



**CITY OF IONIA**  
**CITY COUNCIL**  
**SPECIAL MEETING MINUTES**  
**7:00 PM, NOVEMBER 9, 2021**  
**CITY HALL COUNCIL CHAMBERS**

**CALL TO ORDER**

Mayor Dan Balice called the special meeting of City Council to order at 5:30 PM and led with the Pledge of Allegiance.

**ROLL CALL**

Roll call revealed Councilmembers John Milewski, Jeff Winters, Gordon Kelley, Tim Lee, Tom Millard, Janice Gustafson, Troy Waterman and Mayor Dan Balice present. Councilmember Richard Starr was excused.

It was moved by Councilmember Millard, seconded by Councilmember Lee to excuse Councilmember Starr from the meeting.

Roll Call Vote:           Ayes: Milewski, Winters, Kelley, Lee, Millard, Gustafson, Waterman, Balice  
                              Nays: None  
                              MOTION CARRIED

**NEW BUSINESS**

**Purchase of Employee Health Care Insurance**

The City's employee health care insurance renews annually at the beginning of the calendar year. For the past two years, health insurance has been purchased through Blue Care Network (BCN.) BCN proposed a 10.12% rate increase to the City for the 2022 plan year. This is following a 9.53% rate increase for the 2021 plan year. In response, an alternate quote was sought from Priority Health. The City last purchased its health care insurance through Priority Health in 2019. The proposed rates from both companies are as follows:

		Blue Care Network			
	Rate per Month	Certificates	Total Cert/Mo.	Annual Rate	
Single	\$ 451.43	7	\$ 3,160.01	\$ 37,920.12	
Two-Person	\$ 1,083.42	12	\$ 13,001.04	\$ 156,012.48	
Family	\$ 1,354.29	23	\$ 31,148.67	\$ 373,784.04	
<b>TOTALS</b>	<b>\$ 2,889.14</b>	<b>42</b>	<b>\$ 47,309.72</b>	<b>\$ 567,716.64</b>	
		<b>Priority Health</b>			
	Rate per Month	Certificates	Total Cert/Mo.	Annual Rate	
Single	\$ 414.30	7	\$ 2,900.10	\$ 34,801.20	
Two-Person	\$ 994.32	12	\$ 11,931.84	\$ 143,182.08	
Family	\$ 1,242.90	23	\$ 28,586.70	\$ 343,040.40	
<b>TOTALS</b>	<b>\$ 2,651.52</b>	<b>42</b>	<b>\$ 43,418.64</b>	<b>\$ 521,023.68</b>	
		<b>HSA Contribution</b>			
Single	\$ 3,000.00	7	\$ 21,000.00		
Two-Person	\$ 6,000.00	12	\$ 72,000.00		
Family	\$ 6,000.00	23	\$ 138,000.00		
			<b>\$ 231,000.00</b>		
				<b>SAVINGS</b>	
<b>Total Healthcare Spend</b> (assumes Priority Health)			<b>\$ 752,023.68</b>	<b>\$ 46,692.96</b>	

After reviewing both plans, it was determined that the two plans are “substantially equivalent.” All unions have been notified of the potential change in health care plans and provided information to confirm substantial equivalency. Assuming that the City continues to elect 80/20 cost share as it has done since 2011 under PA 152, its actual cost for health insurance in 2022 would be as follows:

$$\$752,023.68 \times 0.80 = \$601,618.94 \text{ City share}$$

$$\$752,023.68 \times 0.20 = \$150,404.74 \text{ Employee share}$$

Quotes were also obtained for dental and vision insurance coverage. Rates were quoted with no rate increase compared to the prior year, as follows:

