form and format requested by the Board, to the Board's notice provided under R3(a) within 60 days of receipt of such notice. The Employer's response shall either acknowledge that Trust assets held within the applicable Employer Account shall be utilized to pay for Retiree Health Benefit Costs or object to use of the Trust assets by providing compelling reasons to the Board to not utilize such funds.

(c) Board Meeting Upon Receipt of Objection by Employer. If the Board receives an objection described in R3(b), the Board shall meet (either at a regularly scheduled meeting or a special meeting) to discuss the Employer's request to not use the Employer Account assets to pay for Retiree Health Benefit Costs. The Board shall thereafter provide a written response to the applicable Employer setting forth its determination. Unless the Board determines that the Employer has provided a compelling reason not to utilize the assets held within the Employer Account for Retiree Health Benefit Cost, the provisions of R5 shall apply. Assets held within the Employer Account shall continue to be utilized to pay for Retiree Health Benefit Costs until (1) the Employer provides a subsequent response to the Board in accordance with R3(b) which provides a compelling reason not to utilize assets held within the applicable Employer

Account to pay for Retiree Health Benefit Costs which is approved by the Board under this R3(c); (2) the Employer provides a response to the Board after receiving notice from the Board under R3(a) regarding a subsequent Actuarial Report; or (3) the Employer Account drops below the Super Funding Threshold. An Employer must affirmatively respond to any and all notices received from the Board under R3(a).

**R4. Requests for Use of Employee Account Assets under Trust Agreement §3.6(f).**

An Employer may request, in the form and format required by the Board, that its applicable Employer Account be utilized for Retiree Health Benefit Costs sooner or later than the timing set forth in R2 and R3, or in an amount other than prescribed, by submitting an application to the Board. However, such request shall only be approved by the Board if the use of the assets held within the Employer Account does not put the P.A. 202 Reporting Unit associated with such Employer Account into Underfunded Status. The Board shall review any such requests received on at least a quarterly basis at a regularly scheduled Board meeting.

**R5. Substantiation and Payment of Retiree Health Benefit Costs from Trust.**

(a) An Employer utilizing assets within its Employer Account pursuant to R2, R3, or R4, shall request payment of Retiree Health Benefit Costs no later than 30 days after the end of each quarter of the calendar year in which the Retiree Health Benefit Costs were incurred (“Payment Request”).

(b) Such Payment Request shall be directed to the Payment Officer and made in the format and format required by the Board providing information sufficient for the Board to substantiate that the expenses relate Retiree Health Benefits and otherwise constitute expenses payable under Code §501(c)(9).

(c) Upon receipt of a Payment Request, the Payment Officer shall review the request to ensure that the expenses relate to Retiree Health Benefit Costs incurred in the immediately preceding quarter of the calendar year and otherwise constitute expenses payable under Code §501(c)(9). Upon such substantiation, the Payment Officer shall direct the custodian to transfer funds from the Trust account as soon as administratively feasible to pay for the substantiated Retiree Health Benefit Costs in the amount indicated in the Payment Request (to the extent substantiated) (“Approved Payment”).

(d) The Payment Officer shall provide a written report to the Board quarterly at a regularly scheduled meeting about all Payment Requests and Approved Payments occurring during the prior quarter. Such report shall be listed as an agenda item for the applicable Board meeting. After review and discussion of the Payment Officer’s written report, a motion shall be made by the Board to ratify the actions taken by the Payment Officer with respect to the Approved Payments.

**BAY COUNTY VEBA BOARD OF TRUSTEES  
RULES AND REGULATIONS  
RELATED TO USE OF TRUST ASSETS**

**WHEREAS**, under Article IV of the Bay County Voluntary Employees' Beneficiary Association Trust Agreement, as amended and restated effective September 20, 2022 ("Trust Agreement"), the Bay County VEBA Board of Trustees ("Board") has certain authority and discretion to manage and control the assets of the Bay County Voluntary Employees' Beneficiary Association ("Trust");

**WHEREAS**, Trust Agreement §3.6 governs the terms and conditions surrounding use of Trust assets to pay for retiree health benefits and other benefits;

**WHEREAS**, Trust Agreement §5.11 provides the Board with the power to promulgate rules and regulations related to the management and operation of the Trust; and

**WHEREAS**, the Board desires to exercise its power to promulgate rules and regulations related to the implementation of use of assets within an Employer Account under Trust Agreement §3.6.

