



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2012-0326

TO: Mayor and City Council Members
FROM: Pamela M. Gordon, Director of Human Resources, ext. 2521
DATE: September 10, 2012
SUBJECT: Public Act 152 of 2011

REQUEST:

To amend the City’s non-union benefit plans to provide the same health care program with the same terms and conditions as that provided to AFSCME Local 2491 and AFSCME Local 1917.28 unit members for benefit plan year 2013.

BACKGROUND:

2011 contract settlements between the City and its two AFSCME locals will result in significant health care cost savings to the City through the end of 2013, when the contracts will expire. The administration intends to maintain same health care strategy for the City’s non-union employees through 2013 as well. However, under the requirements of the Public Act 152, a 2/3 majority vote of Council is required to exempt public employees from hard cap or 80%-20% contribution mandates.

As discussed several times over the past year, by extending this plan design strategy, the City will continue to save more than with the 80%-20% contribution option would have for plans in place prior to 2012, without placing an undue financial burden on employees.

RECOMMENDATION:

That City Council extend its authorization to exempt non-union City employees from the requirements of Public Act 152 for benefit plan year beginning January 1, 2013. This exemption would continue to the extent necessary to maintain health plans and contributions consistent with the plans in effect for AFSCME Locals 2491 and 1917.28, as reflected in union contracts that expire December 31, 2013.

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