ORDINANCE 1552
City of Southfield

AN ORDINANCE TO AMEND CHAPTER 14 TITLE 1 OF THE CODE OF THE CITY OF SOUTHFIELD TITLED THE RETIREE HEALTH CARE BENEFIT PLAN AND TRUST.

The City of Southfield Ordains:

Section 1. That Chapter 14 of Title 1 of the Code of the City of Southfield be amended to read as follows:

CHAPTER 14

RETIREE HEALTH CARE BENEFITS PLAN AND TRUST

PART A
GENERAL PROVISIONS

***1:600*. Purpose.**

The purpose of the Plan and Trust is to provide health insurance benefits or such other benefits approved by the City or approved by Collective Bargaining Agreements for the welfare of qualified and the Spouses and eligible Dependents of such Retirees. Health care benefits under the Plan are provided for by the City pursuant to a health insurance plan(s) administered by a third party administrator(s) as designated by the City. The City reserves the right to enter into substitute contracts with commercial insurance carriers or with health maintenance organizations or preferred provider organizations in order to provide benefits under the Plan.

The Plan and Trust is created, under the authority of the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999 (MCL 38.1211 et seq.), and shall constitute a governmental trust pursuant to section 115 of the Internal Revenue Code of 1986, as amended, and is created for the exclusive purpose of providing benefits through policies issued by duly licensed commercial insurance companies, through a fund of self-insurance, or through any other lawful means of providing group health insurance as determined by City decisions and in accordance with any and all applicable Collective Bargaining Agreements between the City and applicable Collective Bargaining Associations, for the benefit of Retirees and beneficiaries who are eligible to participate in accordance with the Plan. The City intends the benefits to be provided by the establishment and maintenance of a trust fund in conformance with all applicable federal statutes and regulations, state and local law.

The City reserves the right to enter into insurance agreements, and to modify, alter or amend such agreements from time to time, with commercial insurance carriers, health maintenance organizations, preferred provider organizations or any other

qualified entity currently existing or created for the purpose of providing benefits under the Plan.

***1:601*. Short Title.**

This ordinance may be known and cited as the City of Southfield Retiree Health Benefits Plan and Trust ("Plan and Trust").

***1:602*. Interpretation and law; Construction.**

The Plan and Trust is established in accordance with the Public Employee Health Care Fund Investment Act, Public Act 149 of 1999 (MCL 38.1211 et seq.), shall be administered consistent with applicable federal and Michigan law, and shall constitute a Section 115 governmental trust. The Plan is intended to qualify as an accident and health plan and a group health plan under applicable provisions of the current Internal Revenue Code, (Sections 105, 106 and 162), the regulations promulgated under each, and applicable Federal and Michigan law. If any provisions of the Plan shall be for any reason invalid or unenforceable, the remaining provisions nevertheless shall be carried into effect.

Neither the establishment of the Plan, nor the Trust, nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any person covered under the Plan and Trust or other person any legal or equitable right against the City, its elected or appointed officials or employees, the Retiree Health Care Board or any individual Retiree Health Care Board Member, except as may otherwise be provided in this Chapter.

Neither the City, nor the Retiree Health Care Board, shall be responsible for the validity of any Insurance Agreement issued in connection with the Plan or Trust or for the failure on the part of the Insurer to make payments provided by such Insurance Agreement, or for the action of any person which may delay payment or render an Insurance Agreement null and void or unenforceable in whole or in part.

***1:603*. Collective Bargaining Agreements.**

The benefit provisions of this Plan are subject to relevant provisions of applicable Collective Bargaining Agreements between the City and the various Collective Bargaining Associations of the City. The express provisions of a Collective Bargaining Agreement relative to retiree health care benefits are controlling in the event of a conflict between the terms of the Collective Bargaining Agreement and the Plan.

Nothing contained in this Chapter shall be deemed to modify or limit in any way the rights that the parties to the Collective Bargaining Agreement may have, any supplements or memoranda thereto, or any arbitrator’s award to enforce the terms of the Plan and Trust, inclusive of the collection of any amounts due to the Trust and the right of the parties to sue for same.

1:604. 46th District Court.

The benefit provisions of this plan for employees of the 46th District Court as of the effective date of this ordinance shall be as set forth in the plan for non union employees of the city. Notwithstanding any provision of the retirement system to the contrary, Court employees hired prior to September 1, 2005 shall be eligible for those benefits granted to non union participants hired prior to June 1, 2005. Court employees hired on or after September 1, 2005 shall be eligible for those benefits granted to non union participants under the terms of the plan.

1:605. Definitions.

For the purposes of this chapter, the following words shall have the meanings respectively ascribed to them by this section:

(1) *Base Plan* means the benefits in effect at the time of an Employee's retirement, or in the case of a deferred vested Participant, at the time of separation from service, as provided by the policy or the comprehensive program in place at the time of the Employee's retirement or separation from service, as applicable, (exclusive of HMO, PPO and other alternative plans) or by a substantially equivalent policy or program at the election of the City.

(2) *City* means the City of Southfield, Michigan.

(3) *Code* means the Internal Revenue Code of 1986, as amended. Reference to any section or subsection of the Code includes reference to any comparable or succeeding provision of any legislation which amends or replaces such section or subsection.

(4) *Collective Bargaining Agreements* means any written agreement, supplemental agreement, memorandum of understanding, final arbitrator's decision, judicial decision or decision of any public board or agency, by and between applicable Collective Bargaining Associations and the City, and any amendments, continuations, or renewals, which require the City or any other entity to make payments into group health and life insurance programs for employees who are members of the City of Southfield Employee Retirement System or Fire and Police Retirement System.

(5) *Collective Bargaining Associations* means those associations which have negotiated to participate in this Plan and Trust.

(6) *Contributions* means the payment required to be made to the Trust by the City and/or participants under the terms of the Plan and Trust or under any applicable existing Collective Bargaining Agreements or any future Collective Bargaining Agreements for the purpose of providing group health insurance for Retirees and beneficiaries covered by the Plan.

(7) C*ourt* shall mean the 46th District Court.

(8) C*redited service* means actual personal service rendered to the employer and credited to the Participant.

(9) *Dependent* generally means a Retiree's unmarried child until the end of the year in which he or she reaches age 19 and a Participant's or Retiree's unmarried child who is totally and permanently disabled by either a physical or mental condition prior to age 19. The definition of Dependent applies unless the Retiree selects an alternate insurance policy offered by the City, in which case the definition is controlled by the insurance policy covering the Retiree, which may or may not vary from the definition herein.

