



JOHN HENDERSON, MAYOR  
JOHN E. SHAY, CITY MANAGER  
DEBORAH L. LUSKIN, CITY CLERK  
LINDA J. ROGERS, CITY TREASURER

## CITY OF LUDINGTON

400 SOUTH HARRISON STREET  
LUDINGTON, MICHIGAN 49431  
PHONE (231) 845-6237  
FAX (231) 845-1146

December 3, 2012

Mr. Tom Rotta  
137 East Dowland Street  
Ludington, Michigan 49431

**RE: Response to Freedom of Information Act ("FOIA") Request No. 169 Received Via E-Mail on November 29, 2012**

Dear Mr. Rotta:

Your recent request for public record(s) under the Michigan Freedom of Information Act ("FOIA"), MCL §15.231 et seq., as amended, is hereby:

- ☒ Granted, requested record(s) available. Please remit \$ \_\_\_\_\_ to cover costs (see e-mail).
- ☐ Granted, however the cost of responding to your request is estimated to exceed \$50.00, therefore a deposit of \$ \_\_\_\_\_ (1/2 estimated cost) will be required. Upon receipt of your deposit, the City will compile the requested record(s).
- ☐ Granted, your name will be placed on a subscription list for future issuances of the requested record(s) disseminated on a regular basis. This subscription shall be valid for six (6) months and shall be renewable only upon written request each six (6) months.
- ☐ Denied, requested records(s) exempt from disclosure for the following reason(s):
- ☐ A public record does not exist under the name given or by another name reasonably known by the FOIA Coordinator.
  - ☐ Requested record(s) are of a personal nature and the disclosure of the information would constitute a clearly unwarranted invasion of an individual's privacy.
  - ☐ Requested records are investigative records compiled for law enforcement purposes and disclosure would interfere with law enforcement proceedings, deprive a person of the right to a fair trial or impartial administrative adjudication, constitute an unwarranted invasion of personal privacy or disclose the identity of a confidential source or disclose confidential information furnished by a confidential source.
  - ☐ Records or information specifically described and exempted from disclosure by statute. (MCL 333.2855a)

*On the Shores of Lake Michigan*

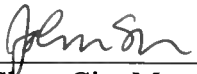
- ☐ Requested record(s) would prevent the body from complying with Section 444 of subpart 4 of part C of the General Education Provisions Act, 20 USC 1232g.
- ☐ Requested record(s) are trade secrets or commercial or financial information voluntarily provided to an agency for developing governmental policy.
- ☐ Requested record(s) are subject to the attorney-client privilege.
- ☐ Requested record(s) are subject to the physician-patient, psychologist-patient, minister, priest, or Christian Science practitioner privilege, or other privilege recognized by statute or court rule.
- ☐ Requested record(s) are a bid or proposal to enter into a contract or agreement prior to the time established for submission or public opening.
- ☐ Requested record(s) are appraisals of real property to be acquired prior to an agreement for purchase, or less than three (3) years after the appraisal date.
- ☐ Requested record(s) are medical, counseling, or psychological facts or evaluations which would disclose an individual's identity.
- ☐ Requested record(s) are communications and notes within a public body or between public bodies of an advisory nature to the extent that they cover other than purely factual materials and are preliminary to a final determination of policy or action.
- ☐ Requested record(s) are law enforcement communication codes, or plans for deployment that if disclosed would prejudice the public body's ability to protect the public safety and the public interest in disclosure does not outweigh the public interest in nondisclosure in this particular instance.
- ☐ Requested record(s) are testing data for determining whether bidder's products meet specifications.
- ☐ Requested records are public records of a law enforcement agency, the release of which would do any of the following: (i) identify or provide a means of identifying an informant; (ii) identify or provide means to identify an undercover officer, agent or plain clothes officer; (iii) disclose the personal address or telephone number of active or retired law enforcement personnel or a special skill they may have; (iv) disclose the name, address or phone number of family members, relatives, children or parents of active or retired law enforcement personnel; (v) disclose operational instructions; (vi) reveal the contents of staff manuals provided to law enforcement personnel; (vii) endanger the life or safety of law enforcement personnel or their family members or those who furnish information to law enforcement agencies; (viii) identify or provide means of identifying a person as a law enforcement officer, agent or informant; (ix) disclose personnel records; or (x) identify or provide means to identifying residences that law enforcement personnel are requested to check in the absence of the owners or tenants; and the public interest in nondisclosure outweighs the public interest in disclosure in this particular instance.
- ☐ Requested record(s) are records of security measures.
- ☐ Requested record(s) are information relating to a civil action in which the requesting party and the public body are parties.
- ☐ Requested record(s) would disclose the social security number of an individual.
- ☐ Granted in part, denied in part, see above for explanation, record(s) enclosed.

