



CITY OF FLINT  
OFFICE OF EMERGENCY MANAGER  
MICHAEL K. BROWN

EMERGENCY MANAGER  
CITY OF FLINT  
GENESEE COUNTY MICHIGAN

**ORDER No. 13**

**MODIFICATION OF SECTION 10 OF THE SETTLEMENT AGREEMENT AND  
RELEASE OF ALL CLAIMS DATED OCTOBER 2, 2002, BETWEEN THE CITY OF  
FLINT AND PLAINTIFFS, RICHARD DICKS, LEON NOVACK, SHIRLEY  
NOVACK, THE UNITED RETIREMENT GOVERNMENTAL EMPLOYEES  
(URGE), AND SANDRA YURK RELATING TO PRESCRIPTION DRUG  
COVERAGE FOR ALL RETIREE GROUPS OF THE CITY OF FLINT**

BY THE POWER AND AUTHORITY VESTED IN THE EMERGENCY MANAGER ("EMERGENCY MANAGER) FOR THE CITY OF FLINT, MICHIGAN ("CITY") PURSUANT TO MICHIGAN'S PUBLIC ACT 4 OF 2011, THE LOCAL GOVERNMENT AND SCHOOL DISTRICT FISCAL ACCOUNTABILITY ACT, ("PA 4"); MICHAEL BROWN, THE EMERGENCY MANAGER, ISSUES THE FOLLOWING ORDER:

On March 16, 2011, the Local Government and School District Fiscal Accountability Act, Public Act 4 of 2011, ("Public Act 4") was enacted to safeguard and assure the fiscal accountability of units of local government; to preserve the capacity of units of local government to provide or cause to be provided necessary services essential to the public health, safety and welfare of citizens; and

Governor Rick Snyder appointed Michael Brown as the Emergency Manager for the City of Flint on November 28, 2011, and his contract was approved by the State Treasurer on November 29, 2011; and

Pursuant to Public Act 4, the Emergency Manager has broad powers in receivership to rectify the financial emergency and to assure the fiscal accountability of the City of Flint and its capacity to provide or cause to be provided necessary services essential to the public health, safety and welfare; and

Pursuant to Public Act 4, the Emergency Manager acts in place of local officials, specifically the Mayor and City Council, unless the Emergency Manager delegates specific authority; and

The City approved a Settlement Agreement and Release of Claims (“Agreement”) dated October 2, 2002, between the City of Flint and Plaintiffs Richard Dicks, Leon Novack, Shirley Novack, The United Retirement Governmental Employees (URGE) and Sandra Yurk, which related to prescription drug coverage for all Retiree Groups of the City; and

Based upon the ongoing financial challenges of the City and the authority granted to me under Section 19(j) of Public Act 4 of 2011, I find that it is necessary to modify the Agreement as follows:

Section 10 is modified effective May 1, 2012, to provide that the City shall provide prescription drug coverage for all Retiree Groups with their current co-payment, provided the prescription is classified by BCBS as either generic or a preferred name brand. However, if the drug being obtained is neither generic nor a preferred name brand by BCBS the co-pay by the retiree shall be \$100. Retirees can be reimbursed for the difference between their usual co-pay and the \$100 provided their doctor certifies that the drug has no suitable generic or preferred name brand equivalent and is determined to be medically necessary through a BCBS or Health Plan established step therapy procedure.

This Order may be amended, modified, repealed or terminated by any subsequent order issued by the Emergency Manager.

Dated: 4/12/12

By: Michael K. Brown  
Michael K. Brown  
Emergency Manager  
City of Flint

cc: State of Michigan Department of Treasury  
Mayor Dayne Walling  
Flint City Council  
Inez Brown, City Clerk