(10) *Effective Date* means the date of publication of this ordinance upon which the terms and conditions of this Plan and Trust shall become effective.

(11) *Employee* means a person employed by the City or the 46th District Court.

(12) E*mployer* shall mean the city or the 46th District Court.

(13) E*mployment,* for purposes of this chapter, shall include an election or appointment to a term of office.

(14) *Family Continuation Dependent* generally means an unmarried child of a Retiree who (i) is age 19 through the end of the calendar year in which he or she reaches age 25, (ii) is claimed as a dependent on the Retiree's or surviving Spouse's tax return in compliance with the code or is a full-time student for at least five months of the year, (iii) is a member of the household of the Retiree or surviving Spouse, and (iv) is related to the Retiree by blood, marriage or legal adoption. The definition of Family Continuation Dependent applies unless the Retiree selects an alternate insurance policy offered by the City, in which case the definition is controlled by the insurance policy covering the Retiree, which may or may not vary from the definition herein.

(15) *Health Care Benefits* means group health care benefits as currently provided and any other future health care related benefits as may be determined to be part of the Plan pursuant to City decisions and/or Collective Bargaining Agreements.

(16) *Insurance Agreement* means the health insurance plan(s) and any amendment(s) thereto, including any substitute insurance agreement with a commercial insurance carrier, health maintenance organization, preferred provider organization, or any other qualified entity currently

existing or created for the purpose of providing benefits under the Plan. The term “Insurance Agreement” shall include the plural where applicable.

(17) *Insurance Carrier* means a commercial health insurance carrier, health maintenance organization, preferred provider organization or other qualified entity designated by the City to provide benefits under the Plan.

(18) *Major Life Event Changes* means birth of a child, legal adoption, legal separation, divorce, legal guardianship, death, or marriage of a dependent child.

(19) *Participant* means an Employee who meets ONE OF the following requirements:

(a) Who is a member of the City of Southfield Employee Retirement System or the Fire and Police Retirement System and whose participation has not terminated under other applicable provisions of the Plan; or

(B) Who is an eligible career employee, the City Clerk, the City Treasurer, the City Attorney or the City Administrator who has elected to participate in a defined contribution plan sponsored by the city; or

(C) Who is a 46th District Court Judge who was first elected or appointed on or after March 31, 1997; or

(D) Who is an Employee granted health coverage under a separation agreement, settlement or court order.

(E) No person shall be considered a Participant of the Plan who is compensated for services to the City on a fee or independent contractual basis.

(F) No person shall be considered a Participant of the plan who has elected to withdraw from participation in the plan in accordance with section 1:612.

(G) In all cases of doubt, the Retiree Health Care Board shall decide who is a Participant within the meaning of the provisions of this Plan and Trust provided such decision is consistent with any applicable Collective Bargaining Agreements or established City policy.

(20) *Plan* means the Retiree Health Care Benefits Plan of the City as described in this document and any subsequent amendments, and any Insurance

Agreement(s), Collective Bargaining Agreements, or other applicable insurance policy documents incorporated by reference into the Plan. A description of the health benefits provided to Retirees, Spouses and Dependents under this plan is maintained by the Plan Administrator. The Plan is the plan provided for in Part B of this Chapter.

(21) *Plan Administrator* means the person, persons, firm, corporation or insurance company or companies, appointed by the City to administer the Plan. The Plan Administrator shall be responsible for the day to day operations of the Plan who shall carry out the directives of the City.

(22) *Plan Year* means the period commencing on July 1 and ending on June 30 of each year.

(23) *Qualified Beneficiary* means any person satisfying the benefit eligibility requirements of the Plan and shall be in accordance with the resolutions and decisions of the Retiree Health Care Board.

(24) *Retiree* means a former Participant who retired from employment with the city and who upon termination of employment, had attained the required age and number of years of service with the city for retiree health care benefit eligibility as provided in section 1:609, 1:610 or 1:611.

(25) *Retirement Plans* mean the City of Southfield Employee Retirement System, as provided in Chapter 9, Title 1 of the City of Southfield Code, as amended, and the City of Southfield Fire and Police Retirement System, as provided in P.A. 345 of 1937, as amended (M.C.L. 38.551, et seq.).

(26) *Spouse* means a Participant's or Retiree's spouse by legal marriage at the time of retirement.

(27) *Trust* means the Declaration of Trust of the City of Southfield Health Care Benefits Plan as provided for in Part C of this Chapter.

(28) *Trust Administrator* means the person, persons, firm, corporation or insurance company or companies, appointed by the Retiree Health Care Board to administer the Trust. The Trust Administrator shall be responsible for the day to day operations of the Trust and shall carry out the directives of the Retiree Health Care Board. The Trust Administrator may also serve as administrator for the Retirement Plans of the City of Southfield.

(29) *Retiree Health Care Board or Board* means the Board of Trustees of the Trust or a member of the Board of Trustees of the Trust as provided for in Part C of this Chapter.

1:606. Notice.

Notice given to all interested parties shall, unless otherwise specified in this Chapter, be sufficient if in writing and delivered or sent by prepaid first class mail or prepaid telegram or mailogram. Except as otherwise noted, the distribution or delivery of any statements or documents required under the Plan and Trust shall be sufficient if delivered in person or prepaid first class mail.

1:607. Reporting and Disclosure.

The City and the Retiree Health Care Board, or their respective designees, shall complete and provide to Participants, Retirees, Spouses and/or Dependents and to the appropriate government agencies any reports as may be required by the Code, applicable federal, state or local law.

1:608. Amendments.

The provisions of the Plan and Trust may be amended at anytime by ordinance(s) adopted by the City Council in accordance with applicable law and the provisions of this chapter.

PART B
HEALTH CARE BENEFIT PLAN

1:609. Eligibility – Union Employees.

Eligibility for retiree health care benefits for employees who are members of a collective bargaining association shall be as provided in the plan subject to relevant provisions of the applicable collective bargaining agreement. The express provisions of a collective bargaining agreement relative to retiree health care eligibility are controlling in the event of a conflict with the terms of the plan.

1:610. Eligibility – Non-Union Employees.

Eligibility for retiree health care benefits for non-union employees shall be as provided in the plan.

1:611. Eligibility – Generally.