		Delta Dental			
	Rate per Month	Certificates	Total Cert/Mo.	Annual Rate	
Single	\$ 38.41	7	\$ 268.87	\$ 3,226.44	
Two-Person	\$ 70.51	12	\$ 846.12	\$ 10,153.44	
Family	\$ 125.88	23	\$ 2,895.24	\$ 34,742.88	
<b>TOTALS</b>	<b>\$ 234.80</b>	<b>42</b>	<b>\$ 4,010.23</b>	<b>\$ 48,122.76</b>	
		<b>VSP Vision</b>			
	Rate per Month	Certificates	Total Cert/Mo.	Annual Rate	
Single	\$ 6.81	7	\$ 47.67	\$ 572.04	
Two-Person	\$ 10.39	12	\$ 124.68	\$ 1,496.16	
Family	\$ 18.63	23	\$ 428.49	\$ 5,141.88	
<b>TOTALS</b>	<b>\$ 35.83</b>	<b>42</b>	<b>\$ 600.84</b>	<b>\$ 7,210.08</b>	
<b>DENTAL + VISION</b>				<b>\$ 55,332.84</b>	

It was moved by Councilmember Winters, seconded by Councilmember Kelley to approve the monthly health care, dental and vision insurance rates as proposed by Priority Health, Delta Dental and VSP vision for the 2022 plan year.

After discussion, an amendment to the original motion was proposed. It was moved by Councilmember Millard, seconded by Councilmember Lee to amend the motion on the floor to include, “unless Blue Care Network meets Priority Health’s annual rate by 11/12/2021”

Roll Call Vote           Ayes: Winters, Milewski, Kelley, Lee, Millard, Gustafson, Waterman, Balice  
                                  Nays: None  
                                  MOTION CARRIED

It was moved by Councilmember Winters, seconded by Councilmember Kelley approve the monthly health care, dental and vision insurance rates as proposed by Priority Health, Delta Dental and VSP vision for the 2022 plan year, unless Blue Care Network meets Priority Health’s annual rate by 11/12/2021.

Roll Call Vote           Ayes: Winters, Milewski, Kelley, Lee, Millard, Gustafson, Waterman, Balice  
                                  Nays: None  
                                  MOTION CARRIED

**PA 152 Resolution (Resolution 2021-12)**

Michigan Public Act 152, the “Publicly Funded Health Insurance Contribution Act” was passed in 2011. The Act establishes limitations to public employers’ contributions to employee healthcare. The City is required to annually determine how it will comply with the Act. Choices include:

1. Abiding by the hard cap spending limit (per section 3 of the act)
2. Implementing the 80% employer; 20% employee cost share (per section 4 of the act)
3. Alternately, by a 2/3 vote of the Council, the City of Ionia can exempt itself from PA 152 compliance for the next plan year.

The City has consistently implemented the 80/20 cost share with all employee groups since passage of PA 152, as reflected by its inclusion in all collective bargaining agreements and the City of Ionia Personnel Policy Manual. If the City approves the quote by Priority Health for 2022 health insurance, its cost will be \$601,618.94. The maximum allowed spend under the hard cap for 2022 calculates to \$692,637.04, placing the City’s plan costs \$91,018.10 under the maximum allowed.

The following preamble and resolution 2021-12 were offered by Council member Gustafson and seconded by Council Member Waterman.

**RESOLUTION TO ADOPT 80/20 COST SHARING OPTION AS SET FORTH IN  
2011 PUBLIC ACT 152, THE “PUBLICLY FUNDED HEALTH INSURANCE  
CONTRIBUTION ACT”**

**WHEREAS**, 2011 Public Act 152 (the “Act”) was passed by the State Legislature and signed by the Governor on September 24, 2011;

**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 City Council of the City of Ionia has decided to adopt the 80/20 option as its choice of compliance under the Act;

**NOW, THEREFORE, BE IT RESOLVED** the City Council of the City of Ionia 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, 2022 through December 31, 2022.

Roll Call Vote           Ayes: Winters, Milewski, Kelley, Lee, Millard, Gustafson, Waterman, Balice  
                                  Nays: None  
                                  **MOTION CARRIED**

**ADJOURNMENT**

It was moved by Councilmember Lee, seconded by Councilmember Gustafson to adjourn the special meeting at 6:30 PM.

By Voice Vote:           **MOTION CARRIED**

Respectfully Submitted:

Ally H. Cook, Clerk