**NOW THEREFORE**, pursuant to the authority granted to the Board in Trust Agreement §5.11, the Board adopts the following rules and regulations related to utilization of assets held within an Employer Account, effective January 1, 2024:

R1. **Definitions.** Capitalized terms not otherwise defined within these Rules and Regulations Related to Use of Trust Assets shall have the meaning prescribed within the Trust Agreement. Additionally, for purposes of these Rules and Regulations Related to Use of Trust Assets, the following terms shall have the following meanings:

(a) "Actuarial Report" means a written determination from the Trust's actuary (meeting the requirements of Trust Agreement §3.6(d)), as adopted by the Board, setting forth the funding ratio as of the end of a given Fiscal Year. A given Actuarial Report shall control for purposes of these Rules and Regulations Related to Use of Trust Assets until the Board adopts a new Actuarial Report associated with the end of a subsequent given Fiscal Year.

(b) "Approved Payment" has the meaning set forth in R5(c).

(c) "Payment Officer" means the Board's Secretary (or the Board's Chairperson in the event of the Board Secretary's absence).

(d) "Payment Request" has the meaning set forth in R5(a).

(e) "Retiree Health Benefit Costs" means up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the Retirees under the Plan, if any).

**R2. Obtainment of Employer's Funding Threshold (Trust Agreement §3.6(b)).**

(a) Notice from Board to Employer. Upon receipt of an Actuarial Report indicating that an Employer Account has met the Funding Threshold, the Board's Chairperson shall, in writing, annually request written direction from the applicable Employer regarding whether the applicable Employer desires to utilize Trust assets held within the applicable Employer Account to pay for Retiree Health Benefit Costs.

(b) Employer Response to Board. The Employer shall respond, in writing in the form and format requested by the Board, to the Board's notice provided under R2(a) within 60 days of receipt of such notice. The Employer's response shall be reviewed for approval by the Board at its next Board meeting. If the Employer directs the Board to utilize Trust assets held within the applicable Employer Account to pay for Retiree Health Benefit Costs (and such request is approved by the Board), then the provisions of R5 shall apply. An Employer's response provided under this R2(b) shall remain in force and effect until (1) the Employer provides a subsequent response to the Board in accordance with this R2(b); (2) the Employer provides a response to the Board after receiving notice from the Board under R2(a) regarding a subsequent Actuarial Report; or (3) the Employer Account drops below the Reduced Funding Threshold. An Employer must affirmatively respond to any and all notices received from the Board under R2(a).

**R3. Obtainment of Employer's Super Funding Threshold (Trust Agreement §3.6(c)).**

(a) Notice from Board to Employer. Upon receipt of an Actuarial Report indicating that an Employer Account has met the Super Funding Threshold, the Board's Chairperson shall contact the applicable Employer annually in writing to inform the Employer that Trust assets held within the applicable Employer Account shall be utilized to pay for Retiree Health Benefit Costs, unless the Employer provides compelling reasons to the Board to not utilize such funds.

(b) Employer Response to Board. The Employer shall respond, in writing in the form and format requested by the Board, to the Board's notice provided under R3(a) within 60 days of receipt of such notice. The Employer's response shall either acknowledge that Trust assets held within the applicable Employer Account shall be utilized to pay for Retiree Health Benefit Costs or object to use of the Trust assets by providing compelling reasons to the Board to not utilize such funds.

(c) Board Meeting Upon Receipt of Objection by Employer. If the Board receives an objection described in R3(b), the Board shall meet (either at a regularly scheduled meeting or a special meeting) to discuss the Employer's request to not use the Employer Account assets to pay for Retiree Health Benefit Costs. The Board shall thereafter provide a written response to the applicable Employer setting forth its determination. Unless the Board determines that the Employer has provided a compelling reason not to utilize the assets held within the Employer Account for Retiree Health Benefit Cost, the provisions of R5 shall apply. Assets held within the Employer Account shall continue to be utilized to pay for Retiree Health Benefit Costs until (1) the Employer provides a subsequent response to the Board in accordance with R3(b)

which provides a compelling reason not to utilize assets held within the applicable Employer Account to pay for Retiree Health Benefit Costs which is approved by the Board under this R3(c); (2) the Employer provides a response to the Board after receiving notice from the Board under R3(a) regarding a subsequent Actuarial Report; or (3) the Employer Account drops below the Super Funding Threshold. An Employer must affirmatively respond to any and all notices received from the Board under R3(a).

