



AGENDA

HUMAN RESOURCES COMMITTEE MEETING November 8, 2016 - 5:00 P.M. 1201 S. Washington Ave. REO Town Depot

Call to Order

Roll Call

Public Comments on Agenda Items

1. Human Resources Committee Meeting Minutes of June 21, 2016.....**TAB 1**
2. Internal Auditor Salary Adjustment /Resolution.....**TAB 2**
3. Collective Bargaining Agreement--BWL and IBEW/Resolution.....**TAB 3**
4. Pension Contribution Adoption Agreement/Resolutions**TAB 4**
 - a. Amendment to 401a Defined Contribution Plan
 - b. Amendment to 457 Deferred Compensation Plan
5. PA 152 Employee Contribution to Medical Benefit Plan/Resolution.....**TAB 5**

Other

Adjourn

HUMAN RESOURCES COMMITTEE
Meeting Minutes
June 21, 2016

The Human Resources Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, June 21, 2016.

Human Resources (HR) Committee Chairperson Tony Mullen called the meeting to order and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tony Mullen, Anthony McCloud and Sandra Zerkle. Also present: Commissioners Ken Ross (arrived 5:33p.m.) and Tracy Thomas; and Non-Voting Commissioner Bill Long (Delta Township)

Absent: Commissioner Mark Alley

Public Comments

None

Approval of Minutes

Motion by Commissioner McCloud, Seconded by Commissioner Zerkle, to approve the Human Resources Committee meeting minutes of May 31, 2016.

Action: Motion Carried.

Discussion re: Salary/Benefit Adjustments for BWL's Charter Appointed Employees

HR Chair Mullen and Board Chair Price by motion were charged with the task of working with the Board's appointed employees, on behalf of the Board of Commissioners, on their respective annual merit considerations.

HR Chair Mullen informed the Committee that he has had the opportunity to have a discussion with the appointed employees regarding adjustments to their contract. He stated that the Corporate Secretary's contract has now been modeled to be in line with the General Manager's contract which reflects the new charter amendment. (Chapter 4 Section 6-401)

Corporate Secretary

Corporate Secretary M. Denise Griffin requested to go into closed session for the purpose of discussing proposed contract adjustments as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Zerkle, seconded by Commissioner McCloud, to enter closed session to allow discussion regarding contract adjustments for the Corporate Secretary M. Denise Griffin.

Roll Call Vote:

Yeas: Commissioners Anthony McCloud, Tony Mullen, Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Human Resources Committee went into closed session at 5:34 p.m.

The Human Resources Committee reconvened to open session at 5:44 p.m.

The closed section meeting was not authorized by MCL 15.268(a) and as a result the discussed information must be open:

The Corporate Secretary's wages were noted as \$94,200.

The Severance Package is being removed from the Corporate's contract as required by the Charter Amendments.

Internal Auditor

Internal Auditor Phil Perkins requested to go into closed session for the purpose of discussing proposed contract adjustments as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Zerkle, seconded by Commissioner McCloud, to enter closed session to allow discussion regarding contract adjustments for Internal Auditor Phil Perkins.

Roll Call Vote:

Yeas: Commissioners Anthony McCloud, Tony Mullen, Sandra Zerkle.

Nays: None.

Action: Motion Carried.

The Human Resources Committee went into closed session at 5:45 p.m.

The Human Resources Committee reconvened to open session at 5:53 p.m.

The closed section meeting was not authorized by MCL 15.268(a) and as a result the discussed information must be open:

The Internal Auditor's wages were noted as \$135,821.

General Manager

HR Chair Mullen stated that General Manager Peffley was not in attendance at tonight's meeting, that his contract would be distributed to the Commissioners and, if necessary, there could be a brief meeting at a later date.

Excused Absence

Motion by Commissioner Zerkle, Seconded by Commissioner McCloud, to excuse Commissioner Alley from tonight's meeting.

Action: Motion Carried.

Other

None

Public Comments

None

Adjourn

Motion by Commissioner McCloud, Seconded by Commissioner Zerkle, to adjourn the meeting.

Action: Motion Carried

Meeting adjourned at 5:58 p.m.

Respectfully Submitted,
Tony Mullen, Chair
Human Resources Committee

RESOLUTION 2016-11-

Salary Adjustment for the Charter Position of Internal Auditor

Whereas; Due to subsequent information on a revised grade and salary structure adopted for non-bargaining employees at the Lansing Board of Water and Light;

Whereas; The minimum salary for the Internal Auditor at his current grade of Director Level 6 is \$139,700;

Whereas; The (aforementioned) salary is greater than the amount approved by Resolution #2016-07-04 on July 26, 2016; and

Whereas; An adjustment is needed to bring the Internal Auditor's salary up to the minimum identified for his pay grade and director level.

