

AGENDA

HUMAN RESOURCES COMMITTEE MEETING

July 28, 2015

4:30 P.M. – 1201 S. Washington Ave.

REO Town Depot

Call to Order

Roll Call

Public Comments on Agenda Items

1. Human Resources Committee Meeting Minutes of May 19, 2015 **TAB 1**

2. PA 152/ Amend Employee Contribution to Medical Benefit Plans Resolution **TAB 2**

3. Salary Adjustments for Contract/Appointed Employees

a) Corporate Secretary

b) Internal Auditor

4. Other

Adjourn

HUMAN RESOURCESS COMMITTEE

May 19, 2015

The Human Resources Committee of the Lansing Board of Water and Light met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, May 19, 2015.

The Human Resources Committee Chairperson Cynthia Ward called the meeting to order and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Cynthia Ward, Anthony McCloud, Tony Mullen and David Price. Also present: Commissioners Margaret Bossenbery, Dennis M. Louney, Tracy Thomas and Sandra Zerkle.

Absent: None.

Public Comments

None.

Approval of Minutes

Motion by Commissioner Mullen, seconded by Commissioner McCloud to approve the Human Resources Committee meeting minutes of March 17, 2015.

Action: Motion Carried.

FY 15 Board Appointee Performance Reviews

a) Corporate Secretary

Corporate Secretary M. Denise Griffin requested a closed session for the purpose of, receiving her contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Price, seconded by Commissioner Mullen to go into closed session.

Action: Motion Carried.

Roll Call Vote:

Yeas: Commissioners Cynthia Ward, Anthony McCloud, Tony Mullen, David Price.

Nays: None.

Action: Motion Carried.

The Human Resources Committee into closed session at 5:33 p.m.

The Human Resources Committee reconvened to open session at 5:51 p.m.

Upon conclusion of the Closed Session, the following motion was offered:

Motion by Commissioner McCloud, seconded by Commissioner Mullen to reappoint M. Denise Griffin to the Charter position of Corporate Secretary for FY16.

Action: Motion Carried.

Human Resources Chair Ward stated that a resolution for Ms. Griffin's reappointment will be presented at the July regular Board meeting. The goals that were reflected in Ms. Griffin's evaluation will be the goals that the Board will identify going forward for the next evaluation period.

b) Internal Auditor

Internal Auditor Phil Perkins requested a closed session for the purpose of, receiving his contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Price, seconded by Commissioner McCloud to go into closed session.

Action: Motion Carried.

Roll Call Vote:

Yeas: Commissioners Cynthia Ward, Anthony McCloud, Tony Mullen, David Price

Nays: None.

Action: Motion Carried.

The Human Resources Committee into closed session at 5:52 p.m.

The Human Resources Committee reconvened to open session at 6:14 p.m.

Upon conclusion of the Closed Session, the following motion was offered:

Motion by Commissioner Price, seconded by Commissioner McCloud to reappoint Phil Perkins to the Charter position of Internal Auditor for FY16.

Action: Motion Carried.

Human Resources Chair Ward stated that a resolution for Mr. Perkins's reappointment will be presented at the July regular Board meeting. The goals that were reflected in Mr. Perkin's evaluation will be the goals that the Board will identify going forward for the next evaluation period.

c) Interim General Manager

Interim General Manager Richard Peffley requested a closed session for the purpose of, receiving his contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Price, seconded by Commissioner Mullen to go into closed session.

Action: Motion Carried.

Roll Call Vote:

Yeas: Commissioners Cynthia Ward, Anthony McCloud, Tony Mullen, David Price.

Nays: None.

Action: Motion Carried.

The Human Resources went into closed session at 6:16 p.m.

The Human Resources Committee reconvened to open session at 6:31p.m.

Upon conclusion of the Closed session, the following motion was offered:

Motion by Commissioner McCloud, seconded by Commissioner Mullen to reappoint Richard Peffley to the Charter position of General Manager for FY16.

Action: Motion Carried.

A resolution for Mr. Peffley's reappointment will be presented at the July regular Board meeting. The goals that were reflected in Mr. Peffley's evaluation will be the goals that the Board will identify going forward for the next evaluation period.

Feedback on New Performance Evaluation Forms/Process

Board Chair David Price stated that he thought the evaluation process went very well. The form was succinct and it was nice to have it done online. He said his one concern is that there is not an area to indicate "I don't know or I don't have enough information", which was particularly true when evaluating the Interim General Manager, who has been on the job a short period of time.

Commissioner Zerkle questioned how the score is affected if there is a no response from a Commissioner and if the score would be based on seven answers. In response, HR Chair Ward stated the score would be based on seven answers or based on the number of Commissions who responded.

Commissioner Mullen thanked Commissioner Ward for the idea of having the electronic version of the evaluation. Commissioner Mullen suggested having a read only access as an option, to make it easier to read finished reviews online.

Commissioner Bossenbery thanked Commissioner Ward for all of her efforts on the evaluation process. Commissioner Bossenbery questioned if there might be an easier way to compile all of the comments to identify who made which comment, because it does not seem to flow across. She suggested that this may be formatting issue.

HR Chair Ward stated one question that was on the Internal Auditor's form but was not on the Corporate Secretary's and Interim General Manager's form was regarding goals. HR Chair Ward stated that she would make the next HR Chair aware that the question regarding goals should be included in all of the Appointed Employees evaluation forms moving forward.

Board Chair Price mentioned that goals should be stated on the evaluation and the goals rated. (Incomplete, Progress made, Completed, etc.)

The three Board Appointees agreed that this was a nice form and is relevant to evaluate job responsibilities and duties.

In conclusion, HR Chair Ward stated that she would try to incorporate suggested changes and pass it along to the next HR Chair.

