



**HUMAN RESOURCES COMMITTEE MEETING
AGENDA**

**November 10, 2015
5:30 P.M. – 1201 S. Washington Ave.
Lansing, MI - REO Town Depot
Board of Water & Light Headquarters**

Call to Order

Roll Call

Public Comments on Agenda Items

1. Human Resources Committee Meeting Minutes of 9/15/15 **TAB 1**

2. PA 152/Employee Contribution to Medical Benefit Plan Resolution.....**TAB 2**

3. Other

Adjourn

HUMAN RESOURCES COMMITTEE

September 15, 2015

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, September 15, 2015.

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, Alternate Member Dennis M. Louney and Alternate Member Tracy Thomas. Also present: Commissioners David Price, Non-Voting Commissioners Mike Froh (Meridian Township), Bill Long (Delta Township) and Robert Nelson (E. Lansing).

Absent: Commissioner Sandra Zerkle.

Public Comments

None

Approval of Minutes

Motion by Commissioner McCloud, Seconded by Commissioner Louney, to approve the Human Resources Committee meeting minutes of July 28, 2015.

Action: Motion Carried.

Charter Position Appointment for General Manager – Resolution

HR Committee Chair Mullen introduced the resolution for the appointment of Richard R. Peffley as the BWL General Manager, removing Interim from his current title.

Motion by Commissioner McCloud, Seconded by Commissioner Louney, to forward the proposed resolution appointing Richard R. Peffley (Dick) to the Charter Appointed Position of General Manager to the full Board for consideration.

There was a lengthy discussion regarding the hiring and appointment process for the General Manager.

Action: Motion Carried.

Commissioner Price disseminated a proposed employment contract agreement for the General Manager to the Commissioners and introduced Attorney Melissa Jackson of Foster Swift, who reviewed the details of the proposed employment contract.

Motion by Commissioner McCloud, Seconded by Commissioner Louney, to forward the proposed draft employment contract of the General Manger to full Board for consideration.

Action: Motion Carried.

Excused Absence

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

Action: Motion Carried

Public Comments

None

Adjourn

Motion by Commissioner McCloud, Seconded by Commissioner Thomas, the meeting adjourned at 6:33 p.m.

Action: Motion Carried

Respectfully Submitted
Tony Mullen, Chair
Human Resources Committee

Public Employer Contributions to Medical Benefit Plans

HR Committee Meeting
November 10, 2015



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	1/1/16 Annual Benefit Cost	Difference	1/1/16 Per pay Period				
				12%	14%	16%	20%	Cap
Single	\$6,142.11	\$ 7,954.08	\$1,811.97	\$ 36.70	\$ 42.82	\$ 48.94	\$ 61.18	\$69.69
Empl +1	\$12,845.04	\$ 17,896.92	\$5,051.88	\$ 82.61	\$ 96.36	\$ 110.12	\$ 137.66	\$194.30
Family	\$16,751.23	\$ 22,171.76	\$5,420.53	\$ 102.33	\$ 119.38	\$ 136.43	\$ 170.54	\$208.48

Affordable Care Act (ACA)

- Affordability provision in the Act stipulates Health Insurance premiums cannot exceed 9.50% 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

Lowest Paying Positions	Rate	Annual Max	Monthly Max	9.50%	Single Premium Sharing @ 12%	Opt Out per month	Amount under Affordability	Maximum Premium Sharing for Affordability	Maximum % of Premium Allowed
Laborer	\$17.07	\$35,505	\$2,958.75	\$281.08	\$79.54	\$186.00	\$15.53	\$95.07	14.34%
Laborer	\$17.07	\$35,505	\$2,958.75	\$281.08	\$79.54	\$186.00	\$15.53	\$95.07	14.34%
Coal Cleaner	\$17.07	\$35,505	\$2,958.75	\$281.08	\$79.54	\$186.00	\$15.53	\$95.07	14.34%
Admin Asst.	\$17.12	\$35,609	\$2,967.42	\$281.90	\$79.54	\$186.00	\$16.35	\$95.90	14.47%

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 24, 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 23, 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 23, 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 28, 2015 and passed a resolution (#2015-07-12) to exempt itself from the requirements of Public Act 152 of 2011 and kept the 12% premium sharing through December 31, 2015, and;

Resolved that the Board by at least 2/3 vote exempts itself from the requirements of Public Act 152 of 2011 for the 2016 health benefit plan year, which is effective January 1, 2016 through December 31, 2016, and;

Further resolved that effective January 1, 2016 the premium sharing for the 2016 health benefit plan year remains at 12% until June 30, 2016 for all active employees.

Be it further resolved that, effective July 1, 2016, for the remaining 2016 health benefit plan year the premium sharing shall increase from 12% to 14% for all non-bargaining employees. Premium sharing for all bargaining employees will remain at 12%, and will then be subjected to the Collective Bargaining Unit Agreement effective November 1, 2016.