



*The Village of Friendliness – Since 1870*

**To: The City of the Village of Douglas City Council**

**From: Lisa Nocerini, City Manager**

**RE: Employee Health Insurance – PA 152 Option Selection Resolution 09-2024**

**Date: May 20<sup>th</sup>, 2024**

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As an employer of 20 full-time employees, the City of the Village of Douglas currently provides employees with health and dental benefits through Lighthouse Group.

As the City considers healthcare coverage for its employees, it must also balance the financial benefits and constraints to the City, the benefit needs of the employees, and regulatory requirements such as Public Act 152.

In 2011 the State Legislature passed Public Act 152 which limits the amount a public employer can contribute towards employee health care. The Act limits local units of government to three options:

- 1) paying for 80 percent of employee health insurance
- 2) a hard cap-based amount, or
- 3) to exempt itself (opt-out) from these requirements and determine on its own the appropriate amount to contribute.

Annually the City must select one of these options. The option selected is valid for one year. The City has historically elected the opt-out option.

***I recommend the City Council adopt by a 2/3rd majority (5 of 7) resolution 09-2024 and exempt the City from the requirements of PA 152.***

**CITY OF THE VILLAGE OF DOUGLAS  
COUNTY OF ALLEGAN  
STATE OF MICHIGAN**

**RESOLUTION NO. 09-2024**

**A RESOLUTION OPTING OUT OF THE PUBLICLY FUNDED  
HEALTH INSURANCE CONTRIBUTION ACT of 2011**

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At a regular meeting of the City Council for the City of the Village of Douglas, Michigan, held at the City of the Village of Douglas City Hall, Douglas, Michigan, on the 20<sup>th</sup> day of May 2024, at 7:00 p.m.

PRESENT:

ABSENT:

The following resolution was offered by Councilperson XXX, and supported by Councilperson XXX.

**RESOLUTION**

**WHEREAS**, the City of the Village of Douglas ("Douglas") insures its employees for health purposes; and

**WHEREAS**, the "Publicly Funded Health Insurance Contribution Act" P.A. 152 of 2011 was passed by the Michigan Legislature and signed by Governor Snyder; and

**WHEREAS**, although the new law imposes a maximum that public employers may contribute to employee health care costs, it also provides a mechanism for cities and other local units of government to OPT OUT of the Act's requirements for a one (1) year period by a two-thirds vote of the City Council, allowing the City to determine, on its own, how much it contributes to employee health insurance benefits without reference to hard caps or the 80/20 plan in the Act. A new two-thirds vote would be required to extend the exemption in each subsequent year.

**NOW, THEREFORE**, be it resolved as follows:

1. The City of the Village of Douglas City Council has, by at least a two-thirds majority vote, indicated its intention to OPT OUT of the requirements of P.A. 152 of 2011.
2. All Resolutions and parts of Resolutions, insofar as they conflict with the provisions of this

Resolution be hereby rescinded.

YEAS: Council Members:

NAYS: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

**ADOPTED** this 20th day of May, 2024.

**CITY OF THE VILLAGE OF DOUGLAS**

BY: \_\_\_\_\_  
Cathy North, Mayor

BY: \_\_\_\_\_  
Laura Kasper, City Clerk

### CERTIFICATION

I, Laura Kasper, the duly appointed Clerk of the City of the Village of Douglas, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the Douglas City Council at a regular meeting held on May 20, 2024, in compliance with the Open Meetings Act, Act No. 267 of the Public Acts of Michigan, 1976, as amended, the minutes of the meeting were kept and will be or have been made available as required by said Act.

**CITY OF THE VILLAGE OF DOUGLAS**

BY: \_\_\_\_\_  
Laura Kasper, City Clerk