



City of Rochester Hills  
AGENDA SUMMARY  
NON-FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

Legislative File No: 2013-0353

**TO:** Mayor and City Council Members  
**FROM:** Pamela M. Gordon, Director of Human Resources, ext. 2521  
**DATE:** September 30, 2013  
**SUBJECT:** Public Act 152 of 2011

**REQUEST:**

To amend the City’s non-union benefit plans to provide the same health care plans with the same terms and conditions as contained in ratified agreements with AFSCME Local 2491 and AFSCME Local 1917.28, effective January 1, 2014; as well as to exempt both AFSCME and non-union employees from Public Act 152 for benefit plan year 2014.

**BACKGROUND:**

Recent contract settlements reached between the City and its two AFSCME locals will hold the City’s projected health care cost increases for 2014 and 2015 to an amount consistent with City Council’s objectives as identified in previous closed session discussions. This includes new taxes and fees applicable under the Affordable Care Act in 2014. The new health care strategy will feature high deductible health plans and health savings accounts (HD/HSA plans).

The administration intends to extend the same health care savings strategy contained in the ratified agreements to the City’s non-union employees. However, in order to implement the new strategy, a 2/3 majority vote of Council is required to exempt City employees from hard cap or 80%-20% contribution mandates under the requirements of the Public Act 152.

**RECOMMENDATION:**

That City Council approve an exemption for the City union and non-union employees from the requirements of Public Act 152 for benefit plan year beginning January 1, 2014. This exemption would apply to City employees to the extent necessary to maintain health plans and contributions consistent with those identified in the ratified agreements between the City and AFSCME Locals 2491 and 1917.28 from January 1, through December 31, 2014.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		