MEMORANDUM OF MEETING
Personnel Committee
October 15, 2026-12:00 PM
City Hall Council Chambers

PRESENT: Mayor VanDorp, Mayor Pro-Tem Gruppen, Councilmember Lam, BPW Chair Boerman, BPW Vice Chair Cooney

ABSENT: None

Staff Present: Interim City Manager/Finance Director Plockmeyer, HR Specialist Hellenthal, BPW General Manager Mulder, and City Clerk DeVerney

Mayor VanDorp called the meeting to order at 12:00 PM

Approval of September 21, 2026, Meeting Minutes
A motion was made by Cooney and seconded by Lam to approve the September 21, 2026, meeting minutes. All in favor, minutes approved.

Employee Comments

Ryan Galligan (Assistant Assessor) noted that he would like to see the Wellness Plan dollar amount increased to allow more expenses.

Calendar Year 2027 Retiree Health Insurance Contract Renewals

Plockmeyer stated staff has continued communicating with employees regarding the 2027 renewal and the potential plan changes. Employees have been provided with information explaining the 13.9% renewal, the effect of the 3.0% PA 152 hard-cap adjustment, and the potential impact on employee contributions.

The primary topics raised by employees have been:
- Whether the City should consider alternatives to participation in the Western Michigan Health Insurance Pool;
- Whether self-funding could provide a more competitive option;
- Whether the City should provide additional financial assistance to offset increased employee contributions;
- Whether the annual payment to employees who waive City health-insurance coverage should be increased.

Staff gathered the information on the employee topics raised and determined the following:
- Alternatives to participate in the Western Michigan Health Insurance Pool did not benefit the City;
- A more competitive option was not self-funding for the number of employees;
- Many communities were experiences increases in the 10% to 24% range, while the City has a 13.9% increase;
- Annual payment to employees who opt-out of the City's health-insurance coverage will increase from $1,000 to $2,500.

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The employees will have several options for 2027 Insurance Plans as follows:

1. Existing PPO Plan
2. Existing $2,000 Single / $4,000 Family HSA Plan – 80% Coinsurance
3. New $2,500 Single / $5,000 Family Aggregate HSA Plan – 100% Coverage After Deductible
4. New $2,500 Single / $5,000 Family Aggregate HSA Plan – 80% Coinsurance
5. New $3,500 Single / $7,000 Family Aggregate HSA Plan – 80% Coinsurance

For most HSA-qualified plans, staff is proposing to continue the City's existing HSA contribution of $1,000 for single coverage and $2,000 for two-person or family coverage. For the highest-deductible HSA option, staff is proposing to adjust the City's HSA contribution based on the remaining room available under the PA 152 hard cap.

As a separate recommendation, staff are proposing a phased transition away from the current third-party wellness program. The proposed approach would recognize wellness participation employees have already completed during 2026, provide a portion of the existing wellness credit during the transition year, and establish a new Wellness Reimbursement Program that would allow employees to seek reimbursement for qualifying wellness-related expenses. The intent of the proposed changes is not to fully offset the health-insurance increases employees will experience in 2027. Rather, the goal is to redirect wellness resources in a way that provides broader and more flexible value to employees.

Staff will continue to communicate with employees during the 2027 renewal process in order for them to understand the differences in deductibles, coinsurance, out-of-pocket exposure, HSA contributions, and embedded versus aggregate deductible structures.

Motion was made by Cooney and seconded by Lam to approve the proposed 2027 health-insurance plan structure and recommend approval to City Council.

This approval would include:

- continuing participation in the Western Michigan Health Insurance Pool;
- offering the proposed five-plan lineup for 2027;
- maintaining the City's standard HSA contribution of $1,000 for single coverage and $2,000 for two-person or family coverage on most HSA plans;
- adjusting the HSA contribution on the highest-deductible plan based on available PA 152 hard-cap room in order to maintain a zero or near-zero employee payroll contribution;
- maintaining the current $2,500 annual health-insurance opt-out payment;

Employee Wellness Plan Update

Plockmeyer stated the City has operated a Wellness Program for more than a decade as part of its employee health-benefit structure. Under the current program, employees and spouses can earn wellness credits by participating in screenings, questionnaires, challenges, educational activities, and other wellness-related activities. Over the last few years, only 46% of eligible employees participated. Staff has found it difficult to determine whether the current program is achieving its intended wellness objectives.
For the 2027 plan year, staff proposed the following:

- One-half of the existing wellness credit would be guaranteed for 2027.
- The remaining one-half of the wellness credit would be based on the wellness credit actually earned by the employee during the 2026 wellness year.

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- The existing third-party wellness vendor and point-based program would be discontinued following completion of the 2026 program year.
- A new Wellness Reimbursement Program would be established for 2027 for employees actively enrolled in a City of Zeeland health-insurance plan.

In addition to the transitional wellness credit, staff proposed establishing a direct Wellness Reimbursement Program beginning in 2027. The purpose of the reimbursement program is to provide employees with greater flexibility to choose wellness activities that are meaningful and appropriate to their individual interests and circumstances. The program would be available to employees actively enrolled in a City of Zeeland health-insurance plan.

The proposed annual reimbursement amounts are:

Coverage	Annual Maximum
Single Coverage	$260
Employee + Dependent(s) Coverage	$390

The reimbursement program is intended to provide employees with more flexibility than the current point-based approach while still maintaining a clear connection to employee health and wellness.

Following the 2027 transition year, staff anticipate moving away from the existing premium-credit and third-party point structure and operating the City's wellness efforts under the broader Wellness Activities and Reimbursement Policy. The policy provides flexibility to adjust reimbursement amounts, eligible expenses, documentation requirements, and other program provisions in future years based on employee needs, available resources, benefit-plan requirements, and applicable collective-bargaining agreements and law. This approach would allow the City to continue supporting employee wellness without being tied to a specific third-party platform or point-based program.

Motion was made by Lam and seconded by Cooney to approve the phased transition of the City's Wellness Program for the 2027 plan year and recommended adoption of the Employee Wellness Policy and Wellness Reimbursement Program.

Health Insurance/RX Funding Handbook Update

Plockmeyer stated the proposed revisions to Appendix G primarily reflect the health-insurance plan changes being recommended for the 2027 plan year.

The revisions include:

- Updating the effective date of Appendix G to January 1, 2027.
- Removing the existing $1,700 single/$3,400 family HSA plan, which will no longer be offered in 2027.
- Adding the new $2,500 single/$5,000 family HSA plan and establishing the City HSA contribution at $1,000 for single coverage and $2,000 for two-person or family coverage.
- Maintaining the existing $2,000 single/$4,000 family HSA plan and the City HSA contribution of $1,000 for single coverage and $2,000 for two-person or family coverage.

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- Updating the City's highest-deductible HSA option to the $3,500 single/$7,000 family plan. Consistent with the proposed 2027 funding strategy, employees electing this plan would have a zero or near-zero employee premium contribution, with the difference between the plan premium and the applicable PA 152 hard cap used to fund the employee's HSA, subject to the annual limits and available hard-cap room.
- Maintaining the City's existing practice of providing dental insurance to active employees without an employee premium contribution.
- Maintaining the current $2,500 annual payment for eligible employees who elect to opt out of City health, prescription drug, and dental coverage.

Motion was made by Lam and seconded by Cooney to approve the proposed revisions to Appendix G of the Employee Handbook effective January 1, 2027.

Motion was made by Boerman and seconded by Cooney to adjourn the meeting at 12:48 PM.

Kristi DeVerney, City Clerk

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