**R4. Requests for Use of Employee Account Assets under Trust Agreement §3.6(f).**

An Employer may request, in the form and format required by the Board, that its applicable Employer Account be utilized for Retiree Health Benefit Costs sooner or later than the timing set forth in R2 and R3, or in an amount other than prescribed, by submitting an application to the Board. However, such request shall only be approved by the Board if the use of the assets held within the Employer Account does not put the P.A. 202 Reporting Unit associated with such Employer Account into Underfunded Status. The Board shall review any such requests received on at least a quarterly basis at a regularly scheduled Board meeting.

**R5. Substantiation and Payment of Retiree Health Benefit Costs from Trust.**

(a) An Employer utilizing assets within its Employer Account pursuant to R2, R3, or R4, shall request payment of Retiree Health Benefit Costs no later than 30 days after the end of each quarter of the calendar year in which the Retiree Health Benefit Costs were incurred (“Payment Request”).

(b) Such Payment Request shall be directed to the Payment Officer and made in the format and format required by the Board providing information sufficient for the Board to substantiate that the expenses relate Retiree Health Benefits and otherwise constitute expenses payable under Code §501(c)(9).

(c) Upon receipt of a Payment Request, the Payment Officer shall review the request to ensure that the expenses relate to Retiree Health Benefit Costs incurred in the immediately preceding quarter of the calendar year and otherwise constitute expenses payable under Code §501(c)(9). Upon such substantiation, the Payment Officer shall direct the custodian to transfer funds from the Trust account as soon as administratively feasible to pay for the substantiated Retiree Health Benefit Costs in the amount indicated in the Payment Request (to the extent substantiated) (“Approved Payment”).

(d) The Payment Officer shall provide a written report to the Board quarterly at a regularly scheduled meeting about all Payment Requests and Approved Payments occurring during the prior quarter. Such report shall be listed as an agenda item for the applicable Board meeting. After review and discussion of the Payment Officer’s written report, a motion shall be made by the Board to ratify the actions taken by the Payment Officer with respect to the Approved Payments.

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**  
**Employer Optional Use of Funds**

Pursuant to §R2 of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets, you are receiving this form from the Bay County VEBA Board of Trustees (“Board”) on behalf of the Bay County Voluntary Employees’ Beneficiary Association (“Trust”) because the Trust’s most recent Actuarial Report determined that your Employer Account met the Funding Threshold (i.e., had a funded ratio of at least 60%). Since the Funding Threshold has been met, you may elect to utilize assets held within your Employer Account to pay for certain Retiree Health Benefit Costs (i.e., up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the retirees under the plan, if any). ***You must complete this form in its entirety and return it within 60 days of the date that you receive it to Jennifer Davenport, Bay County Building, 515 Center Avenue, Suite 301, Bay City, Michigan 48708; or davenportj@baycounty.net.***

Employer Name: \_\_\_\_\_

Employer Contact Person: \_\_\_\_\_  
(Name) (Phone) (Email)

Will the Employer use assets held within its Employer Account to pay for Retiree Health Benefit Costs:  
\_\_\_\_\_ Yes \_\_\_\_\_ No

If you answer “yes” to the above question, you, the Employer, understand that this is not a guarantee of payment of expenses. Rather, this form asserts your willingness to use assets held within your Employer Account for permissible Retiree Health Benefit Costs. You acknowledge and affirm that:

- You are only eligible to utilize assets held within your Employer Account to pay for Retiree Health Benefit Costs that have been fully and totally substantiated in accordance with the applicable requirements of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets;
- The Board has the right to and will deny all or part of your expense request if the request relates to expenses not covered by the Trust and/or Internal Revenue Code §501(c)(9) and its related regulations; and
- You must affirmatively respond to any and all notices received from the Board related to use of assets held within your Employer Account.

This form shall remain in force and effect until the earliest of the following to occur:

- You provide a subsequent form to the Board;
- You provide a new form to the Board after the Board receives a subsequent Actuarial Report; or
- Your Employer Account drops below the Reduced Funding Threshold (i.e., a funded ratio of at least 50%).

