



# City of Ecorse

3869 WEST JEFFERSON  
ECORSE, MICHIGAN 48229

*The City of Friendship*

November 10, 2011

Governor Rick Synder  
State of Michigan  
P.O. Box 30013  
Lansing, MI 48909

Governor Synder:

Attached is the Public Act 4 report required under Section 22 for the period July 1, 2011 through September 30, 2011 for the City of Ecorse.

If you should have any questions please contact me at (313) 294-3740.

Sincerely,

Timothy D. McCurley, CPA  
Contracted Controller

CC: R. Richardville, Senate Majority Leader  
J. Bolger, Speaker of the House of Representatives  
R. Underwood, Ecorse City Clerk



**Public Act 4 Legislative Report  
September 30, 2011**

a) The following is a description of each expenditure made, approved, or disapproved during July 1, 2011 through September 30, 2011 that has a cumulative value of \$5,000 or more along with the source of the funds.

Check Date	Vendor Name	Description	Amount	Source of Funds
07/14/2011	FLEET SERVICES	GAS	8,060.29	General Fund
07/14/2011	GREAT LAKES WATER & SEWER INC.	Watermain Repairs	8,035.00	Water Fund
07/14/2011	HIGHWAY MAINTENANCE & CONST.CO.	APPLY SPRAY PATCH	36,732.75	Major & Local
07/14/2011	K. CONTRACTING, INC.	BALANCE "PAID IN FULL"	21,670.00	Water Fund
07/14/2011	MORRIS, THERESA	DEATH BENEFIT	5,000.00	General Fund
07/14/2011	PARKER, JOYCE	EMERGENCY FINANCIAL MANAGER	5,500.00	General Fund
07/14/2011	SAFEWAY TRANSPORT, INC.	VAC JETTER	13,600.00	Water Fund
07/14/2011	US LAWNNS OF LIVONIA	GRASS CUTTING	11,386.45	General Fund
07/14/2011	WASTE MANAGEMENT	GARBAGE PICK UP	46,723.60	Rubbish Fund
07/14/2011	WAYNE COUNTY DEPT. OF ENVIRONM	EXCESS FLOW	15,000.00	Water Fund
07/23/2011	BLUE CROSS BLUE SHIELD OF	INSURANCE PREMIUM 8/11	135,031.20	General Fund
07/28/2011	BLUE CARE NETWORK OF MI	AUGUST, 2011	28,443.57	General Fund
07/28/2011	DETROIT WATER & SEWERAGE DEPT	6/11 WATER USAGE	84,406.20	Water Fund
07/28/2011	DTE ENERGY	STREET LIGHTING	35,360.92	General Fund
07/28/2011	DTE ENERGY	UTILITIES	14,691.81	General Fund
07/28/2011	E & J TREE SERVICE	TREE REMOVAL	5,480.00	General Fund
07/28/2011	GREAT LAKES WATER & SEWER INC.	Watermain Repairs	8,940.00	Water Fund
07/28/2011	HEALTH ALLIANCE PLAN	INSURANCE PREMIUM	40,178.24	General Fund
07/28/2011	ONE STOP PROPERTY MAINTENANCE	REMOVE DEBRIS	9,118.00	General Fund
07/28/2011	PARKER, JOYCE	EMERGENCY FINANCIAL MANAGER	5,500.00	General Fund
07/28/2011	RIVERVIEW, CITY OF	MUNICIPAL COMPACT	7,399.92	Rubbish Fund
07/28/2011	SAFEWAY TRANSPORT, INC.	VAC JETTER	6,800.00	Water Fund
07/28/2011	WAYNE COUNTY	ASSMT WITHIN/TAX	17,638.00	Tax Fund
07/28/2011	WAYNE COUNTY DEPT. OF ENVIRONM	EXCESS FLOW 7/11	43,890.00	Water Fund
07/28/2011	WAYNE COUNTY DEPT. OF ENVIRONME	SEWERAGE	70,002.90	Water Fund
08/02/2011	JOHNSON, ROSATI, LABARGE,	FILE NO. J150891	7,572.20	General Fund
08/11/2011	AYNES, STEVE	HUMAN RESOURCES/LABOR RELATIONS DIRECTOR	2,368.00	General Fund
08/11/2011	AYNES, STEVE	REFUND-FED./SS/MED.	2,604.95	General Fund
08/11/2011	FLEET SERVICES	GAS	6,658.10	General Fund
08/11/2011	FOLKS, KAREN	CITY ATTORNEY	3,269.23	General Fund
08/11/2011	FOLKS, KAREN	REFUND FED/SS/MED	3,986.05	General Fund
08/11/2011	GREAT LAKES WATER & SEWER INC.	Watermain Repairs	23,450.00	Water Fund
08/11/2011	KEEYON LAWN CARE SERVICE	LAWNCARE SERVICES 7/19-8/1/11	5,880.00	General Fund
08/11/2011	PARKER, JOYCE	EMERGENCY FINANCIAL MANAGER	5,500.00	General Fund
08/11/2011	QUALITY DISPOSAL, INC.	SOLID WASTE COLLECTION	22,201.11	Rubbish Fund
08/11/2011	SAFEWAY TRANSPORT, INC.	VAC JETTER	13,600.00	Water Fund
08/11/2011	US LAWNNS OF LIVONIA	Lawn Maint.	5,706.32	General Fund
08/11/2011	WAYNE COUNTY DEPT. OF ENVIRONM	EXCESS FLOW 8/09	15,000.00	Water Fund
08/11/2011	ECORSE PUBLIC SCHOOL	SCHOOL LEVIES	922,789.67	Tax Fund
08/11/2011	WAYNE COUNTY TREASURER	COUNTY LEVIES	1,075,104.09	Tax Fund
08/25/2011	BLUE CROSS BLUE SHIELD OF	INSURANCE PREMIUM	131,586.95	General Fund
08/25/2011	BS&A SOFTWARE, INC.	Software Support Fee	6,830.00	General Fund
08/25/2011	COMPEAU BROTHERS, INC.	CITY HALL PARKING LOT IMPROVEMENTS	48,351.80	Water Fund
08/25/2011	DTE ENERGY	STREET LIGHTING	33,358.85	General Fund
08/25/2011	DTE ENERGY	UTILITIES	15,983.49	General Fund
08/25/2011	GREAT LAKES POWER	Building Repairs	7,086.06	General Fund
08/25/2011	GREAT LAKES WATER & SEWER INC.	Watermain Repairs	23,785.00	Water Fund
08/25/2011	HOWARD L. SHIFMAN, P.C.	COE/GENERAL LABOR	4,762.50	General Fund
08/25/2011	HOWARD L. SHIFMAN, P.C.	COE/GENERAL LABOR	10,475.00	General Fund
08/25/2011	HOWARD L. SHIFMAN, P.C.	COE/GENERAL LABOR	9,000.00	General Fund
08/25/2011	ONE STOP PROPERTY MAINTENANCE	Debris Removal	19,305.00	General Fund
08/25/2011	PARKER, JOYCE	EMERGENCY FINANCIAL MANAGER	5,500.00	General Fund
08/25/2011	RIVERVIEW, CITY OF	MUNICIPAL COMPACT	6,647.34	Rubbish Fund
08/25/2011	WASTE MANAGEMENT	GARBAGE PICK UP	15,072.13	Rubbish Fund
08/25/2011	WAYNE COUNTY DEPT. OF ENVIRONM	EXCESS FLOW AUG 2011	43,890.00	Water Fund
08/25/2011	WAYNE COUNTY TREASURER	PROPERTY TAX DISTRIBUTION	328,100.74	Tax Fund
08/26/2011	ECORSE PUBLIC SCHOOL	OPERATING LEVIES	74,499.49	Tax Fund
08/26/2011	ECORSE PUBLIC SCHOOL	DEBT LEVIES	111,739.61	Tax Fund
08/30/2011	BLUE CARE NETWORK OF MI	INSURANCE PREMIUM	8,267.59	General Fund
08/30/2011	HEALTH ALLIANCE PLAN	INSURANCE PREMIUM	52,096.50	General Fund
09/08/2011	A&C PAVING	PAVEMENT REPAIRS	115,716.00	Major & Local
09/08/2011	ARTHUR J. GALLAGHER RISK MANAGEMENT	PREMIUM	100,000.00	General Fund
09/08/2011	GREAT LAKES POWER	Building Repairs	20,399.09	General Fund
09/08/2011	GREAT LAKES WATER & SEWER INC.	Watermain Repairs	5,685.00	Water Fund
09/08/2011	HOWARD L. SHIFMAN, P.C.	SERVICES	8,337.50	General Fund
09/08/2011	ONE STOP PROPERTY MAINTENANCE	Debris Removal	5,453.50	General Fund
09/08/2011	PARKER, JOYCE	EMERGENCY FINANCIAL MANAGER	5,500.00	General Fund
09/08/2011	QUALITY DISPOSAL, INC.	SOLID WASTE COLLECTION	32,520.50	Rubbish Fund
09/08/2011	RDS SERVICES LLC	EARLY RETIREMENT REINSURANCE PRGM	5,919.84	General Fund
09/08/2011	SAFEWAY TRANSPORT, INC.	VAC JETTER	19,400.00	Water Fund
09/08/2011	SIGNATURE FORD, L-M	2011 FORD CROWN VIC POLICE INTERCEPTOR	20,961.00	General Fund
09/08/2011	WAYNE COUNTY DEPT. OF ENVIRONM	9/09 EXCESS FLOW	42,154.00	Water Fund
09/08/2011	WAYNE COUNTY DEPT. OF ENVIRONMENT	SRF LOAN PROJECT	109,194.21	Water Fund

