

COUNCIL COMMUNICATION

From: The City Manager

Subject: MERS Health Care Savings Program Participation Agreements

Manager's Recommendation:

I recommend approval of the MERS Health Care Savings Program (HCSP) Participation Agreements with the following bargaining unions: Service Employees International Union (SEIU) Hourly, Salaried and Regular Part-Time, Police Officers Association of Michigan (POAM) and American Federation of State, County and Municipality Employees (AFSCME).

I have approved the Agreements as to substance and the City Attorney has approved them as to form. It is also recommended that City Council authorize the City Manager or his designee to sign all documents. In addition, City Council must approve a Uniform Resolution, which is contained within another section of the agenda.

Justification:

On February 5, 2009, City Council approved new negotiated contract benefits for the bargaining units identified above. The tentative Agreements contained language that provided an HCSP for all new hires, instead of the City providing future retiree health care benefits. This new program will reduce future retiree health care liability cost for the City. The HCSP will be administered by MERS. Furthermore, MERS requires City Council to approve both the Participation Agreements and Uniform Resolution.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.