In order to be eligible for post-retirement health care benefits during any Plan Year, an individual must:

(1) Have been an employee on the date preceding the effective date of the retiree's retirement from the city; and meet one of the following:

(a) have been a Participant who commenced employment prior to June 1, 2005 and have attained the age of sixty-five (65) years with five (5) or more years of credited service; have attained age sixty (60) years with ten (10) or more years of credited service; have attained age fifty-seven (57) with twenty (20) or more years of credited service; or, whose age plus years of credited service, including fractional years thereof, is equal to or greater than eighty-two (82); or

(b) have been a Participant who commenced employment on or after June 1, 2005 but prior to August 1, 2007; and have attained the age of sixty (60) years with ten (10) or more years of credited service or have attained age fifty-seven (57) years with twenty (20) or more years of credited service; or

(c) have been a Participant who commenced employment on or after August 1, 2007 and have attained the age of sixty-five (65) years with fifteen (15) or more years of credited service; or have attained age fifty-seven years with twenty (20) or more years of credited service; or

(2) be a deferred Retiree from one of the retirement plans who was a Participant of the plan, who commenced employment prior to August 1, 2007 and terminated employment with ten (10) or more years of credited service provided that they shall only be eligible for coverage at the time of benefit commencement from the applicable Retirement Plan and shall be entitled to Base Plan coverage as in effect at the time of termination of employment. A Participant who elected to participate in the city's defined contribution plan and who terminated employment prior to satisfying the eligibility requirements of subsection (1) shall be eligible for health care coverage upon the date he or she would otherwise have attained benefit eligibility from the applicable retirement system.

(3) be a deferred retiree from one of the retirement plans, who was a Participant of the plan, who commenced employment on or after August 1, 2007 and terminated employment with fifteen (15) or more years of credited service, provided that they shall only be eligible for coverage at the time of benefit commencement from the applicable retirement plan and shall be entitled to base plan coverage as in effect at the time of termination of employment. A Participant who elected to participate in the city's defined contribution plan and who terminated employment prior to satisfying the eligibility requirements of subsection (1) shall be eligible for

health care coverage upon the date he or she would otherwise have attained benefit eligibility from the applicable retirement system; or

(4) be a former Participant of the Plan, who is receiving duty disability benefits from the City of Southfield Employee Retirement System or the Fire and Police Retirement System; or

(5) be a former Participant of the plan, who is receiving non-duty disability benefits from the City of Southfield Employee Retirement System; or

(6) subject to the provisions of the applicable collective bargaining agreement, if any, be a Spouse of an individual who meets one of the eligibility requirements (1) through (5) above, provided that, in the case of a surviving Spouse, the Retiree had either

(a) irrevocably elected to opt out of membership in the city's applicable retirement system and participated in a city sponsored defined contribution plan, or

(b) elected an optional joint and survivor beneficiary form of retirement and nominated his or her surviving Spouse as beneficiary of the option benefit. The surviving Spouse benefit shall not terminate upon re-marriage; however coverage shall not extend to the surviving spouse’s successive spouse and/or dependents; or

(7) subject to the provisions of the applicable collective bargaining agreement, if any, be a Dependent of an individual who meets one of the eligibility requirements (1) through (5) above; and in the event of the Retiree’s death, the Retiree had either

(a) irrevocably elected to opt out of membership in the city's applicable retirement system and participated in a city sponsored defined contribution plan, or

(b) elected an optional joint and survivor beneficiary form of retirement, and there is a surviving spouse or surviving Dependent as named beneficiary; or

(8) subject to the provisions of the applicable collective bargaining agreement, if any, be a Family Continuation Dependent of an individual who meets one of the eligibility requirements (1) through (5) above; and in the event of Retiree’s death, the Retiree had either:

(a) irrevocably elected to opt out of membership in the city's applicable retirement system and participated in a city sponsored defined contribution plan; or

(b) elected an optional joint and survivor beneficiary form of retirement and there is a surviving named beneficiary; or

(9) be the surviving Spouse or eligible Dependent of a former Participant, who on the date preceding the individual's date of death, was an Employee; provided, (a) the surviving Spouse or Dependent is eligible for duty death and/or non-duty death benefits payable from the Retirement Plan, or, (b) the former Participant (i) commenced employment prior to August 1, 2007 and had ten (10) or more years of credited service; or (ii) commenced employment on or after August 1, 2007 and had fifteen (15) or more years of credited service; or

(10) be the surviving spouse or eligible dependent of a former Participant, who on the date preceding the individual's date of death, was an employee and a Participant in a city sponsored defined contribution plan or was a 46th district court judge who was first elected or appointed on or after March 31, 1997; provided, the former Participant (i) commenced employment prior to August 1, 2007 and had ten (10) or more years of credited service; or (ii) commenced employment on or after August 1, 2007 and had fifteen (15) or more years of credited service ; or

(11) be an individual granted health coverage under a settlement agreement between the City and the individual; or

(12) be an individual granted health coverage under a court order, provided

(a) that the individual produces satisfactory documentation at the time of application for benefits, and

(b) that the City reserves the right to challenge the validity of the court order and that if such a challenge proves successful that the cost of any benefits provided be reimbursable to the Trust; or

(13) be a Retiree or Retiree's Spouse or Dependent who was in receipt of benefits at the time of the Effective Date of this Plan or be a deferred vested Retiree at the time of the Effective Date of this Plan (grandfather provision).

***1:612*. Retiree Costs- Premium Sharing**

(1) Retirees and /or beneficiaries satisfying the eligibility requirements of the plan and enrolling for retiree health care coverage shall be responsible to

pay a portion of their healthcare premium as established by city council and applicable collective bargaining agreements.

(a) Participants who commenced employment with the city on or after June 1, 2005 but prior to August 1, 2007 shall be required to pay the following percentage of their health care premium for base plan coverage based upon their years of credited service to the employer:

i. 10 years up to16 years of service, retiree pays 30% of premium;

ii. 16 years up to 21 years of service, retiree pays 25% of premium;

iii. 21 years up to 25 years of service, retiree pays 20% of premium;

iv. 25 or more years of service, retiree pays 15% of premium.

(b) Participants who commenced employment on or after August 1, 2007 shall be required to pay the following percentage of their health care premium for base plan coverage based upon their years of service to the employer:

i. 15 years up to 25 years of credited service, retiree pays 50% of premium;

ii. 25 or more years of credited service, retiree pays 20% of premium.

(2) The cost of spousal coverage, dependent coverage and family continuation dependent coverage shall be born by the retiree unless otherwise provided by an applicable collective bargaining agreement or resolution of city council;

(3) Retiree premium payments shall be deducted from retirement payments payable from the retirement systems or, in the event there are insufficient retirement benefits payable or the retiree elected participation in an alternative retirement program established by the city, the retiree will authorize automatic premium payments in accordance with such policies and procedures as established by the Retiree Health Care Board.

