

MINUTES OF THE MEETING OF THE COMMITTEE-OF-THE-WHOLE OF THE CITY OF GROSSE POINTE WOODS HELD ON MONDAY, NOVEMBER 13, 2023, IN THE COUNCIL CHAMBERS/COURTROOM OF THE ROBERT E. NOVITKE MUNICIPAL CENTER, 20025 MACK PLAZA DR., GROSSE POINTE WOODS, MICHIGAN.

Mayor Bryant called the meeting to order at 7:37 p.m.

PRESENT: Mayor Bryant
Council Members: Brown, Gafa, Granger, Koester, McConaghy, Vaughn
ABSENT: None

Also Present: City Administrator Schulte
Assistant City Administrator Como
City Attorney Tomlinson
Treasurer/Comptroller Murphy
City Clerk Antolin
Representative of Manquen Vance, John Kowalski

Motion by Granger, seconded by Koester, that all items on tonight's agenda be received, placed on file, and taken in order of appearance.

Motion carried by the following vote:

Yes: Brown, Bryant, Gafa, Granger, Koester, McConaghy, Vaughn
No: None
Absent: None

The purpose of tonight's meeting was to address Public Act 152 which was enacted in 2011 by Governor Snyder to limit a public employer's expenditure for employee medical benefit plans.

Grosse Pointe Woods adopted the Hard Cap option in December 2011, which took effect in 2012.

On January 1, 2017, health care provided by the city was changed to a high dollar deductible PPO plan that qualifies for a health savings account. This plan has a deductible of \$2,000 for a single and \$4,000 for two person/family. The city contributes yearly into a health savings account, \$1,700 for single and \$2,000 for two person/family. The employee is responsible for the remaining yearly deductible.

Since 2017, the city has been under the Hard Cap amount, but effective in 2024 the gross healthcare cost will exceed our allowable Hard Cap cost by \$86,113. With the Hard Cap option, the employees will have to absorb the cost through payroll deduction.

John Kowalski of Manquen Vance provided an overview of the current trend, stating that claims and general medical expenses are rising.

Grosse Pointe Woods participates with the other Grosse Pointes to lower administration fees and stop loss insurance premiums, protecting the plan from fixed costs and creating stability for the communities.

The options for Public Act 152 were presented as follows:

- Opt-out – requires a 2/3 vote by City Council
- Utilize the 80/20 – requires a majority vote by City Council
- Hard Cap - default option

The Hard Cap option is renewed automatically every year. However, the Opt-out and 80/20 option requires Council's vote annually. The Opt-out option would eliminate additional employee contributions toward health care.

Discussion ensued regarding calculations of costs and taxable income with contributions. The Committee-of-the-Whole suggested to establish a framework with a planning perspective.

There was a consensus of the Committee-of-the-Whole to select the Opt-out option of Public Act 152 for the 2024 calendar year. This option will be revisited and approved annually.

With a healthy General Fund balance, Administration was recommending to City Council an additional contribution of \$500,000 to the retirement system. It was suggested to contribute a lesser amount to the retirement system and absorb the Hard Cap shortage of \$86,113. Administration recognizes that employees have exceptional work ethic and the current morale is very high and feels absorbing the shortage would be appropriate.

Under New Business/Public Comment, no one wished to be heard.

Motion by Granger, seconded by Koester, that the meeting of the Committee-of-the-Whole be adjourned at 8:19 p.m. PASSED UNANIMOUSLY.

Respectfully submitted,

Paul P. Antolin
City Clerk

Arthur W. Bryant
Mayor