Now therefore be it resolved the base pay for Internal Auditor Phil Perkins Director Level 6 for fiscal year 2016-2017 is \$139,700.

RESOLUTION #2016-11

Collective Bargaining Agreement between the Lansing Board of Water & Light
And the International Brotherhood of Electrical Workers, AFL-CIO, Local 352

WHEREAS, on October 18, 2016 the Board of Water & Light and IBEW Local 352 entered into a Tentative Agreement to extend the Collective Bargaining Agreement for four years; and

WHEREAS, the terms and conditions of the Tentative Agreement are in accordance with the direction and authority that was delegated to the Board's negotiating team by the General Manger; and

WHEREAS, the Tentative Agreement was submitted by the IBEW Local 352 negotiating team to the IBEW membership for its approval and was ratified on October 27, 2016.

RESOLVED, that the Board of Commissioners approve the attached "Final Tentative Agreement" (dated and signed October 27, 2016).

Staff comments: The Board and the Unions have tentatively agreed to a four year extension of the collective bargaining agreement to remain in effect through October 31, 2020. The agreement provides for a across the board increases to all bargaining unit employees on November 1, 2016, 3%, November 1, 2017, 3%, November 1, 2018, 3%, and November 1, 2019, 3%. Also beginning November 1, 2016, shift premiums will be increased by fifty cents (\$0.50) per hour for both shifts.

In addition: The Board and the IBEW 352 will adhere to the agreed upon non-economics and the economic changes as set forth in the accompanying document that outlines such changes in the Collective Bargaining Agreement.

Remaining in effective is language of November1, 2012, whereas employees' premium sharing for applicable insurance will be as approved and directed by the Board of Commissioners as prescribed by Public Act 152, 2011. The parties agree to meet to discuss the financial impact on employees should the Board vote to increase premium sharing to 20%.

Motion: To approve the resolution for Collective Bargaining Agreement between the Lansing Board of Water & Light And the International Brotherhood of Electrical Workers, AFL-CIO, Local 352

Action:

Public Employer Contributions to Medical Benefit Plans

HR Committee Meeting
November 8, 2016





Public Act 152 – Publicly Funded Health Insurance Contribution Act

- Adopted by the Legislature and signed into law by the Governor as Act 152 of 2011
- The Act caps the amount a public employer, including municipal utility systems, may pay for employee health care insurance.
- Required public employees to be responsible for a larger portion of their health care cost after September 1, 2012

Public Act 152, 2011

- The BWL has three options:
 - Comply with PA 152 and limit expenditures on health care cost based on a schedule of dollars provided in the Act using the Hard Cap as updated annually; or
 - Limit expenditures on health care cost based on a 80/20 percentage split, requiring a majority vote; or
 - Exempt itself entirely from the Act & choose some other percentage of Premium sharing, requiring a 2/3 vote

Alternatives Utilizing Option 3 to Opt-Out of Act 152, 2011 – Various Premium Sharing Options

Benefit Plan	PA 152 Cap	1/1/17 Annual Benefit Cost	Difference	1/1/17 Per pay Period Difference				
				12%	14%	16%	20%	Cap
Single	\$6,344.80	\$8,104.56	\$1,759.76	\$37.40	\$43.63	\$49.86	\$62.33	\$67.68
Empl +1	\$13,268.93	\$18,235.44	\$4,966.51	\$84.17	\$98.18	\$112.21	\$140.26	\$191.02
Family	\$17,304.02	\$22,692.96	\$5,388.94	\$104.74	\$122.18	\$139.64	\$174.55	\$207.27

The Union contract states that effective November 1, 2012 premium sharing for applicable insurance premium for hospital, medical and surgical, and prescription drug insurance plans will be approved and directed by the Board of Commissioners as prescribed by Public Acct 152 of 2011.

Affordable Care Act (ACA)

- Affordability provision for 1-1-17 in the Act stipulates Health Insurance premiums cannot exceed 9.69% of the employees income. This chart shows the maximum safe Premium sharing while still complying with the Affordable provision of the ACA.

