



## RESOLUTION TO CONDITIONALLY ADOPT THE 80/20 COST SHARING MODEL AS SET FORTH IN SECTION 4 OF SENATE BILL 7

**WHEREAS**, Senate Bill 7, recently passed by the state Legislature, was designed to lessen the burden of employee healthcare costs on public employers;

**WHEREAS**, Communities are given four options for complying with the requirements of the Bill, depending on the impact of the Bill on the employees of each public employer;

**WHEREAS**, those four options are as follows:

- 1) Apply the Hard Cap (capped dollar amount each government employer may pay towards an employee's healthcare costs);
- 2) Adopt by majority vote the 80%/20% cost-sharing model;
- 3) Elect not to follow the statute/non-compliance;
- 4) Opt out of the cost-sharing model as set forth in the bill and revisit it prior to the next plan year.

**WHEREAS**, SB 7 has been adopted by both houses of the state Legislature but has not yet been signed by the Governor, and this Resolution is being brought forward based upon the currently enrolled version of SB 7 as submitted to the Governor in order to assist City administration in evaluating and carrying out its eventual compliance obligations.

**WHEREAS**, assuming for purposes of complying with its obligations that SB 7 becomes law by virtue of signature by the Governor (or otherwise by the passage of time), the City Council has determined to adopt the 80/20 cost sharing model as its choice of compliance obligations under SB 7;

**WHEREAS**, if SB 7 is not signed by the Governor or is not otherwise made into law, or if there are substantive amendments to the version of SB 7 as currently enrolled, then this Resolution shall be null and void. In other words, the choice made herein is only to be effective if SB 7 becomes law as it has been passed by the state Legislature as of this date, and in no instance should this choice be construed as a change in employee contributions except as contemplated by SB 7 should it become law.

**NOW, THEREFORE, BE IT RESOLVED**, the Novi City Council elects to comply with the requirements of the Publicly Funded Health Insurance Contribution Act by adopting the 80/20 cost sharing model set forth in Section 4 of Senate Bill 7.

**CERTIFICATION:** I hereby certify that the foregoing is a true and complete resolution adopted by City Council for the City of Novi at a regular meeting held this 26<sup>th</sup> day of September, 2011.

### CITY COUNCIL

#### Mayor

David B. Landry

#### Mayor Pro Tem

Bob Gatt

Terry K. Margolis

Andrew Mutch

Dave Staudt

Justin Fischer

Wayne Wrobel

#### City Manager

Clay J. Pearson

#### City Clerk

Maryanne Cornelius

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Maryanne Cornelius  
City Clerk