(4) Premium payments by applicable retirees from the Fire and Police Retirement System may be paid on a pre-tax basis in accordance with the Pension Protection Act of 2006.

1:613. Withdrawal From Participation.

A defined contribution plan participant, judges of the 46th District Court, the City Clerk, the City Treasurer, the City Attorney or the City Administrator may, within sixty (60) days of adoption of this amendment to the plan or within sixty (60) days of commencement of employment, irrevocably elect to opt out of participation in this plan. The election must be in writing and filed with the Retiree Health Care Board and the Human Resources Department. Eligible employees electing to opt out of participation in the plan will not be eligible to re-enroll or receive retiree health care benefits at a future date.

1:614. Commencement of Benefit.

Subject to all applicable provisions of the Plan and/or Insurance Agreement, a Participant shall commence eligibility for benefits from the Plan on the first day he or she satisfies the eligibility requirements of *1:609, 1:610, or 1:611*, provided the Participant has enrolled for coverage on such date.

***1:615*. Enrollment.**

(1) The City shall give each Participant timely written notice of his or her eligibility and his or her right to enroll for coverage under the Plan. A Participant or Retiree may enroll for coverage on a form or forms provided by and filed with the City. In connection with his or her enrollment for coverage, the Participant or Retiree shall furnish all pertinent information requested by the City, Plan Administrator and/or the Insurance Carrier, and the Plan Administrator or the Insurance Carrier may rely upon all such forms and information furnished.

(2) Spouse and Dependents shall be eligible for coverage as provided in the Plan and/or Insurance agreement and in *1:609, 1:610, and 1:611* above. Spouse and Dependents shall be enrolled for coverage under the Plan by the Participant or Retiree at the time the Participant or Retiree enrolls for coverage under the Plan or as provided for in subsection 3.

(3) Participants or Retirees must report Major Life Event Changes to the City within thirty (30) days of the event in order to add or delete persons from their benefit plans (health insurance). Major Life Event Changes may impact eligibility for benefits. Notification beyond thirty (30) days of the event may delay any additions of persons to benefits until the group's next reopening date. If failure to report the event within thirty (30) days results in additional benefit costs by the Plan and Trust due to non-termination of benefits, the Participant or Retiree may be held responsible for such costs.

1:616. Termination of Benefits.

Except as provided in 1:617, participation in the Plan shall terminate in accordance with the Plan and/or Insurance Agreement or applicable Collective Bargaining Agreement, on the earliest of:

(1) termination of the Plan;

(2) non-payment of any required Participant or Retiree contributions;

(3) death of the individual receiving benefits under the Plan;

(4) a Participant's or Retiree's election in writing to cease coverage under the Plan;

(5) in the case of a Spouse or Dependent, the date the Spouse or Dependent ceases to be a Spouse or Dependent as defined in this Plan; or

(6) in the case of a Spouse, Dependent, Family Continuation Dependent or death of the Retiree if the Retiree elected a straight life equivalent form of retirement benefit at the time of retirement or if the Retiree failed to nominate the required beneficiary necessary to ensure coverage of the Spouse, Dependent, Family Continuation Dependent; or

(7) in the case of a Retiree, if that individual had a contractual agreement with the City to provide health benefits at retirement which did not include the right to name a beneficiary, or if the contractual agreement did include the right to name a beneficiary, and the Retiree failed to nominate the required beneficiary to ensure coverage of the Spouse, Dependent, Family Continuation Dependent or; or

(8) in the case of a Retiree and a surviving Spouse and/or Dependent, if that individual assumes employment elsewhere and that employer provides health coverage to its employees which does not substantially differ from that offered by the Plan; provided that should the individual lose such coverage from the other employer for any reason, including voluntary or involuntary separation of employment, upon production of proof of such loss to the City and satisfaction of eligibility elsewhere under the Plan, the City's obligation to provide health coverage under the Plan shall recommence immediately upon the satisfactory production of such proof-of-loss.

1:617. COBRA Continuation Coverage.

Notwithstanding the provisions of 1:616, continuing coverage shall be provided under the Plan to eligible Participants, Retirees, their Spouses and Dependents in

accordance with Internal Revenue Code provisions (currently Section 4980B, and Title XXII of the Public Health Services Act ("COBRA continuation coverage"), as amended).

1:618. Conversion Privilege.

An individual who is no longer eligible to receive benefits under the Plan (as a Spouse, Dependent or COBRA qualified beneficiary) may, if permitted by and in accordance with the terms of the Plan and/or Insurance Agreement, convert his or her coverage under the Plan to an individual medical expense policy with the Plan Administrator and/or the Insurance Carrier, without the necessity of a medical examination and with no interruption in coverage. The cost of such individual conversion coverage shall be paid solely by the affected individual. Application for individual conversion coverage must be made to the City and/or Plan Administrator in accordance with the Plan and/or to the Insurance Carrier in accordance with the Insurance Agreement. A COBRA qualified beneficiary must be given notification of this conversion privilege during the 180-day period ending on the expiration of the qualified beneficiary's COBRA continuation period.

1:619. Health Care Benefits, General.

Beginning on the Effective Date, the City shall provide Health Care Benefits to each eligible Retiree and, if elected, to his or her eligible Spouse and, at the Retiree's cost, eligible Dependents, unless modified by an applicable Collective Bargaining Agreement or resolution of City Council. The benefits provided under the Plan are those set forth in the Plan and/or Insurance Agreement and Collective Bargaining Agreements and/or resolutions of City Council. The Insurance Agreement(s) and Collective Bargaining Agreements are incorporated herein by this reference. A complete description of benefits provided under the Plan and the Insurance Agreement, inclusive of those set forth in the Collective Bargaining Agreements, shall be maintained by the City or the Plan Administrator.

In accordance with the Plan and/or Insurance Agreement with the Insurance Carrier, Retirees and their Spouses and Dependents will be entitled to the benefits in effect at the time of the Retiree's retirement or, in the case of a deferred vested Participant, at the time of separation from service ("Base Plan"). These benefits may be provided under the same policy or program in place at the Retiree's retirement or, in the case of a deferred vested Participant, at the time of separation from service or under a substantially equivalent policy or program at the discretion of the City.

1:620. Alternative Policies or Programs.