- ☐ Due to unusual circumstances, as stated below, we are extending the period to respond to your request by ten (10) business days, your request will be granted, denied, or granted in part and denied in part by \_\_\_\_\_. (Response Date)
- ☐ The need to search for, collect, or appropriately examine or review a voluminous amount of separate and distinct public records pursuant to a single request.
- ☐ The need to collect the requested public records from numerous field offices, facilities, or other establishments which are located apart from the particular office receiving or processing the request.

If your request for record(s) is denied, you may submit a written appeal, specifically stating "appeal" and stating the reasons for appeal, to the Ludington City Council, or seek judicial review under Section 10 of the Act within 180 days after the public body's final determination. Within ten (10) days of receiving a request for an appeal, the City Council shall a) reverse the denial; b) issue a written notice upholding the denial; c) reverse in part and uphold in part by written notice; or d) issue a notice extending by ten (10) business days the time to decide the appeal. The City Council is considered to have received your appeal at its first regularly scheduled meeting following the submission of the appeal in writing.

If after judicial review, the Circuit Court determines that the City of Ludington has not complied fully with the disclosure requirements, the Court shall award reasonable attorneys' fees, costs, and disbursements. If the Court determines that the City of Ludington has arbitrarily and capriciously violated the Act, the Court shall award punitive damages in the amount of \$500.00.

A copy of this request will be kept on file for no less than one (1) year.

  
\_\_\_\_\_  
John Shay, City Manager  
FOIA Coordinator

Act No. 152

Public Acts of 2011

Approved by the Governor

September 24, 2011

Filed with the Secretary of State

September 27, 2011

EFFECTIVE DATE: September 27, 2011

**STATE OF MICHIGAN**

**96TH LEGISLATURE**

**REGULAR SESSION OF 2011**

**Introduced by Senator Jansen**

## **ENROLLED SENATE BILL No. 7**

AN ACT to limit a public employer's expenditures for employee medical benefit plans; to provide the power and duties of certain state agencies and officials; to provide for exceptions; and to provide for sanctions.

*The People of the State of Michigan enact:*

Sec. 1. This act shall be known and may be cited as the "publicly funded health insurance contribution act".

Sec. 2. As used in this act:

(a) "Designated state official" means:

(i) For an election affecting employees and officers in the judicial branch of state government, the state court administrator.

(ii) For an election affecting senate employees and officers, the secretary of the senate.

(iii) For an election affecting house of representatives employees and officers, the clerk of the house.

(iv) For an election affecting legislative council employees, the legislative council.

(v) For an election affecting employees in the state classified service, the civil service commission.

(vi) For an election affecting executive branch employees who are not in the state classified service, the state employer.

(b) "Flexible spending account" means a medical expense flexible spending account in conjunction with a cafeteria plan as permitted under the federal internal revenue code of 1986.

(c) "Health savings account" means an account as permitted under section 223 of the internal revenue code of 1986, 26 USC 223.

(d) "Local unit of government" means a city, village, township, or county, a municipal electric utility system as defined in section 4 of the Michigan energy employment act of 1976, 1976 PA 448, MCL 460.804, an authority created under chapter VIA of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.108 to 259.125c, or an authority created under 1939 PA 147, MCL 119.51 to 119.62.

(e) "Medical benefit plan" means a plan established and maintained by a carrier, a voluntary employees' beneficiary association described in section 501(c)(9) of the internal revenue code of 1986, 26 USC 501, or by 1 or more public employers, that provides for the payment of medical benefits, including, but not limited to, hospital and physician services, prescription drugs, and related benefits, for public employees or elected public officials. Medical benefit plan does not include benefits provided to individuals retired from a public employer.

