



**CITY OF PONTIAC**  
**OFFICE OF THE EMERGENCY MANAGER**  
**LOUIS H. SCHIMMEL**

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**Dated: December 22, 2011**

**ORDER NO. S-133**

**RE: Non-Union Actives and Retiree Insurance Recipients**

**TO: ✓ Sherikia Hawkins, City Clerk**  
**Cathy Square, Director, Department of Public Works and Human Resources**  
**Director**

The Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011) in Section 17(1) empowers an Emergency Manager to issue the orders the Manager considers necessary to accomplish the purposes of the Act and any such orders are binding on the local officials or employees to whom they are issued. Section 19(1) provides that an Emergency Manager may take on one or more additional actions with respect to a local government in receivership: (g) Make, approve or disapprove any appropriation, contract, expenditure..."; (ee) Take any other action or exercise any power or authority of any officer, employee, department, board, commission, or other similar entity of the local government, whether elected or appointed, relating to the operation of the local government. The power of the emergency manager shall be superior to and supersede the power of any of the foregoing officers or entities...; and 19(2) ...the authority of the chief administrative officer and governing body to exercise power for and on behalf of the local government under law, charter, and ordinance shall be suspended and vested in the Emergency Manager.

**It is hereby ordered:**

- I. Concerning only non-union actives and retirees\* entitled to the benefits as described below and to the extent that non-union actives and retirees are eligible and currently receive the benefits of health insurance, dental insurance, life insurance, disability insurance, optical

**\*Unless otherwise noted, actives and retirees shall include both eligible spouses as well as eligible dependents.**

insurance, and/or hearing insurance and who were not members of any union upon retirement, the following benefits shall be provided:

Healthcare

The City shall provide all non-union actives and pre-age 65 retirees with healthcare insurance in the form of Humana PPO - 08 Plan or a comparable plan with another carrier.

The Medicare aged retirees will be provided one Medicare Advantage Plan, Plan G with \$10/\$20/\$40/\$40 RX.

A. Active employees shall be responsible for paying by payroll deductions the amount above the hard cap or twenty percent (20%) of the annual illustrative rate whichever is higher.

B. It is mandatory for current and future non-union retirees to enroll in Medicare upon reaching eligible age. The retirees may, at the City's discretion, be required to participate in a Medicare Advantage plan at the cost of the retiree.

C. The City will not pay any Medicare Part B premium.

Dental Care

A. The City will provide non-union actives and retirees with dental care insurance in the form of Delta Dental Core Plan or a comparable plan with another carrier. A "buy up" plan will also be offered with a contribution from the enrolled person equal to the difference in illustrative rate between the core plan and the buy up plan.

Life, Disability, Vision and Hearing

A. All City of Pontiac funded life, disability, vision and hearing coverage for all non-union actives and retirees is eliminated.

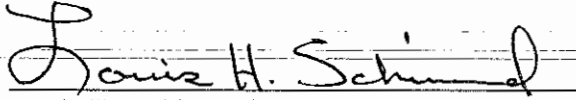
II. The Human Resources Director is directed to take all steps necessary to advise the retirees and the various insurance providers of the changes in coverage.

III. The implementation date of the new plans and provisions shall be February 1, 2012.

**The Order shall have immediate effect.**

Copies of the documents referenced in this Order are to be maintained in the offices of the City Clerk and the Law Department and may be reviewed and/or copies may be obtained upon submission of a written request consistent with the requirements of the Michigan Freedom of Information Act and subject to any exemptions contained in that state statute and subject to any exemptions allowed under that statute (Public Act 442 of 1976, MCL 15.231, et. seq.).

This Order is necessary in order to carry out the duties and responsibilities required of the Emergency Manager as set forth in the **Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011)** and the contract between the State of Michigan and the Emergency Manager.

A handwritten signature in black ink, reading "Louis H. Schimmel", written over a horizontal line.

Louis H. Schimmel  
City of Pontiac  
Emergency Manager

cc: State of Michigan Department of Treasury  
Mayor Leon B. Jukowski  
Pontiac City Council