09/08/2011	ECORSE PUBLIC SCHOOL	UNDERPAYMENT OF TAXES 9/16/10	5,000.00	Tax Fund
09/13/2011	UNEMPLOYMENT INSURANCE AGENCY	UNEMPLOYMENT INSURANCE	95,491.73	General Fund
09/13/2011	ECORSE PUBLIC SCHOOL	OPERATING SCHOOL LEVIES	5,762.03	Tax Fund
09/13/2011	ECORSE PUBLIC SCHOOL	DEBT LEVIES	88,109.76	Tax Fund
09/13/2011	WAYNE COUNTY TREASURER	COUNTY LEVIES	125,618.08	Tax Fund
09/22/2011	ABC PAVING	PAVEMENT REPAIRS	47,139.00	Major & Local
09/22/2011	BLUE CARE NETWORK OF MI	OCTOBER, 11 INSURANCE PREMIUM	20,715.13	General Fund
09/22/2011	BLUE CROSS BLUE SHIELD OF	OCTOBER, 2011 INSURANCE PREMIUM	148,235.23	General Fund
09/22/2011	DTE ENERGY	UTILITIES	13,146.40	General Fund
09/22/2011	FLEET SERVICES	GAS	6,971.36	General Fund
09/22/2011	GREAT LAKES WATER & SEWER INC.	Watermain Repairs	15,480.00	Water Fund
09/22/2011	HEALTH ALLIANCE PLAN	INSURANCE PREMIUM 10/11	51,170.43	General Fund
09/22/2011	IMPERIAL P&S	INSTALLMENT PAYMENT	44,102.91	General Fund
09/22/2011	KENNEDY INDUSTRIES INC.	PUMP STATION REPAIRS	9,377.00	Water Fund
09/22/2011	LAND INFORMATION ACCESS ASSOCIATION	ENVISION ECORSE PROJECT	9,102.07	General Fund
09/22/2011	PARKER, JOYCE	EMERGENCY FINANCIAL MANAGER	5,500.00	General Fund
09/22/2011	PLANTE & MORAN, PLLC	ACCOUNTING SERVICES	10,000.00	General Fund
09/22/2011	PLANTE & MORAN, PLLC	ACCOUNTING SERVICES	10,000.00	General Fund
09/22/2011	SAFEWAY TRANSPORT, INC.	VAC JETTER	12,240.00	Water Fund
09/22/2011	SHORT, RUTH E.	DEATH BENEFIT OF ROBERT SHORT	15,000.00	General Fund
09/22/2011	US LAWNS OF LIVONIA	LAWN MAINTENANCE	7,545.29	General Fund
09/22/2011	WAYNE COUNTY	ADMIN/TAX	6,624.26	Tax Fund
09/22/2011	WAYNE COUNTY DEPT. OF ENVIRONM	EXCESS FLOW 9/11	43,890.00	Water Fund
09/22/2011	ECORSE PUBLIC SCHOOL	SCHOOL LEVIES OPERATING	2,340.32	Tax Fund
09/22/2011	ECORSE PUBLIC SCHOOL	SCHOOL LEVIES-DEBT	3,426.66	Tax Fund
09/22/2011	WAYNE COUNTY TREASURER	COUNTY LEVIES	10,089.12	Tax Fund
09/27/2011	STOUT RISIUS ROSS, INC.	SRR CONSULTING ENGAGEMENT	12,500.00	General Fund