AFFORDABILITY utilizing RATE OF PAY SAFE HARBOR -- Using the 1-1-17 BWL Single monthly health care rate of \$675.38

Lowest Paying Positions	Hourly Salary Rate	Annual Salary	Monthly Salary	Monthly Premium Sharing allowed 9.69%	Monthly Single Premium Sharing @ 14%	Maximum Percentage of Premium allowed
Stock Dist. Spec.	\$17.05	\$35,464	\$2,955.33	\$286.37	\$94.55	42.04%
Coal Cleaner	\$17.07	\$35,505	\$2,958.75	\$286.70	\$94.55	42.04%
Admin. Asst.	\$17.13	\$35,630	\$2,969.16	\$287.71	\$94.55	42.60%
Acct. Clerk 1	\$18.05	\$37,544	\$3,128.66	\$303.17	\$94.55	44.89%

RESOLUTION #2016-11

PROPOSED RESOLUTION

AMENDMENT TO 401A DEFINED CONTRIBUTION PLAN

RESOLVED, that the Board of Commissioners hereby amends the Lansing Board of Water & Light 401a Defined Contribution Plan # 106696 such that the Employer Contributions for Bargaining Unit Employees is increased from 8.1% to 9.5%, for those Bargaining Unit Employees hired after January 1, 1997.

FURTHER RESOLVED, all other provisions of the 401a Defined Contribution Plan # 106696 shall remain in full force and effect.

FURTHER RESOLVED, that the General Manager and Corporate Secretary are hereby authorized to execute the applicable Adoption Agreement or Plan Document that accurately captures the above noted change in Employer Contributions.

RESOLUTION #2016-11

PROPOSED RESOLUTION

AMENDMENT TO 457 DEFERRED COMPENSATION PLAN

RESOLVED, that the Board of Commissioners hereby amends the Lansing Board of Water & Light 457 Deferred Compensation Plan # 300435 such that the limit of the Employer Match for Bargaining Unit Employees is increased from \$1,250 per year to \$1,500 per year.

FURTHER RESOLVED, all other provisions of the 457 Deferred Compensation Plan # 300435 shall remain in full force and effect.

FURTHER RESOLVED, that the General Manager and Corporate Secretary are hereby authorized to execute the applicable Adoption Agreement or Plan Document that accurately captures the above noted change in the Employer Match.

RESOLUTION #2016-11

Proposed Resolution
To Amend Employee Contribution to
Medical Benefit Plans

WHEREAS, Governor Rick Snyder, on September 27, 2011, signed legislation known as the “Public Funded Health Insurance Contribution Act”, Public Act 152 of 2011 limiting the amount public employers may pay for government employee medical benefits, and;

WHEREAS, Public Act 152 of 2011 took effect January 1, 2012 and applies to all public employers including the Lansing Board of Water & Light, and;

WHEREAS, Public Act 152 of 2011 created a “hard cap” for medical benefit plan years beginning January 1, 2012, such that a public employer may not pay more than the statutory caps for medical benefit plans, and;

WHEREAS, by a majority vote of its governing body, a public employer may opt-out of the hard cap and into an 80% cap option where the public employer may not pay more than 80% of the total annual costs of all the medical benefit plans for its employees, and;

Whereas, by a 2/3 vote of its governing body each year, a local unit of government may exempt itself from the requirements of Public Act 152 of 2011 for the next year, and;

WHEREAS, the Board of Commissioners met on July 24th 2012 and passed a resolution (#2012-07-01) to exempt itself from the requirements of Public Act 152 of 2011 and implemented a 10% premium sharing, and;

WHEREAS, the Board of Commissioners met on July 23rd 2013 and passed a resolution (#2013-07-02) to exempt itself from the requirements of Public Act 152 of 2011 and implemented a 12% premium sharing, and;

WHEREAS, the Board of Commissioners met on September 2014 and passed a resolution (#2014-09-03) to exempt itself from the requirements of Public Act 152 of 2011 and kept the 12% premium sharing, and;

WHEREAS, the Board of Commissioners met on July 2015 and passed a resolution (#2015-07-28) to exempt itself from the requirements of Public Act 152 of 2011 and kept the 12% premium sharing through December 31, 2015, and;

WHEREAS, the Board of Commissioners met on November 2015 and passed a resolution (#2015-11-17) to exempt itself from the requirements of Public Act 152 of 2011 and kept the 12% premium sharing through December 31, 2016 for Union employees and implement a 14% premium sharing for Non-Union employees effective July 1, 2016, and;

RESOLVE that the Board by at least 2/3 vote desires to exempt itself from the requirements of Public Act of 2011 for the upcoming benefit plan year, effective January 1, 2017 through December 31, 2017.

FURTHER RESOLVE that the Board desires to continue the 14% premium sharing for all active employees for medical benefits effective January 1, 2017.