



**HUMAN RESOURCES COMMITTEE MEETING
LANSING BOARD OF WATER & LIGHT BOARD OF COMMISSIONERS**

**Tuesday, November 7, 2023 ♦ 5:00 P.M.
1201 S. Washington Ave., Lansing, MI 48910**

Human Resources Committee: Tony Mullen, Committee Chairperson; Tracy Thomas, DeShon Leek, Semone James; Alternates: Beth Graham, Sandra Zerkle; Non-Voting: J. R. Beauboeuf, Robert Worthy, Brian Pillar

BWL full meeting packets and public notices/agendas are located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

AGENDA

Call to Order

Roll Call

Public Comments on Agenda Items

- 1. Human Resources Committee Meeting Minutes of October 3, 2023**TAB 1**
- 2. 2023 PA 152 Healthcare Premium Sharing**TAB 2**
 - a. 2023 PA 152 Healthcare Premium Sharing Resolution**TAB 2a**

Other

Adjourn

**A quorum of the Board of Commissioners may be in attendance.*

HUMAN RESOURCES COMMITTEE

Meeting Minutes

October 3, 2023

Human Resources Committee: Tony Mullen, Committee Chairperson; Commissioners Tracy Thomas, DeShon Leek, Semone James; Alternates: Commissioners Beth Graham, Sandra Zerkle

The Human Resources Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, October 3, 2023.

Human Resources (HR) Committee Chairperson Tony Mullen called the meeting to order at 5:33 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tony Mullen, Tracy Thomas, DeShon Leek, and Semone James; Voting Alternate Commissioners Beth Graham and Sandra Zerkle. Also present: Commissioner David Price, Executive Director of Human Resources, Michael Flowers, Senior Human Resources Generalist, Lisa Benson, and Senior Human Resources Generalist, Dan Barnes. There was a quorum for the October 3, 2023, HR Committee meeting.

Absent: None.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Semone James, **Seconded** by Commissioner Tracy Thomas, to approve the minutes from the August 15, 2023 HR Committee Meeting.

Action: Motion carried.

Interview Candidates for the Charter Appointed Position of Internal Auditor

The Human Resources (HR) Committee interviewed three candidates for the Charter Appointed position of Internal Auditor, in accordance with Section 5-202.2 of the Lansing City Charter, which states: "The Board shall appoint an Internal Auditor who shall report directly to the Board. The Internal Auditor shall serve at the pleasure of the Board."

Chairperson Mullen and HR Executive Director Michael Flowers discussed with the Commissioners the process for interviewing the three candidates.

The HR Committee members presented the three candidates with hypothetical situational questions as well as questions about previous experiences in particular work areas. Upon conclusion of each interview the HR Committee completed the rating of each candidate and deliberated on each candidate. Chairperson Mullen recessed the HR Committee between each interview. The meeting reconvened at the arrival of the next interviewing candidate.

Once the interviews were completed, a motion was offered upon conclusion of deliberations to recommend Ms. Elisha Franco to the full board to review and approve as Internal Auditor for the remainder of the fiscal year 2023-2024.

Motion made by Commissioner Semone James, **Seconded** by Commissioner DeShon Leek to recommend Ms. Elisha Franco for the Charter appointed position of Internal Auditor by Resolution and forward to the full Board for consideration.

Roll Call Vote:

Yeas: Commissioners Tracy Thomas, DeShon Leek, Semone James

Nays: Commissioner Mullen

Action: Motion carried.

A special Board meeting will be called on October 19, 2023 to be held at 5:00 p.m. prior to the Joint City of Lansing Board of Water & Light Committee of the Whole meeting to approve the appointment of the Charter position of Internal Auditor.

The Commissioners discussed that the candidate will be given an offer of employment.

Other

There was no other business.

Adjourn

The meeting was adjourned at 9:32 p.m.

Respectfully Submitted,
Tony Mullen, Chairperson
Human Resources Committee



Public Employer Contributions to Medical Benefit Plans

Human Resources Committee Meeting

November 7, 2023

Agenda

- PA 152 of 2011, Employer Caps or 80/20 on Healthcare Cost
- Affordability Requirements of the Patient Protection & Affordability Care Act

2011 Public Act 152 - Publicly Funded Health Insurance Contribution Act

- Adopted by the Legislature and signed into law by the Governor as Act 152 of 2011.
- The Act caps the amount a public employer, including municipal utility systems, may pay for employee health care insurance.
- Required public employees to be responsible for a larger portion of their health care cost after September 1, 2012.