b) The following is a list of each contract that the Emergency Manager awarded or approved with a cumulative value of \$5,000 or more and the proposed use of the funds.

<u>Contractor</u>	<u>Purpose of Contract</u>	<u>Amount of Contract</u>
Stout Risius Ross, Inc	Consulting services for consolidation	\$12,500.00
Quality Disposal Inc	Trash Collection	\$346,368.00
Road Runner Maintenance	Janitorial Services	\$33,420.00

c) The following is a description of each loan sought, approved, or disapproved during July 1, 2011 through September 30, 2011 that has a cumulative value of \$5,000 or more and the proposed use of the funds.

<u>Date of Loan</u>	<u>Description of Loan</u>	<u>Amount of Loan</u>	<u>Proposed Use</u>
N/A			

d) The following is a description of any new position created or any vacancy in a position filled by the appointing authority.

New Positions created  
Seven part time fire fighters

Vacancy position filled  
N/A

e) The following is a description of any position that has been eliminated or from which an employee has been laid off.

Positions eliminated  
Nine full time fire fighters

f) The following is a copy of the contract with the Emergency Manager as provided in section 15(5)e).



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

ROBERT J. KLEINE  
STATE TREASURER

**CONTRACT**

**Between the Local Emergency Financial Assistance Loan Board**

**And**

**The Emergency Financial Manager for the City of Ecorse**

**Appointed Pursuant to Public Act 72 of 1990**

WHEREAS, pursuant to Section 12(1) of Public Act 72 of 1990, the Local Government Fiscal Responsibility Act, hereinafter "the Act," a preliminary review was conducted by the Michigan Department of Treasury on March 17, 2009, through April, 22, 2009, to determine whether a serious financial problem existed within the City of Ecorse, hereinafter "the City"; And

WHEREAS, pursuant to Section 12(3) of the Act, the State Treasurer on April, 22, 2009, reported to the Governor the conclusion that, based upon the preliminary review, a serious financial problem existed within the City; And

WHEREAS, pursuant to Section 13(1)(b) of the Act, the Governor appointed a financial management review team on June 29, 2009, to conduct a detailed review of the financial condition of the City; And

WHEREAS, the Review Team met on July 8, 2009, July 16, 2009, July 20, 2009, July 28, 2009, August 12, 2009, and August 18, 2009, to consider information relevant to the financial condition of the City and concluded that a local government financial emergency existed in the City because no satisfactory plan existed to resolve a serious financial problem; And

WHEREAS, the Review Team reported to the Governor on August 19, 2009, that a local government financial emergency existed in the City because no satisfactory plan existed to resolve a serious financial problem serious financial problem existed in the City; And

WHEREAS, by letter dated September 19, 2009, the Governor informed the Mayor and City Councilmembers of her determination that a local government financial emergency existed in the City because no satisfactory plan existed to resolve a serious financial problem, set forth the findings of fact upon which the determination was based, and indicated the right of the City to request a hearing upon the determination; And

WHEREAS, the Mayor, by letter dated September 22, 2009, requested a hearing which was conducted on October 13, 2009; And

WHEREAS, by letter dated October 26, 2009, the Governor informed the Mayor and Councilmembers of the City that based upon the testimony and information presented at the hearing she had confirmed her determination that a financial emergency existed in the City because no satisfactory plan existed to resolve a serious financial problem. In her letter dated October 26, 2009, the Governor also informed the Local Emergency Financial Assistance Loan Board that she was assigning responsibility for the management of the local government financial emergency in the City to the Local Emergency Financial Assistance Loan Board established pursuant to Public Act 243 of 1980, the Emergency Municipal Loan Act; And

WHEREAS, Section 18(1) of the Act requires the Local Emergency Financial Assistance Loan Board to appoint an Emergency Financial Manager upon the determination of a financial emergency by the Governor.

NOW, THEREFORE, be it resolved that the Local Emergency Financial Assistance Loan Board hereby appoints Joyce A. Parker as Emergency Financial Manager for the City of Ecorse, subject to the terms and conditions set forth in this Contract.