\_\_\_\_\_  
Employer Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**  
**Employer Mandatory use of Funds**

Pursuant to §R3 of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets, you are receiving this form from the Bay County VEBA Board of Trustees ("Board") on behalf of the Bay County Voluntary Employees' Beneficiary Association ("Trust") because the Trust's most recent Actuarial Report determined that your Employer Account met the Super Funding Threshold (i.e., has a funded ratio of at least 120%). Since the Super Funding Threshold has been met, the assets held within your Employer Account shall be utilized to pay for certain Retiree Health Benefit Costs (i.e., up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the retirees under the plan, if any) unless you object and can provide a compelling reason to the Board why this should not happen . *You must complete this form in its entirety and return it within 60 days of the date that you receive it to Jennifer Davenport, Bay County Building, 515 Center Avenue, Suite 301, Bay City, Michigan 48708; or davenportj@baycounty.net.*

Employer Name: \_\_\_\_\_

Employer Contact Person: \_\_\_\_\_  
(Name) (Phone) (Email)

Do you acknowledge that assets held within your Employer Account will be utilized to pay for Retiree Health Benefit Costs? \_\_\_\_\_ Yes \_\_\_\_\_ No

Do you object to use of assets held within your Employer Account to pay for Retiree Health Benefit Costs? \_\_\_\_\_ Yes \_\_\_\_\_ No. If "yes", you must attach supplemental pages explaining in detail your compelling reason objecting to the use of the assets held within your Employer Account to pay for Retiree Health Benefit Costs. The Board will review your objection and documentation at a meeting and will thereafter make a determination regarding whether you have provided a compelling reason not to utilize the assets held within your Employer Account for Retiree Health Benefit Costs. The Board will thereafter notify you of its determination. If the Board determines that you have not provided a compelling reason not to utilize the assets held within your Employer Account for Retiree Health Benefit Costs, the assets held within your Employer Account shall be utilized to pay for Retiree Health Benefit Costs.

You acknowledge and affirm that:

- You are only eligible to utilize assets held within your Employer Account to pay for Retiree Health Benefit Costs that have been fully and totally substantiated in accordance with the applicable requirements of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets;
- The Board has the right to and will deny all or part of your expense request if the request relates to expenses not covered by the Trust and/or Internal Revenue Code §501(c)(9) and its related regulations; and
- You must affirmatively respond to any and all notices received from the Board related to use of assets held within your Employer Account.

This form shall remain in force and effect until the earliest of the following to occur:

- You provide a subsequent form to the Board providing a compelling reason not to utilize assets held within your Employer Account to pay for Retiree Health Benefit Costs, which is approved by the Board;
- You provide a new form to the Board after the Board receives a subsequent Actuarial Report; or
- Your Employer Account drops below the Super Funding Threshold (i.e., a funded ratio of at least 120%).

\_\_\_\_\_  
Employer Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**  
**Employer Request to use Funds**

Pursuant to §R4 of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets, you are submitting this form to the Bay County VEBA Board of Trustees ("Board") on behalf of the Bay County Voluntary Employees' Beneficiary Association ("Trust") to request that assets held within your Employer Account be utilized to pay for certain Retiree Health Benefit Costs (i.e., up to 100% of the cost of Retiree Health Benefits (less the cost sharing portion required of the retirees under the plan, if any). The Trust's most recent Actuarial Report determined that your Employer Account did not meet the Funding Threshold (i.e., has a funded ratio of at least 60%) or the Super Funding Threshold (i.e., has a funded ratio of at least 120%). Nonetheless, you may request that the Board approve this request to utilize assets held within your Employer Account. *You must complete this form in its entirety and return it to Jennifer Davenport, Bay County Building, 515 Center Avenue, Suite 301, Bay City, Michigan 48708; or davenportj@baycounty.net.*

Employer Name: \_\_\_\_\_

Employer Contact Person: \_\_\_\_\_  
(Name) (Phone) (Email)

The Employer hereby requests that the Board review this request to use assets held within the Employer Account to pay for eligible Retiree Health Benefit Costs.