Next Steps Regarding Contracts

After a discussion regarding the next steps for preparing the Appointed Employees contract for the next fiscal year, the following motion was offered:

Motion by Commissioner Price, Seconded by Commissioner Mullen to allow HR Chair Ward the opportunity to prepare the contracts in a way that is consistent with the BWL work force.

Action: Motion Carried.

HR Chair Ward stated that the contracts would be presented to the full Board for review and to vote on in July.

Excused Absence

None.

Public Comments

None.

Adjourn

On Motion by Commissioner Price, seconded by Commissioner McCloud, the meeting adjourned at 6:49 p.m.

Respectfully Submitted
Cynthia Ward, Chair
Human Resources Committee

Proposed Resolution
To Amend Employee Contribution to
Medical Benefit Plans

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

WHEREAS, Public Act 152 of 2011 took effect January 1, 2012 and applies to all public employers including the Lansing Board of Water & Light, and;

WHEREAS, Public Act 152 of 2011 created a “hard cap” for medical benefit plan years beginning January 1, 2012, such that a public employer may not pay more than the statutory caps for medical benefit plans, and;

WHEREAS, by a majority vote of its governing body, a public employer may opt-out of the hard cap and into an 80% cap option where the public employer may not pay more than 80% of the total annual costs of all the medical benefit plans for its employees, and;

Whereas, by a 2/3 vote of its governing body each year, a local unit of government may exempt itself from the requirements of Public Act 152 of 2011 for the next year, and;

WHEREAS, the Board of Commissioners met on July 24th 2012 and passed a resolution (#2012-07-01) to exempt itself from the requirements of Public Act 152 of 2011 and implemented a 10% premium sharing, and;

WHEREAS, the Board of Commissioners met on July 23rd 2013 and passed a resolution (#2013-07-02) to exempt itself from the requirements of Public Act 152 of 2011 and implemented a 12% premium sharing, and;

WHEREAS, the Board of Commissioners met on September 2014 and passed a resolution (#2014-09-03) to exempt itself from the requirements of Public Act 152 of 2011 and kept the 12% premium sharing, and;

RESOLVE that the Board by at least 2/3 vote desires to exempt itself from the requirements of Public Act of 2011 for the upcoming benefit plan year, effective September 1, 2015 through December 31, 2015.

FURTHER RESOLVE that the Board desires to continue the 12% premium sharing for all active employees for medical benefits effective September 1, 2015.

Public Employer Contributions to Medical Benefit Plans

HR Committee Meeting
July 28 2015





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 BWL employees to be responsible for a larger portion of their health care cost after September 1, 2012

Public Act 152, 2011

- 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; 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, requiring a 2/3 vote

Board Resolution #2012-07-01

- The Board approved to exempt itself from the requirements of Public Act 152 of 2011 for the next year and implemented a 10% premium sharing
- Required a 2/3 vote to pass

Board Resolution #2013-7-02 and Board Resolution #2014-9-03

- The Board approved to exempt itself from the requirements of Public Act 152 of 2011 for the next year and implemented a 12% premium sharing
- Required a 2/3 vote to pass

Increase Employee Cost Per Pay Period if Hard Cap Requirement of Act 152 is Implemented.

Act 152 - Hard Cap Requirement

Benefit Plan	Current	Act 152 Required Cap	Difference	Per Pay Period Required Payments		
	Annual Benefit Cost			Current 12%	Hard Cap	Increase
Single	\$ 7,887.84	\$ 5,992.30	\$ 1,895.54	\$ 36.40	\$ 72.91	\$ 36.51
Empl +1	\$ 17,747.64	\$ 12,531.75	\$ 5,215.89	\$ 81.92	\$ 200.61	\$ 118.69
Family	\$ 22,086.00	\$ 16,342.66	\$ 5,743.34	\$ 101.94	\$ 220.90	\$ 118.96

Increase Employee Cost Per Pay Period if 80/20 Cap is Implemented

Benefit Plan	Annual Benefit Cost	Employee Share 20%	Per Pay Period Required Payments		Increase
			Current 12%	80/20 Cap	
Single	\$ 7,887.84	\$ 1,577.57	\$ 36.40	\$ 60.68	\$ 24.28
Empl +1	\$ 17,747.64	\$ 3,549.53	\$ 81.92	\$ 136.52	\$ 54.60
Family	\$ 22,086.00	\$ 4,417.20	\$ 101.94	\$ 169.89	\$ 67.95

Alternatives Utilizing Option 3 to Opt-Out of Act 152, 2011 – Various Premium Sharing Options

Benefit Plan	Annual Benefit Cost	Current 12%	Per Pay Period*		
			15%	18%	20%
Single	\$ 7,887.84	\$ 36.40	\$ 45.51	\$ 54.61	\$ 60.68
Empl +1	\$ 17,747.64	\$ 81.92	\$ 102.39	\$ 122.87	\$ 136.52
Family	\$ 22,086.00	\$ 101.94	\$ 127.42	\$ 152.90	\$ 169.89

* For every 1% increase in the premium sharing percentage the per pay amount is increased by \$3.04 for Single Coverage, \$6.82 for Empl +1 and \$8.49 for Family Coverage

Affordable Care Act (ACA)

- Plan year change – In 2013 the BWL declared to our Insurance Plans that the plan year is January 1 for the terms defined in the Patient Protection and Affordable Care Act, as amended “PPACA”. It is now recommended by our Insurance Agent “Brown & Brown” that the BWL change the Cafeteria Plan plan-year for open enrollment elections and renewal purposes to further coincide with the plan year as defined by the ACA.
- This Proposed Resolution for Premium sharing for the Plan Year under PA152 will be for 9/1/15 through 12/31/15. Another Resolution will be sent to the November Board meeting for the Calendar year starting 1/1