**Authority of Emergency Financial Manager**

1. Subject to supervision by the Local Emergency Financial Assistance Loan Board, the Emergency Financial Manager shall have the powers, rights, duties, and obligations to do all of the following:
  - (a) Issue to the appropriate officials or employees of the City the orders that the Emergency Financial Manager considers necessary to accomplish the purposes of this Contract, including, but not limited to, orders for the timely and satisfactory implementation of a financial plan as provided in this Contract. An order issued under this Contract is legally binding upon the City official or employee to whom it is issued.
  - (b) In consultation with the City, develop and, if necessary from time to time, amend a written financial plan for the City. The financial plan shall be in a form prescribed by the Emergency Financial Manager, shall contain that information for each year during which the financial plan is in effect that the Emergency Financial Manager specifies and shall provide for both of the following:
    - (1) Conduct the operations of the City within the resources available according to an estimate of available revenues by the Emergency Financial Manager.
    - (2) The payment in full of the scheduled debt service requirements on all bonds and notes of the City and all other uncontested legal obligations.
  - (c) After the initial development of the financial plan and in consultation with the City, reexamine the financial plan as necessary. If the Emergency Financial Manager reduces her

revenue estimates, the Emergency Financial Manager shall modify the financial plan to conform to the revised revenue estimates.

- (d) Make public the financial plan or modified financial plan. However, the Emergency Financial Manager need not receive public approval before the Emergency Financial Manager implements the financial plan or any modification of the plan.
- (e) Analyze factors and circumstances contributing to the financial condition of the City and recommend to the Local Emergency Financial Assistance Loan Board steps to be taken to correct the condition.
- (f) Amend, revise, approve, or disapprove the budget of the City and limit the total amount of funds appropriated or expended during the balance of the financial emergency.
- (g) Require and approve or disapprove, or amend or revise a plan for liquidating all outstanding debts of the City.
- (h) Require and prescribe the form of special reports to be made by the finance officer of the City to City Council, creditors of the City, the Emergency Financial Manager, or the public.
- (i) Examine all records and books of account, and require under the procedures of Public Act 2 of 1968, the Uniform Budgeting and Accounting Act, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the City.
- (j) Make, approve, or disapprove any appropriation, contract, expenditure, or loan, the creation of any new position, or the filling of any vacancy in a permanent position by any appointing authority.
- (k) Review payrolls or other claims against the City before payment.

- (l) Exercise all of the authority of the City to renegotiate existing labor contracts and act as an agent of the City in collective bargaining with employees or representatives and approve any contract or agreement.
- (m) Unless prohibited by law or charter, consolidate departments or transfer functions from one department to another and to appoint, supervise, and, at the discretion of the Emergency Financial Manager, remove heads of departments other than elected officials.
- (n) With the approval of the Local Emergency Financial Assistance Loan Board, employ or contract with, at the expense of the City, auditors and other technical personnel considered necessary to implement this Contract.
- (o) Require compliance with the orders of the Emergency Financial Manager by court action if necessary.
- (p) Prosecute, or defend, or both, any litigation to which the City is a party.
- (q) Upon approval by the Local Emergency Financial Assistance Loan Board, delegate any of the powers and duties of the Emergency Financial Manager to one or more designees.
- (r) Except as prohibited by charter or law, sell or otherwise use the assets of the City to meet past or current obligations, provided that the use of assets for this purpose does not endanger the public health, safety, or welfare of the residents of the City.
- (s) Apply for a loan from the State on behalf of the City, subject to the conditions of Public Act 243 of 1980, the Emergency Municipal Loan Act, in a sufficient amount to pay the expenses of the Emergency Financial Manager and for other lawful purposes.
- (t) Approve or disapprove of the issuance of obligations of the City on behalf of the City, subject to the conditions of Public Act 34 of 2001, the Revised Municipal Finance Act, or Public Act 279 of 1909, the Home Rule City Act.

- (u) Enter into agreements with other units of local government for the provision of City services.
- (v) Exercise the authority and responsibilities affecting the financial condition of the City as provided in Public Act 279 of 1909, the Home Rule City Act.

#### **Emergency Financial Manager Reports**

2. On a quarterly basis beginning by the 15th day of January 2010, the Emergency Financial Manager shall submit to the Local Emergency Financial Assistance Loan Board a compliance monitoring report. Each compliance monitoring report shall either confirm or deny that adequate accounting systems and management practices are in place and that each of the following has occurred:
  - (a) That revenues recorded in the most recent quarterly financial statements are fairly stated in all material respects on a modified accrual basis of accounting, except that in the case of the water and sewer fund, revenues recorded in the most recent quarterly financial statements shall be fairly stated in all material respects on a full accrual basis of accounting.
  - (b) That expenditures recorded in the most recent quarterly financial statements are fairly stated in all material respects on a modified accrual basis of accounting, except that in the case of the water and sewer fund, expenditures recorded in the most recent quarterly financial statements shall be fairly stated in all material respects on a full accrual basis of accounting. Accounts payable, vouchers payable, and accrued payrolls are to be included in the determination of expenditures.
  - (c) That all appropriate interfund transactions have been recorded in the financial records of the City.
  - (d) That the City is in compliance with its budget for the fiscal year on a year-to-date basis and that the budget has been amended as required by law.

- (e) That the reconciliation of bank accounts has been completed and appropriate adjusting journal entries have been made to the general ledger of the City.
- (f) That remittance of payroll taxes, pension payments, 401(k) payments, debt payments, and taxes collected for other governmental units were completed on a timely basis.
- (g) That cash flow reported for the most recent preceding month is fairly stated in all material respects.
- (h) That overtime is properly disclosed and recorded in the most recent quarterly financial report of the City.
- (i) That the original of all source financial documents have been properly retained and preserved and that the City is in compliance with all other legal requirements, except to the extent specified in the report.

**Employment Status of City Employees**

- 3. Beginning on the effective date of this Contract, any employee of the City whose position is not covered by a collective bargaining agreement is employed at the will of the Emergency Financial Manager.