Please attach separately the following information and documentation which will assist the Board in reviewing and assessing your request:

- Type of Retiree Health Benefit to be paid (e.g. medical; dental; vision; prescription; life insurance)
- Current carrier or administrator for the Retiree Health Benefit
- Projected quarterly cost of providing the Retiree Health Benefit
- Number of participants (retirees, spouses, and dependents)
- Reason for requesting use of assets held within the Employer Account

You acknowledge and affirm that:

- The Board will only approve your request if it determines, in its sole discretion, that the use of the assets held within your Employer Account will not put the P.A. 202 Reporting Unit associated with your Employer Account into Underfunded Status (as defined in P.A. 202);
- If the Board approves your request, you are only eligible to utilize assets held within your Employer Account to pay for Retiree Health Benefit Costs that have been fully and totally substantiated in accordance with the applicable requirements of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets;
- The Board has the right to and will deny all or part of your expense request if the request relates to expenses not covered by the Trust and/or Internal Revenue Code §501(c)(9) and its related regulations; and
- You must affirmatively respond to any and all notices received from the Board related to use of assets held within your Employer Account.

\_\_\_\_\_  
Employer Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION**  
**Retiree Health Benefit Costs Substantiation Form**

Pursuant to §R5 of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets, you are submitting this form to the Bay County VEBA Board of Trustees ("Board") on behalf of the Bay County Voluntary Employees' Beneficiary Association ("Trust") directing payment from assets held within your Employer Account for eligible Retiree Health Benefit Costs. *You must complete this form in its entirety and return it (and all required documentation) within 30 days after the end of the calendar year quarter in which the Retiree Health Care Costs were incurred to Jennifer Davenport, Bay County Building, 515 Center Avenue, Suite 301, Bay City, Michigan 48708; or [davenportj@baycounty.net](mailto:davenportj@baycounty.net).*

In order to substantiate your request for payment of Retiree Health Benefit Costs, please respond to the following:

The quarter that this request relates to:

\_\_\_ 1<sup>st</sup> Quarter (January – March) \_\_\_ 2<sup>nd</sup> Quarter (April – June)

\_\_\_ 3<sup>rd</sup> Quarter (July – September) \_\_\_ 4<sup>th</sup> Quarter (October – December)

Year: 20\_\_\_\_\_

What is the total amount of Retiree Health Benefit Costs for which you are seeking payment? \_\_\_\_\_

How many participants (retirees, spouses, and dependents) do the Retiree Health Benefit Costs relate to? \_\_\_\_\_

Please answer the following with respect to the Retiree Health Benefit Costs for which you are seeking payment (you may attach separate pages):

- A description of the type of Retiree Health Benefits (e.g. retiree medical; retiree dental; retiree vision; retiree prescription; and/or retiree life insurance), including the carrier/administrator that provides the benefit.
- Spreadsheet showing the following:
  - Name of each participant to which an expense for Retiree Health Benefit Costs relates
  - Notation of whether such participant is a retiree, spouse, or dependent
  - Confirmation that such participant was enrolled in and met eligibility requirements of the plan during the period to which the expense for Retiree Health Benefit Costs relates
- The invoice, pay statement, or other documentation from the carrier / administrator substantiating that:
  - The expense request only relates to the specific type of Retiree Health Benefits being requested for processing
  - The expense request only relates to eligible participants
  - The breakdown of cost per enrolled participant

*\*The invoice, statement, or other documentation from the carrier / administrator must indicate that the cost per participant x the number of enrolled participants = the total dollar amount reflected on the invoice / statement. The receipts or invoices you attach must add up to the total expenses you are requesting processing for. Expenses that do not have a receipt or invoice will not be processed.*

You acknowledge and affirm that:

- You are only eligible to utilize assets held within your Employer Account to pay for Retiree Health Benefit Costs that have been fully and totally substantiated in accordance with the applicable requirements of the Bay County Board of Trustees Rules and Regulations Related to Use of Trust Assets;
- The Board has the right to and will deny all or part of your expense request if the request relates to expenses not covered by the Trust and/or Internal Revenue Code § 501(c)(9) and its related regulations;

- You must affirmatively respond to any and all notices received from the Board related to use of assets held within your Employer Account;
- The Board reserves the right to request additional information if it deems, in its sole discretion, that further substantiation is needed; and
- The Board will deny requests that relate to a time period that is not the immediately preceding calendar quarter.

