LANSING BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS
HUMAN RESOURCES COMMITTEE MEETING
Tuesday, September 1, 2026 ◆ 5:00 P.M.
Board of Water & Light Headquarters – REO Town Depot
1203 S. Washington Ave., Lansing, MI 48910

Human Resources Committee: Dale Schrader, Committee Chairperson; DeShon Leek, David Price, Sandra Zerkle; Alternates: Chris Harkins, Tony Mullen

BWL full meeting packets and public notices/agendas are located on the official website at https://www.lbwl.com/about-bwl/governance.

AGENDA

Call to Order

Roll Call

Public Comments on Agenda Items

1. Human Resources Committee Meeting Minutes of May 12, 2026..**TAB 1**

2. 2027 PA 152 Healthcare Premium Sharing Update..**TAB 2**
   a. 2027 PA 152 Healthcare Premium Sharing Resolution

Other

Adjourn

HUMAN RESOURCES COMMITTEE
Meeting Minutes
May 12, 2026

Human Resources Committee: Tony Mullen, Committee Chairperson; Commissioners Semone James, DeShon Leek and Sandra Zerkle; Alternates: David Price, Chris Harkins

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 5:00 p.m. on Tuesday, May 12, 2026.

Vice Chairperson Sandra Zerkle called the meeting to order at 5:05 p.m. and asked the Corporate Secretary to call the roll.

The following members were present: Commissioners Semone James, DeShon Leek, and Sandra Zerkle; also present: Commissioner Dale Schrader.
Absent: Alternates: Commissioners David Price and Chris Harkins.

(HR Committee Chairperson Tony Mullen arrived at 5:24 p.m.)

The Corporate Secretary declared a quorum.

Public Comments
There were no public comments.

Approval of Minutes
Motion by Commissioner DeShon Leek; **Seconded** by Commissioner Semone James, to approve the HR Committee meeting minutes of March 17, 2026.
Action: Motion Carried.

FY2026 Board Appointee Performance Reviews

General Manager
General Manager Richard R. Peffley requested to go into Closed Session for the purpose of receiving his contractual year-end performance evaluation as permitted by Open Meetings Act exemption MCL 15.268(a). He also requested Chief Human Resources Officer Michael Flowers join him in closed session.

Motion by Commissioner Sandra Zerkle; **Seconded** by Commissioner Semone James, to go into closed session to discuss the contractual year-end performance evaluation of General Manager, Richard R. Peffley. Commissioners Semone James, DeShon Leek, Tony Mullen, Dale Scrader and Sandra Zerkle were present.

Roll Call Vote:
Yeas: Commissioners Semone James, DeShon Leek and Sandra Zerkle
Nays: None.
Action: Motion Carried.

Human Resources Committee went into closed session at 5:08 p.m.

Each Board Member who was physically present had a chance to provide General Manager Richard R. Peffley with comments and or questions related to the final evaluation document/process. Commissioners were given as much time as they needed to make any comments or ask questions of Mr. Peffley.

Motion by Commissioner Sandra Zerkle; **Seconded** by Commissioner Tony Mullen, to reconvene into open session.
Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen, and Sandra Zerkle.
Nays: None.
Action: Motion Carried

The Human Resources Committee reconvened to open session at 6:14 p.m.

Motion by Commissioner Semone James; **Seconded** by Commissioner Sandra Zerkle, to forward the resolution reappointing Richard R. Peffley to the Charter position of General Manager for FY2027 to the full Board for consideration.
Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Sandra Zerkle.
Nays: None.
Action: Motion Carried.

Internal Auditor

Internal Auditor Elisha Franco requested to go into Closed Session for the purpose of receiving her contractual year-end performance evaluation as permitted by Open Meetings Act exemption MCL 15.268(a). She also requested Chief Human Resources Officer Michael Flowers join her in closed session.

Motion by Commissioner Sandra Zerkle; **Seconded** by Commissioner DeShon Leek, to go into closed session to discuss the contractual year-end performance evaluation of Internal Auditor Elisha Franco. Commissioners Semone James, DeShon Leek, Tony Mullen, Dale Scrader and Sandra Zerkle were present.

Roll Call Vote:

Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen, and Sandra Zerkle
Nays: None.
Action: Motion Carried.

Human Resources Committee went into closed session at 6:15 p.m.

Each Board Member who was physically present had a chance to provide Internal Auditor Elisha Franco with comments and or questions related to the final evaluation document/process. Commissioners were given as much time as they needed to make any comments or ask questions of Ms. Franco.

Motion by Commissioner DeShon Leek; **Seconded** by Commissioner Semone James to reconvene into open session.
Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen, and Sandra Zerkle.
Nays: None.
Action: Motion Carried

The Human Resources Committee reconvened to open session at 6:40 p.m.