**Bankruptcy Proceedings**

- 4. After written notice to the Local Emergency Financial Assistance Loan Board, the Emergency Financial Manager may authorize the City to proceed under Title 11 of the United States Code, Sections 101 to 1330, unless this authorization is disapproved by the Local Emergency Financial Assistance Loan Board within 60 days after the notice has been received by the Board. A notice to the Local Emergency Financial Assistance Loan Board shall include a determination by the Emergency Financial Manager that no feasible financial plan can be adopted that can satisfactorily resolve the financial emergency in a timely manner, or a determination

by the Emergency Financial Manager that an adopted financial plan, in effect for at least 180 days, cannot be implemented, as written or as it might be amended, in a manner that can satisfactorily resolve the financial emergency in a timely manner.

#### **Compensation**

5. The Emergency Financial Manager shall be entitled to compensation and reimbursement for actual and necessary expenses paid for by the City as approved by the Local Emergency Financial Assistance Loan Board as follows:
  - (a) For each whole month during which this Contract is in effect, \$11,000 per month during the term of this Contract.
  - (b) For any portion of a month if this Contract is terminated after the Emergency Financial Manager has provided services for a portion of the month, \$11,000 multiplied by the proportion which the number of days of the month for which services were provided bears to the number of days of the whole month.

#### **Staff Support**

6. Upon approval by the Local Emergency Financial Assistance Loan Board, the Emergency Financial Manager may appoint staff in addition to that otherwise authorized by law and secure professional assistance considered necessary to implement this Contract.

#### **Limitation upon Liability**

7. This State, the members of the Local Emergency Financial Assistance Loan Board, and the Emergency Financial Manager shall not be liable for any obligation of or claim against the City resulting from actions taken in accordance with the terms of this Contract. When acting under this Contract, the Emergency Financial Manager shall be deemed to be engaging in the exercise of a governmental function and shall be immune from liability for any action taken

which the Emergency Financial Manager reasonably believed to be within the scope of the Emergency Financial Manager's authority granted by statute or under this Contract.

**Cooperation with Emergency Financial Manager**

8. All City officials and employees shall cooperate fully with the Emergency Financial Manager and the obligation of City officials and employees to do so is not subject to release or discharge due to any contingencies, including, but not limited to, clerical errors, computer failures, late mailings, or the failure to comply with reporting due dates or other scheduled due dates due to adverse weather, acts of God, acts of third parties, or compliance with court orders. Elected officials of the City shall provide to the Emergency Financial Manager upon request the assistance and information necessary to permit the Emergency Financial Manager to discharge the duties pursuant to this Contract. The failure of an elected official of the City to comply with this provision shall be considered gross neglect of duty, which the Emergency Financial Manager shall report to the Local Emergency Financial Assistance Loan Board. Following review and a hearing with the elected official, the Local Emergency Financial Assistance Loan Board may recommend to the Governor that the Governor remove the elected official from office. If the Governor removes the elected official from office, the resulting vacancy in office shall be filled as prescribed by law.

**Limitation upon Taxation**

9. This Contract does not authorize the Emergency Financial Manager or the Local Emergency Financial Assistance Loan Board to impose taxes in addition to those already authorized by law without the approval at an election of a majority of the qualified electors voting on the question.

**Waiver of Provisions**

10. Unless otherwise prohibited by law, the Local Emergency Financial Assistance Loan Board

may waive a provision of this Contract if, in its sole discretion, the Local Emergency Financial Assistance Loan Board concludes that the Emergency Financial Manager has demonstrated good cause shown for the waiver. However, the lack of a specific action by the Local Emergency Financial Assistance Loan Board shall not be construed as a waiver of a provision of this Contract.

**Due Dates**

11. An order issued by the Emergency Financial Manager which requires a City official or employee to submit to the Emergency Financial Manager a report, information, or other document by a specific due date shall not be deemed complied with unless the report, information, or other document is received by the Emergency Financial Manager by the due date specified. If the due date for a report, information, or other document falls on a weekend or legal holiday, then the report, information, or other document shall be due on the first day thereafter which is not a weekend or legal holiday.

**Status of Emergency Financial Manager**

12. The Emergency Financial Manager shall serve at the pleasure of the Local Emergency Financial Assistance Loan Board and may be removed by the Local Emergency Financial Assistance Loan Board with or without cause.

**Duration of Contract**

13. This Contract shall remain in effect until such time as the Local Emergency Financial Assistance Loan Board recommends to the Governor that the conditions for revoking the declaration of a financial emergency in the City have been met and the Governor informs the Local Emergency Financial Assistance Loan Board that the recommendation has been accepted.

**Effective Date**

14. The terms of this Contract shall have immediate effect upon the signing of this Contract by the Emergency Financial Manager and the Local Emergency Financial Assistance Loan Board. Any amendment to or modification of this Contract by the Local Emergency Financial Assistance Loan Board shall have immediate effect upon its approval by the Local Emergency Financial Assistance Loan Board, unless the Local Emergency Financial Assistance Loan Board shall specify a different effective date, in which case the amendment or modification shall take effect on the date specified. An action, if any, taken by the Emergency Financial Manager after the date of her appointment by the Local Emergency Financial Assistance Loan Board but before the date upon which this Contract is signed shall be as valid as if the action were taken after the date that this Contract was signed.

**Delegation of Ongoing Supervision**

15. The Local Emergency Financial Assistance Loan Board may delegate to the State Treasurer responsibility for the day to day supervision of the Emergency Financial Manager.

**Measurement of Progress**

16. For purposes of measuring progress in resolving the financial emergency in the City, the Emergency Financial Manager shall adhere to and abide by the checklist a copy of which is appended to this Contract.

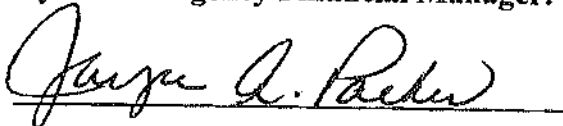
**Supplemental Employment**

17. The Emergency Financial Manager may engage in employment supplemental to her duties under this Contract, but only after serving written notice to that effect upon the Local Emergency Financial Assistance Loan Board and unless the Local Emergency Financial Assistance Loan Board disapproves any supplemental employment. The Emergency Financial Manager

shall not engage in supplemental employment which would constitute a conflict of interest with her duties under this Contract.

