



**CITY OF GROSSE POINTE WOODS
NOTICE OF MEETING AND AGENDA
COMMITTEE-OF-THE-WHOLE MEETING
Monday, October 21, 2024 at 7:00 PM**

*Robert E. Novitke Municipal Center - 20025 Mack Plaza
Drive, Grosse Pointe Woods, MI 48236
(313) 343-2440*

Mayor Arthur W. Bryant has called a meeting of the City Council, meeting as a Committee-of-the-Whole, for **Monday, October 21, 2024 at 7:00 PM**. The meeting will be held in the Robert E. Novitke Municipal Building, 20025 Mack Plaza Drive, Grosse Pointe Woods, MI 48236 and is accessible through the Municipal Court doors. In accordance with Public Act 267, the meeting is open to the public and the agenda items are as follows:

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. ACCEPTANCE OF AGENDA**
- 4. ITEMS FOR DISCUSSION**
 - A. FY 2023/2024 Budget to Actuals
 - 1) City Treasurer/Comptroller to provide an update
 - B. Public Act (PA) 152
 - 1) Memo 10/14/24 with attachment - City Administrator Schulte
 - 2) Proposed Draft Resolution
- 5. NEW BUSINESS/PUBLIC COMMENT**
- 6. ADJOURNMENT**

IN ACCORDANCE WITH PUBLIC ACT 267 (OPEN MEETINGS ACT)
POSTED AND COPIES GIVEN TO NEWSPAPERS

The City of Grosse Pointe Woods will provide necessary, reasonable auxiliary aids and services, such as signers for the hearing impaired, or audio tapes of printed materials being considered at the meeting to individuals with disabilities. All such requests must be made at least five days prior to a meeting. Individuals with disabilities requiring auxiliary aids or services should contact the City of Grosse Pointe Woods by writing or call the City Clerk's office, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 (313) 343-2440 or Telecommunications Device for the Deaf (TDD) 313 343-9249.

cc: Council - 7	Treasurer/Comptroller	Assistant City Administrator
City Administrator	City Clerk	Post - 4
City Attorney	Email Group/Media	



CITY OF GROSSE POINTE WOODS MEMORANDUM

Date: October 14, 2024
To: Mayor and City Council
From: Frank Schulte, City Administrator
Subject: Public Act 152

In 2011, Governor Snyder signed into law Public Act (PA) 152 which was enacted to limit a public employer's expenditure for employee medical benefit plans. For medical plan coverage beginning on or after January 1 of each year, a public employer that offers or contributes to a medical benefit plan for its employees or elected public officials shall pay no more of the annual costs, and a payment for reimbursement of copays, deductibles, or payments into H.S.A. or similar accounts used for health care costs, than a total amount equal to the Hard Cap.

Public entities are required to comply with one of the following:

- Hard Cap;
- 80/20-employer pays no more than the 80% of costs/employees pay 20% of costs;
- Opt-Out at a negotiated rate.

In 2017, the City of Grosse Pointe Woods elected the Hard Cap option under PA 152. The Hard Cap cost is included in the city's union contracts and states that all employees are obligated to pay the amount that exceeds the limit.

For the first time in 2024, the Hard Cap exceeded the allowable limit by \$86,113. The council voted to opt out of covering the overage, and employees were not charged.

In 2025, the Hard Cap will exceed the allowable limit again in the amount of \$268,083. Furthermore, it is estimated to increase an additional 3% in 2026.

Manquen Vance has prepared the attached document outlining the city's following options:

1. Cover Hard Cap overage
2. 80/20
3. 90/10 (Opt-Out)

After meeting and reviewing PA 152 options with Manquen Vance, Administration has come up with a 3-year step plan that would ultimately move to the 80/20 plan as required by PA 152. To ease the financial increase to the employees, we are recommending the following 3-year step plan: 2025 to move to option #3: 90/10 opt-out; 2026: 85/15 opt-out; 2027: 80/20 as required by PA 152.

The opt-out requirements of Act 152 require a 2/3 vote of the governing body.

Attachment

RECEIVED

OCT 14 2024

CITY OF GROSSE POINTE WOODS
CLERK'S DEPARTMENT



City of Grosse Pointe Woods

2025 MI PA-152 Analysis

BCBSM SB2000	Annual Gross Cost \$1,454,638	Annual Hard Cap \$1,186,556	Over/Under Hard Cap \$268,083
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Development of potential contributions - Calendar Year 2025			
80% / 20%			
2025 Rates - Per 26 Pays			
<u>Current Enrollment</u>	<u>Total Plan Rate</u>	<u>City Cost</u>	<u>Employee Cost</u>
Single 16	\$365.67	\$292.53	\$73.13
Two Person 15	\$797.60	\$638.08	\$159.52
Family 39	\$977.77	\$782.21	\$195.55
Per Pay Total 70	\$55,948	\$44,758	\$11,190
Annual Total	\$1,454,638	\$1,163,711	\$290,928
Difference from Hard Cap		-\$22,845	\$22,845

Development of potential contributions - Calendar Year 2025			
90% / 10%			
2025 Rates - Per 26 Pays			
<u>Current Enrollment</u>	<u>Total Plan Rate</u>	<u>City Cost</u>	<u>Employee Cost</u>
Single 16	\$365.67	\$329.10	\$36.57
Two Person 15	\$797.60	\$717.84	\$79.76
Family 39	\$977.77	\$879.99	\$97.78
Per Pay Total 70	\$55,947.62	\$50,352.86	\$5,594.76
Annual Total	\$1,454,638	\$1,309,174	\$145,464
Difference from Hard Cap		\$122,619	-\$122,619

Note: Total Plan Rate includes HSA Funding assuming current levels of \$1,700 single / \$2,000 Two Person and Family

CITY OF GROSSE POINTE WOODS

DRAFT CERTIFIED RESOLUTION

**RESOLUTION TO ADOPT THE ANNUAL EXEMPTION OPTION AS SET FORTH IN
2011 PUBLIC ACT 152, THE PUBLICLY FUNDED HEALTH INSURANCE
CONTRIBUTION ACT**

WHEREAS, 2011 Public Act 152 (the “Act”) was passed by the State Legislature and signed by the Governor on September 24, 2011;

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

WHEREAS, the four 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;
- 3) Section 8 - “Exemption” Option – a local unit of government, as defined in the act, may set a bargained contribution level at “90%/10%”;
- 4) 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;

WHEREAS, the City of Grosse Pointe Woods has decided to adopt the annual option _____ as its choice of compliance under the Act;

NOW, THEREFORE, BE IT RESOLVED the Mayor and City Council of the City of Grosse Pointe Woods elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the annual Exemption option for the medical benefit plan coverage year January 1, 2025 through December 31, 2025.

Upon a call of the roll, the vote was as follows:

Ayes:
Nays:
Absent:

RESOLUTION DECLARED ADOPTED.

Paul P. Antolin