The City, in its discretion, in addition to the Base Plan, may offer alternative policies or benefit structures to Participants, Retirees, Spouses and/or Dependents. In the event that the City chooses to offer alternative policies or benefit structures, Participants or Retirees and their Spouses and/or Dependents may transfer from one policy or benefit structure to another policy or benefit structure during open enrollment

periods. However, any additional cost above the Base Plan shall be born by the Participant or Retiree or the Participant's or Retiree's Spouse and/or Dependents.

1:621. Duplicate Coverage Disallowed.

Duplicate coverage will not be provided in the event that there are two or more Participants and/or Retirees who (a) are each independently eligible for health care benefits from the City or the Plan and (b) are each also eligible for health care benefits from the City or the Plan as a Spouse or Dependent of a Participant or a Retiree. Said parties shall be eligible to participate in only one policy or program so that one party participates in the one policy or program as the principal insured and the other party(ies) participates in the same policy or program as a Spouse or Dependent of the Participant or Retiree. Dependent shall suffer no detriment as a result of the disallowance of duplicate coverage.

1:622. Medicare Eligibility.

Unless otherwise stated below, upon attaining the age of Medicare eligibility, all eligible Retirees and/or Spouses shall enroll in both Medicare A and B, and are obligated to pay for Medicare Part B. Once a Retiree is in receipt of Medicare A and B coverage, this Plan will provide complimentary coverage as provided pursuant to any applicable Collective Bargaining Agreement and/or the coverage in effect at the time of retirement.

In the event a Retiree or Spouse is not eligible for Medicare coverage, and provides proof of same to the Plan Administrator, Retiree or Spouse shall be eligible for continued health care coverage at the same benefit level under the Plan.

1:623. Coordination of Benefits

The City intends that the Plan shall provide each Retiree with payment for health care expenses incurred by the Retiree and, if eligible, his or her Spouse and his or her Dependents, as provided in the Plan and/or Insurance Agreement. The City does not intend that payment under this Plan shall exceed the amount of the expenses incurred. For this reason, the Plan coordinates benefits with other insurance policies according to industry standards and applicable laws.

(1) Reimbursement.

If an expense is paid under the Plan by the Plan Administrator on behalf of a Retiree, his or her Spouse or Dependents, and such expense subsequently is paid from any other source, in whole or in part, the Retiree, his or her Spouse or Dependents, shall remit to the Plan an amount equal to the duplicated benefits. In addition, the Plan Administrator may reimburse any other Plan, person or entity that has paid an expense on behalf of a Retiree, his or her Spouse or Dependents

which expense was payable under this Plan. In such event, the Plan, Plan Administrator and/or the Insurance Carrier shall be relieved of all further responsibility with respect to that expense.

(2) Subrogation.

In the event any payment is made by the Trust under the Plan, the Plan and the Trust shall be subrogated and shall succeed to the rights of any Retiree, his or her Spouse and Dependents against any other plan, person or entity for recovery of health care expenses for which such other plan, person or entity legally is liable. All amounts so recovered, by settlement, judgment or otherwise, shall be paid to the Trust. Retirees, their Spouses and Dependents shall furnish such information, execute and deliver such assignments, documents or other instruments, and take whatever steps are necessary to secure the rights of the Plan. Retirees, their Spouses and Dependents shall take no action to prejudice the rights and interests of the Plan hereunder.

(3) Effect of Exclusions.

The provisions of this Section shall not be construed to create any independent right to payment of any benefit under this Plan. Any exclusion or limitation contained in the Plan and/or Insurance Agreement shall supersede any provision of this Section regarding coordination of benefits.

***1:624*. Plan Administration, City Duties.**

(1) The City shall be responsible for complying with the Code's reporting and disclosure requirements and for the purpose of fulfilling such other Plan administrative functions as are not specifically assigned to the Plan Administrator and/or Insurance Carrier. The City may employ a Plan Administrator and/or Insurance Carrier who will be responsible for the interpretation, administration and the payment of health care claims under the Plan.

(2) The City also shall be responsible for the performance of its duties as employer and Plan sponsor under applicable Internal Revenue Code Sections. The City may delegate all or any part of its Plan administration responsibilities. Any such delegation shall be done in writing.

(3) The City may employ one or more persons to render advice with regard to any responsibility such fiduciary has under the Plan. Any fiduciary, agent, representative or other person performing services to or for the Plan shall be entitled to reasonable compensation for services rendered, unless such

person is employed by the City and already receives full pay from the City, and to reimbursement or expenses properly and actually incurred.

(4) The City shall furnish the Plan Administrator and/or Insurance Carrier, while this Plan is in effect, any information as may be required, at intervals and in the form prescribed by the Plan Administrator and/or Insurance Carrier, for the enrollment of Retirees, Spouses and/or Dependents for coverage under the Plan and for the processing of terminations or other changes in coverage of Retirees, Spouses and/or Dependents and also shall furnish to the Plan Administrator and/or Insurance Carrier such other information required for the administration of the Plan.

1:625. Plan Administration, Insurance Carrier Duties

Each Insurance Carrier shall have the responsibility for interpreting and administering their respective Insurance Agreement and for processing and paying benefit claims, and shall provide the City with such information as the City may deem necessary to permit the timely filing of all reports required by law. The Insurance Carrier also shall provide a description of the benefits provided under their respective Insurance Agreement directly to the Retirees, Spouses and/or Dependents or to the City for distribution to Retirees, Spouses and/or Dependents.

1:626. Plan Administration, Plan Administrator Duties.

The Plan Administrator shall have the responsibility for interpreting and administering the Plan and for processing and paying benefit claims, and shall provide the Retiree Health Care Board with such information necessary to permit the timely filing of all reports required by applicable laws or regulations governing the Trust.

1:627. Plan Administration, Retiree Health Care Board's Duties.

The Retiree Health Care Board shall be vested with the authority to render decisions regarding participation in the Plan. Such authority shall be specifically limited by (1) the eligibility requirements of 1:609, 1:610, or 1:611 or as otherwise provided for in this Chapter, and (2) the City's ability to obtain coverage under the Plan and/or from the applicable Insurance Carrier.

The Retiree Health Care Board shall have such other duties under the Trust as are set forth in Part C of this Chapter.

1:628. Health Care Benefits, Claims Procedures.