\_\_\_\_\_  
Employer Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**Environmental Scan: Community and Employee Engagement**

**Lead Team Member:** Chris Pinter, Amy Folsom, Melissa Prusi, Stacy Krasinski, Jennifer Lasceski **Status:** *Revise for 2023*

**Impact on Ability to Accomplish Mission:**

- A lack of awareness of BABH mission and services and how the public may access them
- Lack of understanding of behavioral health conditions and the impact on special populations in the community is negatively impacting access to care and coordination of services
- Lack of understanding for employees concerning strategic and resource decisions

**Opportunities/Threats:**

Opportunities:

- Information is welcomed when it is made available.
- Availability of several media outlets to get information out (Facebook, agency website, paper educational materials, social media venues, program to program sharing of information, Linked In, Twitter).
- Community Events (Saginaw Spirit has MH night, Bay County Prevention Network, Great Start Collaborative-Winter Family Fun Fest, A Night Out, Yellow Ribbon events, [Recovery Community events](#)).
- People we serve have support systems with resources
- NPR Delta College advertising or Behavioral Health awareness
- Local library systems offer community education series keeping BABH leaflets there or provide education to their staff
- Area Colleges & Social work department organizations (speaking engagements)
- Local association or Groups in our community [including PFLAG, Great Lakes Bay Mental Health Consortium that are untapped \(Kiwanis Club, Lions Club, Chamber of Commerce, etc.\)](#)
- Improve relationships with local colleges [and area high schools](#) for recruiting and training for real-world experiences. Offer and advertise BABH as a learning-based site for social work, nursing, medical assistants, physicians, and high school students who are interested in this field.
- BABH to be a presence at area job fairs for recruitment as well as exposure to services.
- [Improved communication with employees](#)

Threats:

- Lack of understanding and stigma fosters failure to access needed care, potentially leading to avoidable negative clinical outcomes
- Community Partners practice in their own vacuum; not realizing the resources available to people who meet criteria for CMH level of care-
- Lack of knowledge about what kinds of information community partners need—what is helpful and what is not.
- ~~COVID has increased the isolation between both communities and community partners~~
- Missed opportunities to impact those who need services-

**Strengths/Weaknesses:**

Strengths:

- [Establishment of dedicated school liaison position](#)
- Mental Health First Aid Training program
- Motivational Interviewing Training program
- [QPR Question Persuade Refer Suicide Prevention Training Program](#)
- [Two CIT Crisis Intervention Team trainers on staff](#)
- BABH Staff who participate in community meetings/events
- Established relationships exist
- BABH Staff are willing to participate at community events even on weekends when supported by agency.
- BABH does have an existing FB page and website.
- BABH has a large, contracted provider network that is and can be used to disseminate information.
- [Establishment of mobile response team with Bay County First responders](#) ~~Behavioral Health does have a presence with local courts and law enforcement like never before.~~
- Network providers report improved timeliness and input/collaboration of BABH decision-making processes
- Established agency leadership processes
- Comprehensive employee survey process

Weaknesses:

- Schools do not fully understand BABH services
- General community lacks understanding of mental illness, substance use disorders and developmental challenges
- Community Partners do not understand mild to moderate vs SMI.
- Employees of BABH are not fully aware of what others are doing or involved in.
- Lack of public relations staff to oversee efforts or create sustainability.
- Many BABH staff participate in community meetings and BABH does not track who participates or where resources are shared.
- ~~Behavioral Health does not have a consistent presence in all school buildings.~~
- Lack of community support to our partners with their initiatives.
- Inconsistent Team Meeting agendas or communication requirements

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- Failure to engage employees in crucial agency decisions