Motion by Commissioner Semone James; **Seconded** by Commissioner DeShon Leek, to forward the resolution reappointing Elisha Franco to the Charter position of Internal Auditor for FY2027 to the full Board for consideration.
Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen, and Sandra Zerkle.
Nays: None.
Action: Motion Carried.

Corporate Secretary
Corporate Secretary LaVella J. Todd requested to go into Closed Session for the purpose of receiving her contractual year-end performance evaluation as permitted by Open Meetings Act exemption MCL 15.268(a). She also requested Chief Human Resources Officer Michael Flowers join her in closed session.

Motion by Commissioner Semone James; **Seconded** by Commissioner Sandra Zerkle, to go into closed session to discuss the contractual year-end performance evaluation of Corporate Secretary LaVella J. Todd. Commissioners Semone James, DeShon Leek, Tony Mullen, Dale Scrader and Sandra Zerkle were present.

Roll Call Vote:
Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen and Sandra Zerkle

Nays: None.
Action: Motion Carried.

Human Resources Committee went into closed session at 6:41 p.m.

Each Board Member who was physically present had a chance to provide Corporate Secretary LaVella J. Todd with comments and or questions related to the final evaluation document/process. Commissioners were given as much time as they needed to make any comments or ask questions of Ms. Todd.

Motion by Commissioner DeShon Leek; **Seconded** by Commissioner Sanra Zerkle to reconvene into open session.
Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen, and Sandra Zerkle.
Nays: None.
Action: Motion Carried.

The Human Resources Committee reconvened to open session at 7:06 p.m.

Motion by Commissioner DeShon Leek; **Seconded** by Commissioner Semone James, to forward the resolution reappointing LaVella J. Todd to the Charter position of Corporate Secretary for FY2027 to the full Board for consideration.
Yeas: Commissioners Semone James, DeShon Leek, Tony Mullen, and Sandra Zerkle.
Nays: None.
Action: Motion Carried.

Other
No other business.

Adjourn
HR Chairperson Tony Mullen adjourned the meeting at 7:07 p.m.

Respectfully Submitted,
Tony Mullen, Chairperson
Human Resources Committee

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Public Employer Contributions to Medical Benefit Plans

Human Resources Committee

September 2026

Agenda

- PA 152 of 2011, Employer Caps or 80/20 on Healthcare Cost
- Affordability Requirements of the Patient Protection & Affordability Care Act

2011 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.

PA 152 Components

- 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 every April; 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.

PA 152 State Hard Cap Numbers for 2027 finalized and reflected in chart on next slide.
As BWL employees now pay 20% premium sharing, opt out is no longer necessary.
Same as last year, BWL can now comply with PA 152 with a Majority vote of its Board.
Resolution included.
Opt out is shown per pay, annually an individual who opts out receives $186 per month or $2,232 annually
Hard cap is showing as amount over or under hard cap if BWL accepts hard cap as is.

Alternatives to PA 152

Blue Option

Benefit Plan	2027 Annual Rate	2027 PA 152 Hard Cap	Difference	Annual Employer Cost	Annual Employee Cost	Employee Per Pay Period Premium (24 pays)		
	LBWL Illustrative Rates	As set annually by the State	Amount here represents how much over / under hard cap	@ 80%	@ 20%	Opt Out	20%	Hard Cap
Single	$17,019.84	$8,810.35	($8,209.49)	$13,615.87	$3,403.97	$186 per month	$141.83	$342.06
Employee + 1	$38,295.24	$17,107.66	($21,187.58)	$30,636.19	$7,659.05		$319.13	$882.82
Family	$47,656.08	$22,310.11	($25,345.97)	$38,124.86	$9,531.22		$397.13	$1,056.08

Green Option

Benefit Plan	2027 Annual Rate	2027 PA 152 Hard Cap	Difference	Annual Employer Cost	Annual Employee Cost	Employee Per Pay Period Premium (24 pays)		
	LBWL Illustrative Rate	As set annually by the State	Amount here represents how much over / under hard cap	@ 80%	@ 20%	Opt Out	20%	Hard Cap
Single	$12,624.48	$8,810.35	($3,814.13)	$10,099.58	$2,524.90	$186 per month	$105.20	$158.92
Employee + 1	$28,405.44	$17,107.66	($11,297.78)	$22,724.35	$5,681.09		$236.71	$470.74
Family	$35,348.76	$22,310.11	($13,038.65)	$28,279.01	$10,604.63		$294.57	$543.28

HSA Option

Benefit Plan	2027 Annual Rate	2027 PA 152 Hard Cap	Difference	Annual Employer Cost	Annual Employee Cost	Employee Per Pay Period Premium (24 pays)		
	LBWL Illustrative Rate	As set annually by the State	Amount here represents how much over / under hard cap	@ 80%	@ 20%	Opt Out	20%	Hard Cap
Single	$8,780.64	$8,810.35	$29.71	$7,024.51	$1,756.13	$186 per month	$73.17	($1.24)
Employee + 1	$21,060.84	$17,107.66	($3,953.18)	$16,848.67	$4,212.17		$175.51	$164.72
Family	$26,351.40	$22,310.11	($4,041.29)	$21,081.12	$5,270.28		$219.60	$168.39