A claim for benefits under the Plan must be submitted in writing to the Plan Administrator and/or Insurance Carrier in accordance with procedures established by the Plan Administrator or the Plan and/or Insurance Carrier as communicated in writing

to Retirees, Spouses and/or Dependents. The Plan Administrator and/or Insurance Carrier shall provide adequate notice to any Participant or Qualified Beneficiary whose claims for benefits under this Plan have been denied, setting forth the specific reasons for such denial, written in a manner calculated to be understood by the party. The Plan Administrator and/or respective Insurance Carrier has responsibility for the resolution of disputes involving payment of benefits under the portion of the Plan assigned to the Plan Administrator or Insurance Agreement with the Insurance Carrier. The Plan Administrator and/or Insurance Carrier shall afford a reasonable opportunity to any Participant or Qualified Beneficiary whose claim for benefits has been denied for a full and fair review of the decision denying the claim.

***1:629*. Funding**.

For the purpose of creating and maintaining the Plan and Trust for the payment of benefits payable as provided in this Chapter, the City shall appropriate an amount sufficient to maintain the Trust subject to the provisions of Part C of this Chapter.

PART C
DECLARATION OF TRUST

***1:630*. Irrevocable Section 115 Trust, Established.**

The Section 115 Trust established in this Chapter shall be irrevocable and shall conform to all applicable sections of the Internal Revenue Code, the Collective Bargaining Agreements, the statement of purpose in Part A of this Chapter, and all statutes, ordinances, rules, regulations, arbitrators' awards and judicial decisions interpreting the foregoing provisions.

The Trust shall consist of City Contributions, Participant Contributions, any Contributions which may be paid by Retirees and other Qualified Beneficiaries due to the election of additional coverage beyond that provided by the City, all investments made or held under Trust, and all income therefrom, both received and accrued, and any other property, which may be received or held by reason of this Trust. Funds paid by Retirees and other Qualified Beneficiaries as a result of premium sharing required pursuant to applicable Collective Bargaining Agreements and/or City policy, shall be paid directly to the City and/or the applicable Insurance Carrier and shall not be paid into the Trust.

***1:631* . Use of Trust Assets.**

(1) No part of the net earnings of the Trust may inure to the benefit of any Participant, Retiree or other beneficiary other than by benefit payments or for services provided to the Retiree Health Care Board in their

administration of the Trust. The Trust assets shall not be used for or diverted to purposes other than to provide the benefits contemplated under the Plan for the exclusive benefit of Retirees and their Spouses and eligible Dependents, except any administrative expenses for which the Trust is liable. A portion of net earnings may be used for payment for reasonable and necessary professional services, costs and expenses related to assisting the Retiree Health Care Board and the Trust Administrator in the operation of the Trust.

(2) All income, profits, recoveries, Contributions, forfeitures and any and all monies, securities and properties of any kind at anytime received or held by the Retiree Health Care Board hereunder, shall become part of the Trust when received, and shall be held for the use and purposes hereof.

***1:632*. Funding.**

(1) For the purpose of creating and maintaining a fund for the payment of health care benefits payable as provided in this Chapter, the City shall be required to pay to the Trust an amount consistent with the actuarial valuations and calculations made by the Actuary for the Trust to result in a pre-funded plan. Such contributions shall also be made in accordance with any Collective Bargaining Agreements between the Collective Bargaining Associations and the City and this Trust, and such other regulations of the Retiree Health Care Board as are not inconsistent with the authority stated in this Chapter.

(2) Commencing at such date as shall be determined by the City Council, all active, non-union Participants shall contribute a percentage of their applicable wages to the Trust. The percentage shall be set by resolution of the City Council and may be amended by resolution of the City Council. The Participants will pay such contributions, to the extent allowable under applicable law, to the Trust on a post-tax basis.

(3) Participants who are members of a Collective Bargaining Association shall make contributions to the Trust in such amounts as required pursuant to the provisions of their applicable Collective Bargaining Agreement.

(4) The officer or officers responsible for making up the payroll shall cause the contributions provided for in this subsection to be deducted from the compensation of each Participant on each and every payroll, for each and every payroll period, so long as he or she is a Participant of the plan. The Participant's contributions provided for in this subsection shall be made notwithstanding that the minimum compensation provided by law for any Participant is thereby changed, each Participant shall be deemed to consent and agree to the deductions made and provided for in this

subsection. When deducted, the contribution shall be paid to the trust and shall be credited to the Participant's individual account from whose compensation such deduction was made.

(5) Participants who cease employment prior to satisfying the eligibility requirements for the receipt of the health care benefits payable as provided in this Chapter, or who are otherwise ineligible for receipt of the health care benefits payable as provided in this Chapter, shall receive a refund of his or her Participant contributions standing to his or her credit in the Trust upon his or her demand in writing on forms furnished by the Retiree Health Care Board. No interest shall be credited or paid on Participant contributions.

(6) Qualified Beneficiaries shall contribute those amounts required for additional coverage as optioned by such Qualified Beneficiaries and otherwise as determined by the Retiree Health Care Board.

(7) Subject to the tax provisions of the City Charter and state law, the Retiree Health Care Board may, to the extent matters are not set forth in the Trust, in their discretion decide the manner and means of payments, the procedures to be followed in making the payments, and the forms required to accompany the payments to the Trust. Upon determination by the Retiree Health Care Board of these matters, the Board shall provide written notice to the City and to the Collective Bargaining Associations and require payments by the City to be made pursuant to the rules and regulations of the Trust.

(8) Time is of the essence in making and processing all payments to the Trust. The parties recognize that the regular and timely payments of Contributions are essential to the operation of the Trust and the providing of benefits under various insurance programs.

***1:633*. Retiree Health Care Board.**

(1) The Retiree Health Care Board shall consist of eleven (11) Trustees, as follows:

(a) The City Administrator of the City of Southfield or his/her designee.

(b) The Treasurer of the City of Southfield.

(c) The same two (2) elected uniformed employee representatives that serve on the Board of Trustees of the City of Southfield Fire and Police Retirement System.

(d) The same two (2) appointed representatives that serve on the Board of Trustees of the City of Southfield Fire and Police Retirement System.

(e) The same three (3) members that serve on the Administrative Civil Service Commission.

(f) Two (2) general employee representatives to be elected by the employee members of the Southfield Employee Retirement System from their own number. However, such representatives shall not be from the same department.

(2) The general administration, management and responsibility for the proper operation of the Trust and for making effective and construing the provisions of the Trust shall be vested in the Retiree Health Care Board established by this Section, consistent with applicable state and federal laws and regulations. A Trustee on the Retiree Health Care Board or other fiduciary under the Trust shall discharge his or her duties with respect to the Trust solely in the interest of the Participants and Qualified Beneficiaries for the exclusive purpose of providing benefits to Participants and Qualified Beneficiaries and paying reasonable expenses of administering the Trust. A Trustee shall discharge his or her duties with the care, skill, and caution under the circumstances then prevailing which a prudent person, acting in a like capacity and familiar with those matters, would use in the conduct of an activity of like character and purpose.

