City of Birmingham
A Walkable Community

MEMORANDUM

Human Resources

DATE: **September 17, 2015**

TO: **Joseph A. Valentine, City Manager**

FROM: **Yvonne Taylor, HR Manager**

SUBJECT: **Certification of Compliance with State of Michigan Public Act 152 of 2011**

Background

Since 2012, Michigan public employers have annually certified compliance with Public Act 152—Publicly-funded Health Insurance Contribution Act—in order to maintain eligibility for state funding. Previously, this was a requirement for statutory revenue sharing disbursements tied to the Economic Vitality Incentive Program (EVIP) which has been discontinued. Now, MDOT uses PA 152 compliance for distribution of federal funds. Certification of compliance is required by September 30, 2015 to guarantee eligibility for road funding in the current fiscal year.

Alternatives for Compliance

A local unit of government may comply with the Act by adopting any one of the following:

1. Adopt a limitation on flat dollar amounts of employee medical costs by establishing the hard dollar caps set forth by the Michigan Department of Treasury for single coverage, 2-person coverage, and family coverage.
2. Adopt a limitation on a percentage of the total annual medical costs by establishing a maximum employer contribution of 80%.
3. Opt-out by exempting itself from the requirements of the Act by 2/3 vote of the governing body.

Considerations

Since 2012, the City has elected to exempt itself from the requirements of the Act as its compliance alternative. This has been due to employee concessions in health care, which were initiated several years ago with increased cost sharing on the part of employees through increasing deductibles, co-insurance and co-pays. This has continued, and is continuing, with the objective of managing health care costs.

HR Recommendation

HR recommends a continuation of the current strategy with the City certifying compliance with Public Act 152 by selecting the exemption alternative. A 2/3 vote by the City Commission is required.

SUGGESTED RESOLUTION:

To authorize the city's compliance with the provisions of the State of Michigan Public Act 152 of 2011, by exercising the City's option to exempt itself from the requirements of the Act; and further, directing the Finance Director to submit the required form with the Michigan Department of Transportation.

Michigan Department
Of Transportation
2068 (12/14)

PUBLIC ACT 51, SECTION 18j, MCL 247.668j
Annual Certification of Employee-related Conditions

CERTIFICATION YEAR 2015

CITY OR VILLAGE NAME City of Birmingham

Beginning September 30, 2015, and annually each September 30 thereafter, certification must be made for compliance to Section 18j(1) of Public Act 51 of 1951, MCL 248.668j(1). A local road agency must certify that it has (a) developed an employee compensation plan for its employees as described OR (b) the local road agency must certify that medical benefits are offered to its employees or elected public officials in compliance with the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.561 to 15.569, or, that it does not offer medical benefits to its employees or elected public officials.

☐ Compliance with(1)(a)
I certify compliance with MCL 247.668j(1)(a).
Our compensation plan for employees meets the minimum criteria of MCL 247.668j (a)(i - iv).

☐ Compliance with (1)(b)
I certify compliance with MCL 247.668J(1)(b), and as such, offer one of the following:

☐ I certify that medical benefits are offered to employees or elected public officials in compliance with the publically funded health insurance contribution act, 2011 PA 152; **or**

☒ I certify that the local road agency has exempted itself from the publically funded health insurance contribution act, 2011 PA 152; **or**

☐ I certify that medical benefits are not offered to employees or elected public officials.

☐ Non-compliance with (1)(a) or (1)(b)
I certify that we are not in compliance with MCL 247.668j(1).
I understand that failure to comply with certification of (a) or (b) of MCL 247.668j(1) may result in the withholding of all or part of the distributions made to this local road agency from the Michigan Transportation Fund.

This form must be signed by the Street Administrator and the Treasurer or Financial Director.

SIGNATURE		SIGNATURE	
PRINTED NAME Paul O'Meara		PRINTED NAME Mark Gerber	
TITLE City Engineer/Street Administrator	DATE	TITLE Finance Director/Treasurer	DATE

Due Each September 30
Return the completed form to:
Michigan Department of Transportation, Financial Operations Division, P.O. Box 30050, Lansing, MI 48909, **OR**
Email to: MDOT-Outreach@michigan.gov, **OR**
Fax to: (517) 373-6266