<b>Breakthrough Initiatives:</b>	<b>Resources:</b>
1. Continue to work with Community partners (law enforcement, courts, MDHHS, schools, medical facilities, etc.) to increase understanding, reduce stigma and promote trauma informed communities	C. Pinter, J. Hahn, H. Friebe, S. Krasinski, M. Prusi, A. Folsom, Bay County Prevention Network, Arenac Drug and Alcohol Containment task Force, Arenac and Bay County Sheriffs, McLaren MHU and Emergency Department, Ascension Health Hospital, Recovery Pathways, <a href="#">Sacred Heart</a> , Great Lakes Bay Southside and Westside FQHC, Sterling Area Health Center, Bay County Public Health Department <del>Clinic</del>
2. Re-instate a process for keeping behavioral health literature in community partner lobbies and available to the public.	C. Pinter, A. Folsom, M. Prusi, BABHA Leadership. Helen Nickless <del>F</del> ree Medical Clinic, Good Samaritan Rescue Mission, Opportunity Center, Arenac Community Center, Bay Area Women’s Center, Bay Arenac ISD, CAN Council, MI Works in Standish and Bay City, Great Lakes Bay, McLaren, <a href="#">Recovery Pathways</a> , <a href="#">Sacred Heart</a> , <a href="#">DOT Caring Center</a> , <a href="#">1016 House</a> , <a href="#">Catholic Family Services</a>
3. Maintain efforts to actively include service providers in prompt communication and opportunities for collaboration	Agency Leadership, <a href="#">Heather Beson</a> <del>Karen Amon</del> , Joelin Hahn, Sarah Holsinger, Amy Folsom
4. Create a shared site for informative educational series to share on social media.	C. Pinter, J. Lasceski, J. Bellinger, Staff Development, Help Desk
5. Expand Stepping Up Initiative to address safety net and treatment issues for youth and juveniles into Arenac County.	J. Hahn, H. Friebe, P. Van Wormer, Arenac County Probate Judge, Arenac County Prosecutor’s Office, Arenac -County DHHS, Arenac County Sheriff, Arenac County ISD,- Arenac County Commission
<del>6. Consider establishment of a Community Partnership Committee to address increasing a presence in schools and community partner events.</del>	<del>C. Pinter, A. Folsom, M. Prusi, Leadership.</del>
<del>7. Develop Memorandums of Understanding (MOU) agreements with all community partners.</del>	<del>C. Pinter, J. Hahn, Leadership</del>
<del>8-6. Establishment of agency-wide team meeting expectations, agendas, and Leadership reporting</del>	<del>C. Pinter, S.McRae, Leadership</del>

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## Personnel and Compensation Committee

<b>Environmental Scan:</b>	<b>Recruitment and Retention</b>
<b>Lead Team Member:</b> Jennifer Lasceski	<b>Status:</b> <del>Revised for 2023</del>
<b>Impact on Ability to Accomplish Mission:</b>	
<ul style="list-style-type: none"> <li>• Inability to recruit qualified staff – Masters and bachelors level clinician shortage across the state; shortage of direct care staff across the state</li> <li>• Staff dissatisfaction with compensation</li> <li>• Staff turnover negatively impacts service delivery</li> <li>• Scheduled increases in minimum wage</li> </ul>	<ul style="list-style-type: none"> <li>• Uncertain state/federal funding to sustain increases</li> <li>• Shortage of qualified candidates in this geographic area and statewide impacts efforts to fill long term vacancies</li> </ul>
<b>Opportunities/Threats:</b>	<b>Strengths/Weaknesses:</b>
<ul style="list-style-type: none"> <li>• Increased staff morale</li> <li>• Improved competitive edge in recruitment</li> </ul>	<ul style="list-style-type: none"> <li>• Market-based compensation structure in place</li> </ul>

- Improve quality of job applicants
- Positive effect on employee retention
- Financial impact may affect sustainability
- Perceived inequality of implementation (not all positions may be positively impacted)
- Use of non-traditional incentives (signing and referral bonuses)
- Total compensation is competitive for a number of positions as adjusted in 2018, 2020, 2021, and 2022
- Agency benefits and training opportunities exceed many area employers
- Agency continues to be guarded due to the uncertainty of adequate funding
- Ability to maintain competitive compensation levels is impacted by current economic environment
- Competing priorities for limited budget
- Competing industries offering -higher pay and bonuses with reduced risk and responsibility

<u>Breakthrough Initiatives:</u>	<u>Resources:</u>
1. Strategies to attract and retain qualified LBSW and MSW candidates. - continue	<del>Karen Amon</del> Heather Beson, Joelin Hahn
2. Strategy to attract and retain qualified and invested direct care staff – maintain continuous posting practices	Justeen Blair, <del>Karen Amon</del> Heather Beson
3. Financial impact of additional potential compensation adjustments (salary and/or benefits) for the organization – consider adding compensation review on an annual basis to the Board By-Laws	M. Rozek; SLT

