

## VILLAGE OF OTISVILLE

### Resolution No. 2012-03

WHEREAS, the State of Michigan mandates through P.A. 63 of 2011 Section 951, Economic Vitality Incentive Program, Category 3, requires that each eligible city, village, or township to certify that by May 1, 2012, it has developed and publicized an employee compensation plan that the city, village, or township intends to implement with any new, modified or extended contract or employment agreements for employees not covered under contract or employment agreement. The employee compensation plan that each city, village, or township plans to achieve shall be made available for public viewing in the city, village, or township clerk's office or posted on a publicly accessible Internet site and must be submitted to the department of treasury by May 1, 2012. At a minimum, the employee compensation plan shall include the following:

- (i) New hires who are eligible for retirement plans are placed on retirement plans that cap annual employer contributions at 10% of base salary for employees who are eligible for social security benefits. For employees who are not eligible for social security benefits, the annual employer contribution is capped at 16.2% of base salary.
- (ii) For defined benefit pension plans, a maximum multiplier of 1.5% for all employees who are eligible for social security benefits, except, where postemployment health care is not provided, the maximum multiplier shall be 2.25%. For all employees who are not eligible for social security benefits, a maximum multiplier of 2.25%, except, where postemployment health care is not provided, the maximum multiplier shall be 3.0%
- (iii) For defined benefit pension plans, final average compensation for all employees calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave. Overtime hours shall not be used in computing the final average compensation for an employee.
- (iv) Healthcare premium costs for new hires shall include a minimum employee share of 20%; or, an employer's share of the local health care plan costs shall be cost competitive with the new state preferred provider organization health plan, on a per-employee basis.

WHEREAS, on December 5<sup>th</sup>, 2011, a regular meeting of the Otisville Village Council, a motion was made by John Ray and was supported by James Price to pay \$25.00 as a non member to the Michigan Business & Profession Association and to accept the Adoption Agreement for the Bode Section 125 – Cafeteria Plan, Option #1, Premium-Only-Plans (POP) Benefit Employees so as to do the 80/20 split, employee portion would be pre-tax and cost added into wages with an effective date of January 1, 2012. Motion was passed: 7 yeas, 0-nos, 0-abstain

WHEREAS, to clarify and update our Employee Personnel & Benefit Policies 2011 Edition:

- (i) New hires who are eligible for retirement plans are placed on retirement plans that cap annual employer contributions at 10% of base salary for employees who are eligible for social security benefits. At this point, all employees are eligible for social security benefits.
- (ii) For defined benefit plans, a maximum multiplier of 1.5% for all employees who are eligible for social security benefits, except, where postemployment health care is not provided, the maximum multiplier shall be 2.25%. At this point, all employees are eligible for social security benefits.
- (iii) For defined benefit pension plans, final average compensation for all employees is calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave. Overtime hours shall not be used in computing the final average compensation for an employee.
- (iv) New hires that are eligible for health care will be at 80% employer's share and 20% employee's share, NOW

THEREFORE BE IT RESOLVED that at a regular meeting of the Otisville Village Council held on \_\_\_\_\_, 2012, a quorum being present, a motion was made by \_\_\_\_\_ and second by \_\_\_\_\_ to adopt Resolution 2012-3 to clarify benefits and update the Employee Personnel & Benefit Policies, 2011 Edition accordingly.

Vote:

Ayes: \_\_, Nays: \_\_, Abstained: \_\_, Absent: \_\_

I, hereby certify that the above Resolution is a true and accurate copy of the Resolution that was duly adopted by the Village Council at its Regular Meeting, Held on Monday, February 6<sup>th</sup>, 2011 as recorded in the Official Minutes of said Meeting.

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Andrea M. Barden  
Village Clerk