IN WITNESS WHEREOF, the parties have signed and executed this Contract on this 30th day of October, 2009.

**By the Emergency Financial Manager:**

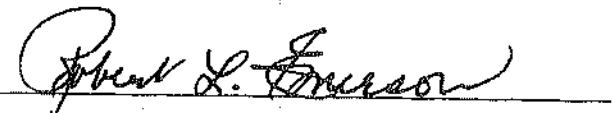


Joyce A. Parker

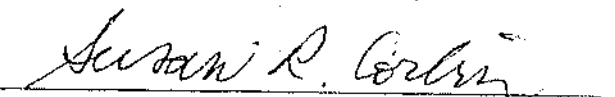
**By the Local Emergency Financial Assistance Loan Board:**



Robert J. Kleine, State Treasurer



Robert L. Emerson, State Budget Director, for  
Lisa Webb Sharpe, Director  
Department of Management and Budget



Susan Corbin, Deputy Director and Chief of Staff, for  
Stanley F. "Skip" Pruss, Director  
Department of Energy, Labor, and Economic Growth

g.) The following is the salary and benefits of the Emergency Manager.

<u>Salary</u>	<u>Benefits</u>
\$11,000 per month	No benefits

h) The following is the financial and operating plan as required under section 18.

**City of Ecorse  
Deficit Elimination Plan Assumptions  
September 2011**

Line Item	Assumption
Property tax - operating	Property tax reduction of 5% for 2012 and a 5% reduction for future years
Property tax - court judgments	Estimating \$500,000 of judgments will come through the City and need to be placed on the tax rolls for 2012. Estimating another \$200,000 will be placed on the tax rolls in 2013.
Property tax - court judgments	\$1,200,000 to be levied based on the judgment.
State shared revenue	30% reduction of Statutory in 2012 and an additional 10% reduction for future years.
Grant revenue	City received SAFER and COPS grant which will taper off in 2013.
Licenses and permits	City expects to increase license and permit fees by 20% in 2012.
Charges for services	Beginning in 2012, the City will bill for board ups and weed/grass cutting performed by the City on private property.
Fines and forfeitures	City is implementing a traffic detail which is estimated to bring in approx. \$100,000 per year. Two part time officers will be hired to perform this detail. The costs of the additional officers have been added to the Police expenditures.
Sale of property	In 2011, the City performed an inventory valuation. Unused equipment, machinery, and vehicles were taken to auction.
Ambulance Fee	City plans to privatize ambulance services beginning in fiscal year 2012. Privatizing ambulance services will reduce the need for at least four fire fighters. Two fire fighters retired in 2011 and one will retire in 2012. In addition one fire fighters has been let go. These four fire fighters will not be replaced. Estimated savings approx. \$100,000.
Admin fees to other funds	City reviewed total admin fees being charged to other funds. It was noted the City was under charging the Water Fund. Concluded to increase admin fees from \$300,000 to \$350,000. In addition, the Rubbish Fund has been assessed a \$74,000 admin fee.
Executive	In 2011 and 2012, the City has hired a lobbyist to assist in key legislation being passed. These costs will cease to exist after 2012.
District Court	The City of Ecorse and River Rouge have been ordered to consolidate the 26th District Court. In doing so, the City expects to save 50% of the Judge's salary and fringes and at least 10% of all other costs.
Information Technology	Expenses previously budgeted in the general department have been allocated to specific departments (such as Controller and Information Technology).
Treasurer	City expects to consolidate Treasurer services with the City of River Rouge. In the Spring of 2011, the Deputy Treasurer's position will no long exist and the Treasurer's clerk will be reassigned to the inspections department. City expects to split the cost of the Treasurer's department with River Rouge.
Building and grounds	Telephone expenditures were originally budgeted in the building and grounds department. These costs have been moved to the IT department. In addition, building lights actual expenditures are lower in 2011 than they were originally budgeted for in 2011. The City expects decreased costs for 2012 through 2015.
Attorney Department	As the City continues to adopt policies and procedures, it expects its lawsuits to steadily decrease, thus reducing outside attorney fees and judgment payouts.
Personnel	Expenses previously budgeted in the general department have been allocated to specific departments (such as Controller and Information Technology).
General Department	Expenses previously budgeted in the general department have been allocated to specific departments (such as Controller and information Technology).
Fire Department	Decrease in fire department is a result of two fire fighters retiring in 2011, one retiring in 2012 and one fire fighter being let go. The fire fighters will not be replaced. In addition, the department is utilizing part time reserves for staffing needs.