(3) The election of the employee Trustees provided in paragraph (f) of subsection (1) of this section shall be held under such rules and regulations as the Board shall adopt.

***1:634*. Trustees' Terms of Office.**

(1) The regular terms of office of the Trustees to the Retiree Health Care Board shall be as follows:

(a) The term of the City Administrator or his/her designee of the City of Southfield shall be identical to the City Administrator's term of office.

(b) The term of the Treasurer of the City shall be identical to his or her term of office.

(c) The representatives from the Board of Trustees of the City of Southfield Fire and Police Retirement System shall coincide with and be identical to said representatives' terms of office on the

Board of Trustees of the City of Southfield Fire and Police Retirement System.

(d) The representatives from the City of Southfield Administrative Civil Service Commission shall coincide with and be identical to said representatives' terms of office.

(e) The regular term of office of the elected general employee representatives shall be six (6) years. The initial term of office for the one (1) elected general employee representative obtaining the largest number of votes shall expire December 31, 2006. The initial term of office for the second elected general employee representative shall expire December 31, 2003.

(2) Each Trustee shall serve until the expiration of his or her term of office or until his or her death, incapacity, resignation or removal.

(3) A vacancy or vacancies in the office of the Trustees shall not impair the powers of the remaining Trustees to administer the affairs of the Trust, provided there are sufficient Trustees to constitute a quorum.

***1:635*. Officers and Administration.**

(1) At its meeting in February of each year, the Retiree Health Care Board shall select a chairperson, a vice-chairperson and a secretary from the group of the then existing Trustees and the chairperson, vice-chairperson and secretary shall serve a term of one year or until a new chairperson, vice-chairperson and secretary is elected.

(2) Consistent with applicable state and federal laws and regulations, the Retiree Health Care Board shall have the power to promulgate rules and regulations for the day-to-day management of the Trust, the investment of monies held by the Trust, to determine all questions regarding the interpretation of the Trust, and such other Trust related subjects as shall be deemed necessary and proper by the Retiree Health Care Board. If any rule or regulation of the Trust or part thereof is found to be in conflict with any Collective Bargaining Agreement, law, statute, judicial decision, arbitration decision or any other competent body or tribunal, such rule or regulation or part thereof shall be deemed voided and, all other rules and regulations of the Trust shall remain in full force and effect.

(3) Whenever the signature of a Trustee is required on any document, signature of the chairperson or acting chairperson and secretary or acting secretary shall be required.

(4) In the event of any suit brought against the Trustees arising out of the acts within the scope and powers and duties of the Retiree Health Care Board, or in the event of any lawsuit brought by the Trustees as authorized by this Chapter, the cost of defense or prosecution of such lawsuit shall be charged to the Trust, and shall be paid directly from the Trust, provided such costs are not incurred by reason of bad faith, gross negligence, or breach of a fiduciary obligation to the Trust or to the beneficiaries thereof.

(5) The Retiree Health Care Board may employ such clerical personnel or administrative personnel to perform whatever administrative activities are required in the proper performance of the Trust. In addition thereto, the Retiree Health Care Board may, if they desire, contract with an administrator to perform such clerical and administrative duties as they may, in their sole discretion, determine is reasonably and prudently necessary to carry out the Trust's activities and purposes. Under no circumstances shall said administrator have control or authority with respect to the management of the Trust or its assets. The said administrator shall not be clothed with any type of authority or power which will constitute the administrator as a fiduciary. Said administrator will not have the power or authority to act as an investment counselor or manager and will not be authorized to furnish investment advice.

(6) The Board may utilize city staff for such functions as personnel administration, accounting, banking and purchasing and will comply with all established City control procedures and policies related to these services. The Board will annually reimburse the City for actual costs of these services as determined by a method jointly agreed upon by the Board and the City.

(7) City employees, upon the request of the Board, may also be assigned to the Trust for the proper operation of the Trust. Said employees shall be subject to the supervision of the Board. The Board shall have the authority to establish job descriptions and promulgate rules and regulations appropriate for the Trust in addition to those adopted by City Council. The supervision of City employees by the Board shall not serve to impair the authority and responsibility of the City Administrator under the City Charter for personnel services. The Board will annually reimburse the City for the actual costs of these employees as determined by a method jointly agreed upon by the Board and the City.

(8) The Retiree Health Care Board may employ (an) investment manager(s) to manage the assets of the Trust. Such investment manager(s) must be registered under the Investment Advisor's Act of 1940, as amended, and must meet any applicable state and federal requirements to act as an investment manager. The Retiree Health Care Board may, if they deem proper in their discretion, or if the circumstances require it, appoint such

investment manager, managers, banks or insurance companies as fiduciaries and enter into an agreement with such institutions, naming it a fiduciary and conveying to such fiduciary all or a portion of the assets of the Trust, so that said fiduciary may handle, manage and hold those assets conveyed to it. All assets conveyed to said fiduciary shall be subject to the provision of the agreement or agreements between the Retiree Health Care Board and the fiduciary.

(9) The Retiree Health Care Board may employ legal counsel with whom they may seek advice, consult with, require attendance at meetings and to otherwise represent the Retiree Health Care Board in matters relating to the Trust.

(10) The Retiree Health Care Board may authorize the purchase of insurance for the Trust and for the Trustees to cover liability or losses occurring for any reason, including but not limited to, an act or omission (errors or omissions) of a fiduciary, including the Trustees; provided however, that such insurance policy permits recourse by the insured against the fiduciary, including the Trustee or Trustees involved, in case of breach of fiduciary obligation by the fiduciary.

(11) The Retiree Health Care Board shall appoint an Actuary who shall advise the Board on the actuarial operation of the Plan and Trust. The Board shall, from time to time, adopt such mortality and other tables of experience and a rate or rates of regular interest as are necessary in the operation of the Trust on an actuarial basis.

***1:636*. Board Meetings.**

(1) The Retiree Health Care Board shall meet at least once quarterly. The Board shall determine the time for the regular meetings of the Board and the place or places where such meetings shall be held. The secretary of the Retiree Health Care Board or his or her designee, shall be responsible for giving notice of the time and place of such meetings to the other Trustees.

(2) Notice and conduct of all meetings of the Retiree Health Care Board, both regular and special, shall be given in accordance with applicable law including the Michigan Open Meetings Act.

