EMERGENCY MANAGER OF THE CITY OF ECORSE

ORDER OF THE EMERGENCY MANAGER OF THE CITY OF ECORSE, COUNTY OF WAYNE, STATE OF MICHIGAN, TO COMPLY WITH PUBLIC ACT 152 OF 2011, *THE PUBLICALLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT,* BY IMPLEMENTING THE 80%/20% COST SHARING MODEL AS SET FORTH IN SECTION 4 AND OTHER RELEVANT PROVISIONS OF THE ACT LIMITING EMPLOYER CONTRIBUTIONS TO EMPLOYEE MEDICAL BENEFIT PLANS.

(Directive No. 065)

WHEREAS, under the Local Government and School District Fiscal Accountability Act, Act 4, Public Acts of Michigan, 2011, as amended ("Act 4") and a Contract (the "Contract") between the State of Michigan and Joyce A. Parker, dated October 30, 2009, Joyce A. Parker has been appointed as the Emergency Manager (the "EM") of the City of Ecorse, County of Wayne, Michigan (the "City") and charged with the power and authority to take all actions necessary to develop and implement financial and operational plans to regulate expenditures, investments and the provision of services for the City of Ecorse in conformity with and using the powers set forth in Act 4; and

WHEREAS, pursuant to Public Act 4 of 2011, Section 19 (1) (dd) an Emergency Manager has the power and authority to "Exercise solely, for and on behalf of the local government, all other authority and responsibilities of the chief administrative officer and governing body concerning the adoption, amendment, and enforce ordinances or resolutions of the local government as provided in the Public Acts enumerated in *(i)* through *(ix)*.

WHEREAS, pursuant to Public Act 4 of 2011, Section 19 (1) (ee) the power of an emergency manager is superior to and supersedes the power of any officer or employee whether elected or appointed and, therefore, allows the Emergency Manager to exercise the power and authority of any elected or appointed position, including the elected positions of the governing body, to properly accomplish work, such as taking all steps necessary to implement newly enacted State Laws.

WHEREAS, Michigan State Senate Bill No. 7 and specifically PA 152 of 2011, known as the Publicly Funded Health Insurance Contribution Act (Act), was enacted into law September 27, 2011 with its stated purpose being to "limit public employer's expenditures for employee medical benefit plans; ... to provide for exceptions; and to provide for sanctions."

WHEREAS, Public Employers are given three options for complying with the requirements of the Act, depending upon the impact of the Act on the employees of each public employer. A summary of the three options are as follows:

1) Apply the Hard Cap (capped dollar amount each government employer may pay towards an employee's annual healthcare costs [Section 3]);
2) Adopt the 80%/20% cost-sharing model where the employer pays no more than 80% of the total annual costs of all medical benefit plans it offers or contributes to, as set forth in Section 4;
3) By a 2/3rds vote, a local unit of government may exempt itself from the requirements of this Act for the next succeeding year, pursuant to Section 8 of the Act.

WHEREAS, after careful consideration, the City of Ecorse has determined to adopt the 80%/20% cost-sharing model as set forth in Section 4 and all other relevant Act provisions therein as its choice of compliance with PA 152;

WHEREAS, this Directive and Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in Public Act 4 of 2011, the contract between the Local Emergency Financial Assistance Loan Board and the Emergency Manager and, additionally, is considered necessary to implement the financial plan.

THEREFORE, BE IT RESOLVED, IT IS HEREBY ORDERED BY THE EMERGENCY MANAGER OF THE CITY OF ECORSE, PURSUANT TO PUBLIC ACT 4 of 2011 AND THE CONTRACT, THAT:

1. The City of Ecorse hereby complies with the requirements of the Publicly Funded Health Insurance Contribution Act, Public Act 152 of 2011 by adopting the 80%/20% cost-sharing model as set forth in Section 4 of PA 152 and all other relevant Act provisions therein.

2. Full compliance with the adopted 80%/20% cost-sharing model as set forth in Section 4 and all other relevant Act provisions therein shall begin by and no later than January 1, 2012.

3. Repeal. All orders of the Emergency Manager, resolutions of the City Council of the City and parts of resolutions or orders in conflict with this Order are hereby repealed to the extent of such conflict.

IT IS SO ORDERED this 22 day of December, 2011.

Joyce A. Parker
Emergency Manager
City of Ecorse