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FMCP

Benefit Plan	2027 Annual Rate	2027 PA 152 Hard Cap	Difference	Annual Employer Cost	Annual Employee Cost	Employee Per Pay Period Premium (24 Pays)	
	FMCP 2027 Rates	As set annually by the State	Amount here represents how much over/under hard cap	@80%	@20%	Opt Out	20%
Single	$9,468.00	$8,810.35	($657.65)	$7,574.40	$1,893.60	$186 per month	$78.90
Employee + Spouse	$18,984.00	$17,107.66	($1,876.34)	$15,187.20	$3,796.80		$158.20
Employee + Child(ren)	$16,392.00			$13,113.60	$3,278.40		$136.60
Family	$27,636.00	$22,310.11	($5,325.89)	$22,108.80	$5,527.20		$230.30

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2011 Public Act 152 – Publicly Funded Health Insurance Contribution Act

- BWL no longer needs to opt out of Michigan's 2011 Public Act 152.
- Recommendation to pass the resolution to adopt 80%/20% employer/employee health care cost option as set forth in 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act. Resolution was initially passed in 2021 for 2022 to adopt 80%/20% cost share. This has passed every year since 2021.
- Resolution must be passed by a majority vote in order to be considered valid for 2027 plan year prior to January 1, 2027.
- Resolution needs to be passed annually and certified by the Corporate Secretary prior to the upcoming benefit plan year.

Affordable Care Act

Affordability Provisions

- Affordability provision for 1/1/2027 in the Act stipulates Health Insurance premiums cannot exceed 10.22% up from 9.96% in 2026 of the employee's income. This chart on the next page shows the maximum safe Premium Sharing while still complying with the Affordable provision of the ACA.

- In 2027, entities must add Cash in Lieu/Opt Out Waiver pay in affordability calculations unless confirmation of other coverage is done. Under ACA guidelines, it is required that entities count dollars paid for waivers as a lost cost to employees. Therefore, the Cash in Lieu / Opt Out Waiver amount must be added to any premiums being paid by the employees to calculate affordability unless group requires documentation showing other plans enrolled in are not Marketplace plans.

ACA Affordability

Under the Affordable Care Act, employers must offer affordable, minimum value medical coverage or be subject to penalties. Affordability is based on a given percentage of employee income compared to the cost of single coverage under the employer's lowest cost minimum value plan. The IRS updates the affordability percentage each year, so affordability calculations for your current and renewal plan years are shown below, based on your current employee contributions.

Available affordability safe harbors:

Current (2026)	Renewal (2027)
* 9.96% of Rate of Pay (based on 40 hours per week, 52 weeks per year)	* 10.22% of Rate of Pay (based on 40 hours per week, 52 weeks per year)

The chosen safe harbor must be applied in a uniform and consistent manner by employee category.

To calculate W-2 or Rate of Pay affordability:	Current (2026)	Renewal (2027)
Per pay Single Contribution (of lowest option or minimum value plan)	$64.07	$73.17
Number of pays per year	24	24
Annual Contribution	$1,537.68	$1,756.08
Affordability Threshold	9.96%	10.22%
Threshold Minimum Salary (W-2 Box 1)	$15,438.55	$17,182.78
Annual Hours (2,080 Hours)	2,080	2,080
Threshold minimum hourly rate of pay	$7.42	$8.26

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Thank you

RESOLUTION 2026-09-XX
PA 152 Health Care Premium Sharing

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

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

WHEREAS, the Act contains three options for complying with the requirements of the Act; and

WHEREAS, the three options are as follows:

1) Section 3 - "Hard Caps" Option - limits a public employer's total annual health care costs for employees based on coverage levels, as defined in the Act;

2) Section 4 - "80%/20%" Option - limits a public employer's share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body; or

3) Section 8 - "Exemption" Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body; and

WHEREAS, the Board of Commissioners desire to maintain premium sharing at 20% for all active employees for medical benefits effective January 1, 2027 through December 31, 2027.

THEREFORE, it is:

RESOLVED, that the Board of Commissioners by a majority vote has decided to adopt the 80%/20% option as its choice of compliance under the Act; and

FURTHER RESOLVED, that the Board of Commissioners of the Lansing Board of Water & Light elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1, 2027, through December 31, 2027.

Motion by Commissioner _________, **Seconded** by Commissioner _______, to approve the PA 152 Health Care Premium Sharing Resolution at a Board meeting held on September 22, 2026.