(3) The Board shall adopt its own rules of procedure and shall keep a record of its proceedings. Six (6) Trustees shall constitute a quorum at any meeting of the Board. Each Trustee shall be entitled to one vote on each question before the Board and at least six (6) concurring votes shall be necessary for a decision of the Board.

1:637. Compensation.

All Trustees shall serve without compensation as members of the Board, except that elected employee Trustees shall suffer no loss in compensation on account of their services as Trustees. Trustees may also be reimbursed by the Trust for reasonable and necessary costs and expenses of the Trustees in performing their duties as Trustees and related to the operation of the Trust.

1:638. Retiree Health Care Board's Powers and Responsibilities.

The Retiree Health Care Board shall hold all the powers that are necessary to carry out the purposes of the Trust and are generally available to Trustees under the laws of the State of Michigan, except as limited by the Trust and by federal law and regulations. It is intended that the Plan and Trust shall be tax exempt and shall qualify under the Internal Revenue Code, and any amendments of the Code applicable to plans of this type. The Retiree Health Care Board shall have the continuing duty to propose to the City amendments to this Chapter to the extent it becomes necessary to qualify said Plan and Trust under the Internal Revenue Code and to continue the tax exempt status of the Trust. The Retiree Health Care Board shall take no action nor make any determination inconsistent with any qualification or ruling of the Internal Revenue Service, an arbitrator or the courts with respect to the Trust. In the case of amendments to the Internal Revenue Code or changes of regulations by the Internal Revenue Service or the Labor Department, the Retiree Health Care Board are empowered to take all necessary action(s) authorized by this Chapter, federal and state law and regulations, to continue the qualification of the Trust as a qualified Trust. In carrying out the purposes of the Trust, the Retiree Health Care Board shall have the following powers and duties:

(1) The Board shall, in order to effectuate the purposes of the Trust, be bound by the terms of the Plan and any applicable Collective Bargaining Agreements between the City and the Collective Bargaining Associations and shall comply with all applicable laws.

(2) The Board shall establish a uniform system for the timely transmission of required reports and contributions from the City on behalf of the Participants and/or Qualified Beneficiaries.

(3) The Board, in accordance with the requirements of law, may direct an impartial firm of independent certified public accountants to act as agent of the Retiree Health Care Board to examine the payroll records and reports as may be necessary to determine the monies due on behalf of a Participant and/or Qualified Beneficiary covered by this Trust and to make a written report to the Board, with an identical copy to the City.

(4) The Board shall maintain, or cause to be maintained, proper books of accounts and records of and for the administration of the Trust, including

the minutes of all meetings, make them available for inspection at the permanent office of the Trust during reasonable business hours by the City, by any Collective Bargaining Association, or any Participant or Qualified Beneficiary covered by the Plan and Trust.

(5) The financial records of the Trust shall be subject to the annual audit of the City. The Board shall fully comply with all applicable statutory and municipal budgetary and accounting procedures and provide access to and/or documentation of all assets and liabilities of the Trust and a resume of the operations of the Trust for the preceding year together with such other data as may be required by law and/or as part of the City's annual financial report to the state treasurer.

(6) The Board shall be authorized, pursuant to Public Act 149 of 1999, as amended, to invest the assets of the Trust in accordance with the provisions of Public Act 314 of 1965, as amended.

***1:639*. Trust Liabilities.**

(1) The City shall not be liable for payment to the Trust of any amount other than those required of it by the Trust and/or any applicable Collective Bargaining Agreement. Neither the City, nor any Participant or Qualified Beneficiary or Trustee shall be liable for any debts, liabilities or obligations of the Trust except as provided for in this Chapter. Neither the City nor any Participant and/or Qualified Beneficiary shall have any right to the return of any money properly paid into the Trust, except as otherwise specifically provided in this Chapter, or to money improperly paid which has already been invested or distributed. Any contribution improperly paid into the Trust by the City or on behalf of a Participant or Qualified Beneficiary shall be returned by the Retiree Health Care Board upon the request of the City, the Participant or the Qualified Beneficiary or upon discovery by the Retiree Health Care Board that such monies have been improperly paid into the Trust, unless those monies have already been invested or distributed.

(2) No part of the Trust or any benefits payable by the Retiree Health Care Board shall be subject to alienation, sale, transfer, assignment, pledge or encumbrance charge by any person. No Participant or Qualified Beneficiary shall be entitled to receive any part of the Contributions made by the City or payments required to be made by the Trust, in lieu of such benefits provided under the Plan as determined by the Retiree Health Care Board in accordance with the Trust.

1:640. Termination of the Trust.

(1) Subject to the limitations of this Chapter, the parties hereby contemplate that new employment benefit decisions may be made by the City and/or new Collective Bargaining Agreements may be entered into which continue or modify the provisions of the Trust. The Trust shall continue during such period of time as may be necessary to carry out the provisions of any Ordinance or Collective Bargaining Agreement requiring payment to the Trust and the fact that such Collective Bargaining Agreements or employment benefit decisions are not extended shall not by itself terminate the Trust, which shall continue for a period of time sufficient to wind up the affairs of the Trust.

(2) Provided there are no longer any Qualified Beneficiaries eligible for benefits from the Trust, the Trust may be terminated at any time by the Retiree Health Care Board so long as the termination is not inconsistent with any then existing Ordinance or Collective Bargaining Agreement. It shall not be necessary for the City or the Collective Bargaining Associations to execute such an agreement for the Trust to terminate.

(3) If the Trust shall terminate, the Retiree Health Care Board shall forthwith notify any Insurance Carrier or Carriers then providing insurance to Qualified Beneficiaries in the Trust.

(4) In the event of the termination of the Trust, the remaining funds available after providing for all the outstanding obligations, shall be used in a manner as will, in the opinion of the Retiree Health Care Board, best effectuate the purposes of the Trust, including, but not limited to, the purchase of insurance benefits.

SECTION 2.

Should any section, clause, or paragraph of this Ordinance be declared by a court of competent jurisdiction to be invalid, the same will not affect the validity of the Ordinance as a whole or part thereof other than the part declared to be invalid.

SECTION 3.

All ordinances or part of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

SECTION 4.

Rights and duties which have matured; penalties which have been incurred; proceedings which have begun; and prosecution for violations of law occurring before the effective date of this Ordinance are not affected or abated by this Ordinance.

SECTION 5.

This ordinance is deemed to be an Emergency Ordinance, and shall take effect upon publication.

Brenda L. Lawrence, Mayor

Nancy L. M. Banks, City Clerk

Ordinance # 1552
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