PA 152 Components

- The BWL has three options:
 - Comply with PA 152 and limit expenditures on health care cost based on a schedule of dollars provided in the Act using the Hard Cap as updated annually every April; or
 - Limit expenditures on health care cost based on a 80/20 percentage split, requiring a majority vote; or
 - Exempt itself entirely from the Act & choose some other percentage of Premium sharing, requiring a 2/3 vote.

Alternatives to PA 152

The Union contract states that effective November 1, 2012 premium sharing for applicable insurance premium for hospital, medical and surgical, and prescription drug insurance plans will be approved and directed by the Board of Commissioners as prescribed by Public Act 152 of 2011.

Blue Option

| Benefit Plan | 2024 Annual Rate | 2024 PA 152 Hard Cap | Difference | Annual Employer Cost | Employee Per Pay Period Premium | | |
|--------------|-------------------------|------------------------------|--------------------------------------------------------------|----------------------|---------------------------------|----------|----------|
| | | | | | Opt Out | 20% | Hard Cap |
| | LBWL Illustrative Rates | As set annually by the State | Amount here represents how much over / under hard cap | @ 80% | | | |
| Single | \$9,845.16 | \$7,702.85 | (\$2,142.31) | \$7,876.13 | \$186 per month | \$75.73 | \$82.40 |
| Employee + 1 | \$22,151.86 | \$16,109.06 | (\$6,042.80) | \$17,721.49 | | \$170.40 | \$232.42 |
| Family | \$27,566.65 | \$21,007.83 | (\$6,558.82) | \$22,053.32 | | \$212.05 | \$252.26 |

Green Option

| Benefit Plan | 2024 Annual Rate | 2024 PA 152 Hard Cap | Difference | Annual Employer Cost | Employee Per Pay Period Premium | | |
|--------------|------------------------|------------------------------|------------------------------------------------|----------------------|---------------------------------|----------|-----------|
| | | | | | Opt Out | 20% | Hard Cap |
| | LBWL Illustrative Rate | As set annually by the State | Amount here represents how much under hard cap | @ 80% | | | |
| Single | \$7,143.87 | \$7,702.85 | \$558.98 | \$4,971.30 | \$186 per month | \$54.95 | (\$21.50) |
| Employee + 1 | \$15,612.17 | \$16,109.06 | \$496.89 | \$10,916.02 | | \$120.09 | (\$19.11) |
| Family | \$19,428.41 | \$21,007.83 | \$1,579.42 | \$13,584.32 | | \$149.45 | (\$60.75) |

PA 152 State Hard Cap Numbers for 2024 finalized and reflected in chart above.

As BWL employees now pay 20% premium sharing, opt out is no longer necessary.

Same as last year, BWL can now comply with PA 152 with a Majority vote of its Board.

Resolution included.

Opt out is shown per pay above, annually an individual who opts out receives \$186 per month or \$2,232 annually

Hard cap is showing as amount over or **under** hard cap if BWL accepts hard cap as is.

2011 Public Act 152 - Publicly Funded Health Insurance Contribution Act

- BWL no longer needs to opt out of Michigan's 2011 Public Act 152.
- Recommendation to pass the resolution to adopt 80%/20% employer/employee health care cost option as set forth in 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act. Resolution was passed in 2021 for 2022 to adopt 80%/20% cost share. Also passed in 2022 for 2023.
- Resolution must be passed by a majority vote in order to be considered valid for 2024 plan year prior to January 1, 2024.
- Resolution needs to be passed annually and certified by the Corporate Secretary prior to the upcoming benefit plan year.