<u>Environmental Scan:</u>	<u>Development of Workforce</u>
<u>Lead Team Member:</u> Jennifer Lasceski	<u>Status:</u> <del>Revised for 2023</del>

<u>Impact on Ability to Accomplish Mission:</u>	
<ul style="list-style-type: none"> <li>• Time involved in replacing key staff</li> <li>• Loss of institutional knowledge, history &amp; experience</li> <li>• Continued need for ongoing leadership training &amp; documented succession plans</li> <li>• Advance staff skills to ensure continuing organizational viability</li> </ul>	<ul style="list-style-type: none"> <li>• Increase internal educational opportunities to reduce budget impact</li> <li>• Improve competencies and health literacy of BABH staff</li> <li>• Continue to reduce stigma</li> </ul>

<u>Opportunities/Threats:</u>	<u>Strengths/Weaknesses:</u>
<ul style="list-style-type: none"> <li>• Lack of provisions for back-up/coverage (i.e., cross-training)</li> <li>• Need department buy-in and commitment to succession planning process</li> <li>• Planned departures provide lead time to groom successors</li> <li>• Need to expand staff training on SUD, recovery, trauma and cultural competence</li> <li>• Continued training support for non-clinical staff related to mental health conditions, customer service, CPI, etc.</li> <li>• Need for leadership orientation and continued learning</li> <li>• Increased turnover may lead to gaps in service</li> <li>• Increase opportunities to engage stakeholders and relay organizational messaging</li> <li>• Competing training opportunities</li> <li>• Limited financial resources</li> </ul>	<ul style="list-style-type: none"> <li>• Training capacity is stretched, if unexpected absence we lack back-up</li> <li>• Increased communication (SLT): All staff meetings; all-Leadership meetings; regular SLT updates on intranet site</li> <li>• More robust succession planning policy and procedure implemented</li> <li>• Continue to identify potential internal talent</li> <li>• Staff development plan (w/in annual performance evaluations) to identify leadership potential &amp; development activities</li> <li>• Encourage team building and other employee engagement activities</li> <li>• Increased demands on staff</li> <li>• Knowledgeable staff as subject matter experts</li> <li>• Dedicated training facilities</li> <li>• Many training opportunities made available via Zoom and other technology</li> <li>• Short notice of training affects ability of Staff Development Center to obtain CEUs</li> <li>• Breadth of staff competencies in SUD treatment and prevention is not as broad as needed</li> <li>• Staff turnover has decreased since 2018 and a more competitive wage structure.</li> </ul>

<u>Breakthrough Initiatives:</u>	<u>Resources:</u>
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1.	Increase cross-departmental understanding through increased exposure during orientation/training, all-staff events, etc., including job shadowing and document – continue to utilize alternate methods to present training; look at use of alternative training programs for direct care post pandemic	Agency Leadership
2.	Increase consistency in the application of standards by supervisory staff	Agency Leadership
3.	Continue to increase SUD competency of BABHA clinical programs through training and expanding the number of certified/licensed staff; modify job descriptions as warranted	Heather Beson; Joelin Hahn; Agency Leadership
4.	Develop/promote staff training on common MH diagnosis in order to increase staff competency in providing education to persons served. Suggestions from the Employee Survey regarding specific training topics will be forwarded to Staff Development for consideration.	Agency Leadership
5.	Formally outline the role for case management in an integrated healthcare environment and educate staff	Sara VanParis; Karen Amon
6.	Continue to support residential staffing for BABHA's direct operated home and apartment settings through training and redeployment during the pandemic and beyond	Justeen Blair; Nicole Sweet; Melissa Spellerberg
7.	Continue initiatives that support agency efforts relative to recovery-based care, trauma informed services, co-occurring services and fostering a culture of gentleness.	Heather Beson, Nicole Sweet
8.	Investigate CEU process for other disciplines such as nurses, psychologists, etc.	Kaytie Brooks
9.	Provide leadership training related to employment practices at monthly all-leadership meetings. Provide leadership and/or management training to Agency management staff.	HR Director
10.	Continue to fully develop succession planning, health care competencies, and supervisory competencies into the performance management process	Agency Leadership