(f) "Public employer" means this state; a local unit of government or other political subdivision of this state; any intergovernmental, metropolitan, or local department, agency, or authority, or other local political subdivision; a school district, a public school academy, or an intermediate school district, as those terms are defined in sections 4 to 6 of the revised school code, 1976 PA 451, MCL 380.4 to 380.6; a community college or junior college described in section 7 of article VIII of the state constitution of 1963; or an institution of higher education described in section 4 of article VIII of the state constitution of 1963.

Sec. 3. Except as otherwise provided in this act, a public employer that offers or contributes to a medical benefit plan for its employees or elected public officials shall pay no more of the annual costs or illustrative rate and any payments for reimbursement of co-pays, deductibles, or payments into health savings accounts, flexible spending accounts, or similar accounts used for health care costs, than a total amount equal to \$5,500.00 times the number of employees with single person coverage, \$11,000.00 times the number of employees with individual and spouse coverage, plus \$15,000.00 times the number of employees with family coverage, for a medical benefit plan coverage year beginning on or after January 1, 2012. A public employer may allocate its payments for medical benefit plan costs among its employees and elected public officials as it sees fit. By October 1 of each year after 2011, the state treasurer shall adjust the maximum payment permitted under this section for each

coverage category for medical benefit plan coverage years beginning the succeeding calendar year, based on the change in the medical care component of the United States consumer price index for the most recent 12-month period for which data are available from the United States department of labor, bureau of labor statistics.

Sec. 4. (1) By a majority vote of its governing body, a public employer, excluding this state, may elect to comply with this section for a medical benefit plan coverage year instead of the requirements in section 3. The designated state official may elect to comply with this section instead of section 3 as to medical benefit plans for state employees and state officers.

(2) For medical benefit plan coverage years beginning on or after January 1, 2012, a public employer shall pay not more than 80% of the total annual costs of all of the medical benefit plans it offers or contributes to for its employees and elected public officials. For purposes of this subsection, total annual costs includes the premium or illustrative rate of the medical benefit plan and all employer payments for reimbursement of co-pays, deductibles, and payments into health savings accounts, flexible spending accounts, or similar accounts used for health care but does not include beneficiary-paid copayments, coinsurance, deductibles, other out-of-pocket expenses, other service-related fees that are assessed to the coverage beneficiary, or beneficiary payments into health savings accounts, flexible spending accounts, or similar accounts used for health care. Each elected public official who participates in a medical benefit plan offered by a public employer shall be required to pay 20% or more of the total annual costs of that plan. The public employer may allocate the employees' share of total annual costs of the medical benefit plans among the employees of the public employer as it sees fit.

Sec. 5. (1) If a collective bargaining agreement or other contract that is inconsistent with sections 3 and 4 is in effect for a group of employees of a public employer on the effective date of this act, the requirements of section 3 or 4 do not apply to that group of employees until the contract expires. A public employer's expenditures for medical benefit plans under a collective bargaining agreement or other contract described in this subsection shall be excluded from calculation of the public employer's maximum payment under section 4. The requirements of sections 3 and 4 apply to any extension or renewal of the contract.

(2) A collective bargaining agreement or other contract that is executed on or after September 15, 2011 shall not include terms that are inconsistent with the requirements of sections 3 and 4.

Sec. 6. A public employer may deduct the covered employee's or elected public official's portion of the cost of a medical benefit plan from compensation due to the covered employee or elected public official. The employer may condition eligibility for the medical benefit plan on the employee's or elected public official's authorizing the public employer to make the deduction.

Sec. 7. (1) The requirements of this act apply to medical benefit plans of all public employees and elected public officials to the greatest extent consistent with constitutionally

allocated powers, whether or not a public employee is a member of a collective bargaining unit.

(2) If a court finds the requirements of section 3 to be invalid, the expenditure limit in section 4 shall apply to a public employer that does not exempt itself under section 8, except that the requirement for a majority vote of the governing body of the public employer in section 4 shall not apply. If a court finds section 4 to be invalid, the expenditure limit in section 3 shall apply to each public employer that does not exempt itself under section 8.

Sec. 8. (1) By a 2/3 vote of its governing body each year, a local unit of government may exempt itself from the requirements of this act for the next succeeding year.

(2) A 2/3 vote of the governing body of the local unit of government is required to extend an exemption under this section to a new year.

(3) An exemption under this section is not effective for a city with a mayor who is both the chief executive and chief administrator, unless the mayor also approves the exemption.

