



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)

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Legislative File No: 2014-0362

**TO:** Mayor and City Council Members  
**FROM:** Pamela M. Gordon, Director of Human Resources, ext. 2521  
**DATE:** September 8, 2014  
**SUBJECT:** Public Act 152 of 2011

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**REQUEST:**

To exempt AFSCME and IAFF union, as well as non-union employees from Public Act 152 for benefit plan year 2015.

**BACKGROUND:**

With the May 2014 contract settlement between the City and the International Association of Fire Fighters, all full-time City employee groups are now offered the same health plan options. The City funds a high deductible medical plan and contributes to health savings accounts that are owned and managed by employees. As a result, the City's continues to hold projected health care cost increases to an amount consistent with City Council's objectives as identified during closed session discussions in 2013 and 2014.

Based on our current health plan strategy, the City's projected cost increase for 2015 will be less than 5%, including taxes and fees applicable under the Affordable Care Act. Consistent with union contracts in force through December 31, 2015, the administration intends to maintain the same health plan options for the plan year that begins January 1, 2015. These plans will be maintained for non-union employees well. However, in order to maintain the current strategy, a 2/3 majority vote of Council is required to enable the City to continue to opt-out of Public Act 152 and avoid mandated employee contribution levels specified under the legislation.

**RECOMMENDATION:**

That City Council approve an exemption from the requirements of Public Act 152 for the City's union and non-union employees for the benefit plan year beginning January 1, 2015. 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 and IAFF Local 3472 through December 31, 2015.

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