



City of Grand Rapids, Michigan

OFFICE OF THE MAYOR

GEORGE K. HEARTWELL
MAYOR

July 28, 2009

House Speaker Andy Dillon
P.O. Box 30014
Lansing, MI 48909-7514

Honorable Speaker Dillon:

I am writing to endorse the proposal you put forward for the significant reform of Michigan's antiquated system for providing health care benefits to public sector employees and retirees. I welcome the boldness of the approach that could dramatically improve the financial situation of the state, local governments, and schools.

I believe that the effort to control costs of health care is only one element – albeit a significant one – in a larger plan to reform governmental structure and financing in Michigan. The issue of Other Post Employment Benefits (OPEB) is critically important to us. The amendments to the Intergovernmental Cooperation Act and other acts to remove barriers to cooperation and consolidation of local services are essential. Fixing one problem while leaving others open will not lead to sustainable solutions.

The City of Grand Rapids has worked to achieve long term, sustainable cost reductions to try to ensure that costs do not return to their prior level rapidly within a year or two of the reduction. Our goal has been to change the arc of the cost curve over the long term. The same should be sought in this plan, otherwise costs could increase rapidly to their former levels.

I stand ready to assist with you with your efforts and look forward to developing the bill package with you.

Sincerely,

George K. Heartwell

- c. Eric DeLong, Interim City Manager
Haris Alibašić, Acting Assistant to the City Manager