Affordable Care Act

Affordability Provisions

- Affordability provision for 1/1/2024 in the Act stipulates Health Insurance premiums cannot exceed 8.39% down from 9.12% in 2023 of the employee's income. This chart on the next page shows the maximum safe Premium Sharing while still complying with the Affordable provision of the ACA.
- In 2024, entities must add Cash in Lieu/Opt Out Waiver pay in affordability calculations unless confirmation of other coverage is done. Under ACA guidelines, it is required that entities count dollars paid for waivers as a lost cost to employees. Therefore, the Cash in Lieu / Opt Out Waiver amount must be added to any premiums being paid by the employees to calculate affordability unless group requires documentation showing other plans enrolled in are not Marketplace plans.

ACA Affordability

AFFORDABILITY utilizing W-2 SAFE HARBOR-based on hours worked 30-40

-- Using the 1/1/24 BWL Single monthly health care rate of **\$305.06 for the Green Plan**

--Using the 2024 Affordability percentage of 8.39% of an individual's salary

| Lowest Paying Positions | Hourly Salary Rate | Annual Salary | Monthly Salary | Monthly Premium Sharing allowed 8.39% (a) | Monthly Total Opt Out and Single Premium Share (b=c+d) | Maximum Opt out monthly (c) | Monthly Single Premium Sharing Green Plan @ 20% (d) |
|---------------------------------|--------------------|---------------|----------------|-------------------------------------------|--------------------------------------------------------|-----------------------------|-----------------------------------------------------|
| Construction Mechanic Assistant | \$24.56 | \$51,085 | \$4,257.07 | \$357.17 | \$305.06 | \$186.00 | \$119.06 |
| Laborer | \$25.31 | \$52,645 | \$4,387.07 | \$368.07 | \$305.06 | \$186.00 | \$119.06 |
| IT Security System Admin I | \$26.31 | \$54,725 | \$4,560.40 | \$382.62 | \$305.06 | \$186.00 | \$119.06 |
| Dept Admin Asst | \$27.40 | \$56,992 | \$4,749.33 | \$398.47 | \$305.06 | \$186.00 | \$119.06 |

| @ 40 Hours | | | | | | | |
|-------------|---------|----------|------------|----------|----------|----------|----------|
| w/o Opt Out | \$7.53 | \$15,666 | \$1,305.53 | \$109.53 | \$119.06 | \$0.00 | \$119.06 |
| w Opt Out | \$19.30 | \$40,140 | \$3,345.01 | \$280.65 | \$305.06 | \$186.00 | \$119.06 |

Minimum pay for a 40 hour worker to still be affordable is \$19.30 (with Opt Out)

| @ 30 Hours | | | | | | | |
|-------------|---------|----------|------------|----------|----------|----------|----------|
| w/o Opt Out | \$10.04 | \$15,666 | \$1,305.53 | \$109.53 | \$119.06 | \$0.00 | \$119.06 |
| w Opt Out | \$25.73 | \$40,140 | \$3,345.01 | \$280.65 | \$305.06 | \$186.00 | \$119.06 |

Minimum pay for a 30 hour worker to still be affordable is \$25.73 (with Opt Out)

If a <b, then plan is not affordable. This plan passes affordability test.

Minimum hourly wage at 30 hours for affordability is \$25.73.

In 2022, 30 hour minimum was \$22.79 and 40 hour minimum was \$17.10.

Thank you

RESOLUTION 2023-XX-XX
PA 152 Health Care Premium Sharing

WHEREAS, Governor Rick Snyder, on September 27, 2011, signed legislation known as the “Public Funded Health Insurance Contribution Act”, Public Act 152 of 2011 (the “Act”) limiting the amount public employers may pay for government employee medical benefits, and;

WHEREAS, the Act took effect January 1, 2012 and applies to all public employers including the Lansing Board of Water & Light, and;

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

WHEREAS, the three 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 exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body;

WHEREAS, the Board of Commissioners desires to maintain premium sharing at 20% for all active employees for medical benefits effective January 1, 2024 through December 31,2024;

RESOLVE that the Board of Commissioners by a majority vote has decided to adopt the 80%/20% option as its choice of compliance under the Act;

NOW, THEREFORE, BE IT RESOLVED the Board of Commissioners of the Lansing Board of Water & Light elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the 80%/20% option for the medical benefit plan coverage year January 1, 2024 through December 31,2024.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the PA 152 Health Care Premium Sharing Resolution at a Board meeting held on November 14, 2023.

Action: Motion