(4) An exemption under this section is not effective for a county with a county executive who is both the chief executive and chief administrator, unless the county executive also approves the exemption.

Sec. 9. If a public employer fails to comply with this act, the public employer shall permit the state treasurer to reduce by 10% each economic vitality incentive program payment received under 2011 PA 63 and the department of education shall assess the public employer a penalty equal to 10% of each payment of any funds for which the public employer qualifies under the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772, during the period that the public employer fails to comply with this act. Any reduction setoff or penalty amounts recovered shall be returned to the fund from which the reduction is assessed or upon which the penalty is determined. The department of education may also refer the penalty collection to the department of treasury for collection consistent with section 13 of 1941 PA 122, MCL 205.13.

This act is ordered to take immediate effect.

Secretary of the Senate

Clerk of the House of Representatives

Approved

Governor



1231 East Beltline, NE  
Grand Rapids, MI 49522  
616 942-0954  
800 942-0954

## PRIORITY HSA POS RATE EXHIBIT

**Proposal for:** CITY OF LUDINGTON - 784851

**Effective Date** January 1, 2012 - December 31, 2012

**Rate Guarantee:** For 12 months from the effective date of coverage, or to the renewal date of the traditional carrier, whichever is sooner.

**Benefit Level:** POS 100/80%, \$10/40 RX  
100% PCP/Specialist Office Visit Coverage at the Preferred Benefit Level  
80% PCP/Specialist Office Visit Coverage at the Alternate Benefit Level  
100% Urgent Care Coverage  
100% Hospital Coverage at the Preferred Benefit Level  
80% Hospital Coverage at the Alternate Benefit Level

**Deductibles:** \$1200/\$2400 Preferred Benefit and \$3000/\$6000 Alternate Benefit Medical Deductible  
\$2000/\$4000 Preferred Benefit and \$4000/\$8000 Alternate Benefit Medical Out-of-Pocket Max

**Riders:** \$10/40 Includes CM Prescription Drug Copayment  
Mail order: 90-Day Supply at One Time the RX Copayment  
90% DME/P&O Coverage at the Preferred Benefit Level  
100% Emergency Room Coverage  
100% Ambulance Room Coverage  
100% High Tech Imaging Coverage  
Rehabilitative Medicine - 20 Additional Visits  
Surviving Spouse Coverage - with Dependents  
Early Retiree Coverage

**Monthly Rate:**

Single:	\$396.52
Double:	\$892.24
Family:	\$1,070.70

PRIORITY HEALTH

*Kathey Batey*

Kathey Batey  
Account Manager

- Rates are subject to approval by the Office of Financial and Insurance Regulation (OFIR)
- Please note rates, fees, and/or claims projections do not include the "Michigan claims tax" effective January 1, 2012, or similar fees or taxes that may be imposed by the Federal Government or the State of Michigan. Rates and fees will be adjusted as necessary to incorporate such assessments or taxes and will be communicated to you as soon as they are known.
- Priority Health reserves the right to withdraw this rate exhibit up to the effective date of coverage should the account fail to meet minimum underwriting standards.



HSA Hard Cap

		Single	Double	Family	Total	
POLC						
	HSA	1	1	7	9	
SEIU						
	HSA	1	8	17	26	
Non-Union Hourly						
	HSA	1	0	4	5	
Non-Union Salary						
	HSA	1	2	4	7	
Total		4	11	32	47	

HSA Plan - POLC

	2011 Monthly Premium	2012 Monthly Premium	2012 Annual Premium	Deductible	2012 Total Costs	EE 9% Prem. Contrib.	EE Annual Contrib.	City's Annual Cost Per Employee	Number of Employees	City's Total Annual Cost
Single	\$ 333.22	\$ 396.52	\$ 4,758.24	\$ 1,200.00	\$ 5,958.24	\$ 35.69	\$ 428.24	\$ 5,530.00	1	\$ 5,530.00
Double	\$ 749.78	\$ 892.24	\$ 10,706.88	\$ 2,400.00	\$ 13,106.88	\$ 80.30	\$ 963.62	\$ 12,143.26	1	\$ 12,143.26
Family	\$ 899.74	\$ 1,070.70	\$ 12,848.40	\$ 2,400.00	\$ 15,248.40	\$ 96.36	\$ 1,156.36	\$ 14,092.04	7	\$ 98,644.31
Total-POLC										\$ 116,317.57