CITY OF ECORSE  
 DEFICIT ELIMINATION PLAN  
 FISCAL YEARS ENDED JUNE 30,

	Audited		Projected		Projected		Projected		Projected	
	2009	2010	2011	2012	2013	2014	2014	2015	2015	
<b>REVENUES</b>										
Property taxes - court judgments	\$ 6,319,580	\$ 6,494,746	\$ 5,285,334	\$ 4,840,055	\$ 4,598,052	\$ 4,368,150	\$ 4,149,742			
Property taxes - police & fire judgment levy	-	-	818,600	500,000	200,000	1,100,000	1,100,000	1,100,000	1,100,000	
Property taxes - bond judgment	1,185,405	1,264,008	1,429,800	1,200,800	1,100,000	766,850	765,830	764,230	764,230	
Property taxes - special assess under PA 33 of 1961	-	-	1,450,000	572,757	1,635,000	1,635,000	1,635,000	1,635,000	1,635,000	
State shared revenue	1,879,835	2,113,947	1,591,630	1,358,525	1,222,673	1,222,673	1,222,673	1,222,673	1,222,673	
Grant revenue	25,718	98,412	367,200	215,000	257,000	20,000	20,000	20,000	20,000	
Licenses and permits	159,410	513,736	187,650	218,560	218,560	218,560	218,560	218,560	218,560	
Cable franchise fees	96,236	95,462	95,600	95,000	95,000	95,000	95,000	95,000	95,000	
Charges for services	211,756	91,246	97,100	104,000	104,000	104,000	104,000	104,000	104,000	
Fines and forfeitures	664,848	572,947	571,000	671,000	671,000	671,000	671,000	671,000	671,000	
New technology fee charged on citations	-	-	19,000	19,000	19,000	19,000	19,000	19,000	19,000	
Interest income	15,122	3,885	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
Sale of city property	-	11,412	18,500	5,000	5,000	5,000	5,000	5,000	5,000	
Ambulance fees	270,153	282,220	275,000	-	-	-	-	-	-	
Insurance recoveries	-	61,562	2,217,500	477,500	477,500	477,500	477,500	477,500	477,500	
Administrative charges	-	274,000	353,500	195,040	191,040	191,040	191,040	191,040	191,040	
Other revenue	418,127	249,479	384,400	477,500	477,500	477,500	477,500	477,500	477,500	
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$ 11,246,190</b>	<b>\$ 12,127,062</b>	<b>\$ 15,166,634</b>	<b>\$ 12,112,237</b>	<b>\$ 11,565,675</b>	<b>\$ 10,897,752</b>	<b>\$ 10,677,745</b>			

**EXPENDITURES**

Legislative	\$ 339,975	\$ 144,527	\$ 48,712	\$ 54,840	\$ 54,834	\$ 54,834	\$ 54,834	\$ 54,834	\$ 54,834
District Court	541,341	497,969	495,546	394,246	394,246	394,246	394,246	394,246	394,246
Executive	-	105,563	159,938	178,230	160,729	160,729	160,729	160,729	160,729
Elections	-	41,791	35,000	31,500	31,500	31,500	31,500	31,500	31,500
Assessor	124,744	137,982	106,006	45,948	45,948	45,948	45,948	45,948	45,948
Clerk	236,056	142,435	71,335	119,718	119,718	119,718	119,718	119,718	119,718
Controller	340,643	390,839	264,929	327,589	327,589	327,589	327,589	327,589	327,589
Auditors	246,884	245,494	42,750	40,000	40,000	40,000	40,000	40,000	40,000
Information Technology	-	-	-	156,300	156,300	156,300	156,300	156,300	156,300
Treasurer	226,329	196,414	144,105	70,413	70,004	70,004	70,004	70,004	70,004
Building and grounds	1,329,376	468,911	457,800	214,262	214,262	214,262	214,262	214,262	214,262
Attorney	-	1,565,638	3,203,232	1,573,132	1,163,152	963,172	963,172	963,172	963,172
Personnel	-	42,349	84,289	233,700	234,136	234,136	234,136	234,136	234,136
General government	5,125,857	1,106,630	958,400	-	-	-	-	-	-
Police (See Note 1)	3,114,882	2,758,551	2,482,716	2,392,140	2,392,140	2,392,140	2,392,140	2,392,140	2,392,140
Additional Police reductions - see attachment	-	-	-	(561,344)	(561,344)	(561,344)	(561,344)	(561,344)	(561,344)

**CITY OF ECORSE  
DEFICIT ELIMINATION PLAN  
FISCAL YEARS ENDED JUNE 30**

	Audited 2009	Audited 2010	Projected Budget 2011	Projected Budget 2012	Projected Budget 2013	Projected Budget 2014	Projected Budget 2015
One time police payouts - see attachment	-	-	-	200,000	-	-	-
Fire (See Note 1)	2,206,961	2,139,447	2,108,329	1,824,915	1,752,620	1,752,620	1,752,620
Additional Fire reductions - see attachment	-	-	-	(1,001,207)	(1,001,207)	(1,001,207)	(1,001,207)
One time fire payouts - see attachment	-	-	-	285,762	-	-	-
Engineering & inspections	381,157	330,443	243,052	239,205	231,518	231,518	231,518
DPW	-	936,877	464,473	536,917	536,917	536,917	536,917
Streetslighting	-	294,700	410,000	377,200	360,800	346,450	328,000
Recreation and culture	181,194	366,082	281,429	173,403	173,403	173,403	173,403
Retiree health care	-	1,299,987	1,512,500	1,585,448	1,699,081	1,796,612	1,899,994
Debt service	-	24,700	1,456,600	912,676	1,175,500	1,174,480	1,172,880
<b>TOTAL GENERAL FUND EXP</b>	<b>14,395,399</b>	<b>13,227,329</b>	<b>15,031,934</b>	<b>10,404,992</b>	<b>9,771,845</b>	<b>9,654,046</b>	<b>9,737,419</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,149,209)</b>	<b>(1,100,267)</b>	<b>134,090</b>	<b>4,707,245</b>	<b>1,793,829</b>	<b>1,243,706</b>	<b>940,326</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Emergency loan proceeds	-	3,000,000	2,000,000	-	-	-	-
Chargeoff of Aged Water & Sewer Loan	-	-	5,364,934	-	-	-	-
Proceeds from judgment bond issuance	-	-	9,315,147	-	-	-	-
Judgments to be paid with bond proceeds	-	-	(2,081,000)	-	-	-	-
Bond issuance costs	-	-	(625,908)	-	-	-	-
Transfer to Water & Sewer	-	-	(187,775)	(187,775)	(187,775)	(187,775)	(187,775)
Transfer to Library - current operating subsidy	(269,581)	-	-	-	-	-	-
Transfer to Library - deficit subsidy	-	(380,227)	(59,635)	(62,437)	(62,437)	(62,437)	(62,437)
Transfer to Rubbish - deficit subsidy	-	-	(66,000)	-	-	-	-
Debt service - 2002 Budget Stabilization Bonds	(452,704)	(451,338)	(451,338)	(451,608)	(451,248)	(454,648)	(452,448)
Transfers In	199,646	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(522,639)</b>	<b>2,168,435</b>	<b>13,208,445</b>	<b>(701,820)</b>	<b>(701,460)</b>	<b>(704,860)</b>	<b>(702,660)</b>
<b>INCREASE (DECREASE) IN FUND BALANCE</b>	<b>(3,671,848)</b>	<b>1,068,168</b>	<b>13,342,535</b>	<b>1,005,425</b>	<b>1,092,369</b>	<b>538,846</b>	<b>237,666</b>
<b>BEGINNING FUND BALANCE</b>	<b>(9,270,026)</b>	<b>(13,067,467)</b>	<b>(13,506,614)</b>	<b>(164,059)</b>	<b>841,365</b>	<b>1,933,735</b>	<b>2,472,581</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>(125,593)</b>	<b>(1,507,315)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ENDING FUND BALANCE</b>	<b>\$ (13,067,467)</b>	<b>\$ (13,506,614)</b>	<b>\$ (164,059)</b>	<b>\$ 841,365</b>	<b>\$ 1,933,735</b>	<b>\$ 2,472,581</b>	<b>\$ 2,710,247</b>

