



CITY OF PONTIAC
EMERGENCY MANAGER
47450 Woodward Avenue
Pontiac, Michigan 48342
(248) 758-3274
(248) 758-3292

Louis H. Schimmel
Emergency Manager

Dated: September 15, 2011

ORDER NO. 101

RE: Insurance and Indemnification

TO: Devin Scott, HR Director
Tamantha Green, Risk Management Administrator
David Sheeran (Meadowbrook Insurance)

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CITY OF PONTIAC
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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: "(f) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the unit of local government"; (g) Make, approve or disapprove any appropriation, contract, expenditure..."; 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"; and **Section 25(4)** provides that "an emergency manager may procure and maintain, at the expense of the local government for which the emergency manager is appointed, workers' compensation, general liability, professional liability, and motor vehicle insurance for the emergency manager...".

It is hereby ordered:

- (1) Pursuant to and in consideration of the Contract for Emergency Manager Services by and between the State of Michigan and the Emergency Manager for the City of Pontiac ("Contract"), the City of Pontiac hereby agrees to indemnify, defend, pay on behalf of, hold harmless and provide liability insurance protection to Louis H. Schimmel, Jr., for any and all demands, claims or losses which may be asserted or claimed against him

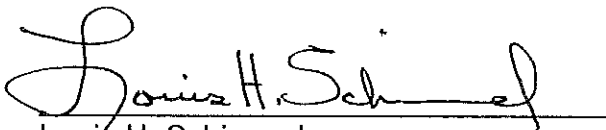
from the date of his appointment, September 12, 2011, to the expiration of the applicable statute of limitations.

- (2) The City of Pontiac is further directed to procure and maintain for the Emergency Manager, at the expense of the City, such worker's compensation, general liability, professional liability, and motor vehicle insurance as may be provided to elected and appointed officers or employees of the City, as set forth in Section 8.1 of the Contract. The insurance procured and maintained for the Emergency Manager may extend to any claim, demand or lawsuit asserted or costs recovered against the Emergency Manager and any employee, agent, appointee or contractor of the Emergency Manager as provided in the Local Government and School District Fiscal Accountability Act (Public Act 4 of 2011).
- (3) The City shall purchase or maintain such additional insurance as provided for in the Contract pursuant to Section 8.3.

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.



Louis H. Schimmel
City of Pontiac
Emergency Manager

cc: State of Michigan Department of Treasury
Mayor Leon B. Jukowski
Pontiac City Council
Yvette Talley, City Clerk
Mark J. Hotz, City Attorney