HSA Plan - SEIU

	2011 Monthly Premium	2012 Monthly Premium	2012 Annual Premium	Deductible	2012 Total Costs	15% Cap	Amount Over Cap	EE's 8% of Cap	EE's Portion Over Cap	Total EE Monthly Contrib.	EE's Annual Contrib.	City's Annual Cost Per Employee	Number of Employees	City's Total Annual Cost
Single	\$ 333.22	\$ 396.52	\$ 4,758.24	\$ 1,200.00	\$ 5,958.24	\$ 383.20	\$ 13.32	\$ 30.66	\$ 6.66	\$ 37.31	\$ 447.78	\$ 5,510.46	1	\$ 5,510.46
Double	\$ 749.78	\$ 892.24	\$ 10,706.88	\$ 2,400.00	\$ 13,106.88	\$ 862.25	\$ 29.99	\$ 68.98	\$ 15.00	\$ 83.98	\$ 1,007.72	\$ 12,099.16	8	\$ 96,793.32
Family	\$ 899.74	\$ 1,070.70	\$ 12,848.40	\$ 2,400.00	\$ 15,248.40	\$ 1,034.70	\$ 36.00	\$ 82.78	\$ 18.00	\$ 100.78	\$ 1,209.31	\$ 14,039.09	17	\$ 238,664.58
Total-SEIU														\$ 340,968.36

HSA Plan - Non-Union Hourly

	2011 Monthly Premium	2012 Monthly Premium	2012 Annual Premium	Deductible	2012 Total Costs	15% Cap	Amount Over Cap	EE's 7% of Cap	EE's Portion Over Cap	Total EE Monthly Contrib.	Total EE Annual Contrib.	City's Annual Cost Per Employee	Number of Employees	City's Total Annual Cost
Single	\$ 333.22	\$ 396.52	\$ 4,758.24	\$ 1,200.00	\$ 5,958.24	\$ 383.20	\$ 13.32	\$ 26.82	\$ 6.66	\$ 33.48	\$ 401.79	\$ 5,556.45	1	\$ 5,556.45
Double	\$ 749.78	\$ 892.24	\$ 10,706.88	\$ 2,400.00	\$ 13,106.88	\$ 862.25	\$ 29.99	\$ 60.36	\$ 15.00	\$ 75.35	\$ 904.25	\$ 12,202.63	0	\$ -
Family	\$ 899.74	\$ 1,070.70	\$ 12,848.40	\$ 2,400.00	\$ 15,248.40	\$ 1,034.70	\$ 36.00	\$ 72.43	\$ 18.00	\$ 90.43	\$ 1,085.14	\$ 14,163.26	4	\$ 56,653.03
Total-Non-Union Hourly														\$ 62,209.48

HSA Plan - Non-Union Salary

	2011 Monthly Premium	2012 Monthly Premium	2012 Annual Premium	Deductible	2012 Total Costs	15% Cap	Amount Over Cap	EE's 10% of Cap	EE's Portion Over Cap	Total EE Monthly Contrib.	Total EE Annual Contrib.	City's Annual Cost Per Employee	Number of Employees	City's Total Annual Cost
Single	\$ 333.22	\$ 396.52	\$ 4,758.24	\$ 1,200.00	\$ 5,958.24	\$ 383.20	\$ 13.32	\$ 38.32	\$ 6.66	\$ 44.98	\$ 539.75	\$ 5,418.49	1	\$ 5,418.49
Double	\$ 749.78	\$ 892.24	\$ 10,706.88	\$ 2,400.00	\$ 13,106.88	\$ 862.25	\$ 29.99	\$ 86.22	\$ 15.00	\$ 101.22	\$ 1,214.65	\$ 11,892.23	2	\$ 23,784.45
Family	\$ 899.74	\$ 1,070.70	\$ 12,848.40	\$ 2,400.00	\$ 15,248.40	\$ 1,034.70	\$ 36.00	\$ 103.47	\$ 18.00	\$ 121.47	\$ 1,457.64	\$ 13,790.76	4	\$ 55,163.06
Total-Non-Union Salary														\$ 84,366.00

Total Cost-All Employees	\$ 603,861.41
Total Hard Cap-HSA Plan	\$ 655,957.44