City of Ecorse  
Fiscal Year Ending June 30, 2012 Final Approved Budget  
Summary of Annual Revenue and Expenditures

	General	Major Streets	Local Streets	Rubbish	Drug Enforcement	Justice Training	Library	Community Development Block Grant	Debt Service	Water and Sewer
<b>Revenues</b>										
Property taxes	\$ 6,165,855	\$ -	\$ -	\$ 583,300	\$ -	\$ -	\$ 58,365	\$ -	\$ -	\$ 700,000
Special Assessments	1,500,000	-	-	-	-	-	-	-	-	-
State shared revenues	1,358,525	370,260	137,650	-	-	-	3,500	-	-	-
Grants	348,000	-	-	-	-	-	-	338,597	-	-
License and permits	218,560	-	-	-	-	-	-	-	-	-
Charges for services	479,000	-	-	-	-	-	-	-	-	4,063,500
Fines and forfeitures	590,000	-	-	-	10,000	-	29,100	-	-	-
Interest Income	5,000	250	250	-	-	-	-	-	100	17,300
Administrative fees	425,091	-	-	-	-	-	-	-	-	-
Other Revenue	200,040	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>11,290,071</b>	<b>370,510</b>	<b>137,900</b>	<b>583,300</b>	<b>10,000</b>	<b>-</b>	<b>90,965</b>	<b>338,597</b>	<b>100</b>	<b>4,780,800</b>
<b>Expenditures</b>										
Legislative	27,330	-	-	-	-	-	-	-	-	-
District Court	503,489	-	-	-	-	-	-	-	-	-
Executive	178,230	-	-	-	-	-	-	-	-	-
Elections	31,500	-	-	-	-	-	-	-	-	-
Assessor	55,700	-	-	-	-	-	-	-	-	-
Clerk	109,750	-	-	-	-	-	-	-	-	-
Controller	256,190	-	-	-	-	-	-	-	-	-
Auditor	40,000	-	-	-	-	-	-	-	-	-
Information Technology	157,600	-	-	-	-	-	-	-	-	-
Treasurer	75,071	-	-	-	-	-	-	-	-	-
Building Maintenance	218,920	-	-	-	-	-	-	-	-	-
Attorney	1,073,132	-	-	-	-	-	-	-	-	-
Personnel	233,700	-	-	-	-	-	-	-	-	-
Police	2,392,140	-	-	-	4,094	-	-	-	-	-
Fire	1,824,915	-	-	-	-	-	-	-	-	-
Inspections	239,205	-	-	-	-	-	-	-	-	-
Department of public works	541,155	192,176	126,865	583,300	-	-	-	-	-	-
Street Lighting	408,000	-	-	-	-	-	-	-	-	-
Recreation and culture	17,465	-	-	-	-	-	155,970	-	-	-
Senior Citizens	50,250	-	-	-	-	-	-	-	-	-
Community development	80,690	-	-	-	-	-	-	321,000	-	-
Marina	25,000	-	-	-	-	-	-	-	-	-
Retirement	1,533,500	-	-	-	-	-	-	-	-	-
Water and Sewer	-	-	-	-	-	-	-	-	-	4,147,454
Debt Service	423,650	-	-	-	-	-	-	-	451,708	942,570
<b>Total Expenditures</b>	<b>10,496,582</b>	<b>192,176</b>	<b>126,865</b>	<b>583,300</b>	<b>4,094</b>	<b>-</b>	<b>155,970</b>	<b>321,000</b>	<b>451,708</b>	<b>5,090,024</b>
<b>Other Financing Sources (Uses)</b>										
Operating transfer from other funds	-	-	185,130	-	-	-	62,437	-	451,608	-
Operating transfer to other funds	(514,045)	(185,130)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(514,045)</b>	<b>(185,130)</b>	<b>185,130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,437</b>	<b>-</b>	<b>451,608</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>279,445</b>	<b>(6,796)</b>	<b>196,165</b>	<b>-</b>	<b>5,906</b>	<b>-</b>	<b>(2,568)</b>	<b>17,597</b>	<b>-</b>	<b>(309,224)</b>
<b>Estimated fund balance (deficit) June 30, 2011</b>	<b>(12,074,506)</b>	<b>1,317,719</b>	<b>278,425</b>	<b>-</b>	<b>(5,906)</b>	<b>2,174</b>	<b>2,568</b>	<b>(17,597)</b>	<b>227,139</b>	<b>18,932,568</b>
<b>Fund balance (deficit) June 30, 2012</b>	<b>\$ (11,795,061)</b>	<b>\$ 1,310,923</b>	<b>\$ 474,590</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,174</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 227,139</b>	<b>\$ 18,623,344</b>