

**MINUTES OF THE
AD HOC COMMITTEE TO REVIEW DROP**

THURSDAY, JUNE 25, 2009

At a meeting of the **Ad Hoc Committee to Review DROP**, held Thursday, June 25, 2009, in the Board Room, on the 9th Floor of the Administration Building, Mount Clemens, the following members were present:

Tocco-Chair, Brdak, Doherty, D. Flynn and Vosburg.

There being a quorum of the committee present, Chair Tocco called the meeting to order at 9:09 a.m.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

AGENDA

MOTION

A motion was made by Brdak, supported by Vosburg, to adopt the agenda, as presented.

Chair Tocco asked if there was any objection to moving the agenda around; Mr. Diegel will not be in until 10 a.m. Therefore, his agenda items would be put at the end of the agenda and the ad hoc committee would hear from Ms. Wendy Fisher and then Corporation Counsel. There were no objections.

Chair Tocco called for a vote on the motion, as amended, and **The Motion Carried.**

PUBLIC PARTICIPATION

The following individual addressed the Board:

Anita Garr, 52208 Giuliano Lane, Macomb

REPORT FROM WENDY FISHER REGARDING DROP STATISTICAL DATA

Contained within committee packets was the following information: DROP Statistical Data; Macomb County DROP List 5 years Ends 2010 (Non Union and Sheriff only); Macomb County DROP List 5 years Ends 2011; Macomb County DROP List 5 years Ends 2012; and Macomb County DROP – Already Retired.

Ms. Fisher gave a brief overview of the information provided in committee packets.

The following commissioners spoke: Doherty, Vosburg and Tocco.

MOTION

A motion was made by Vosburg, supported by Doherty, to receive and file the report provided by Ms. Wendy Fisher regarding DROP statistical data. **The Motion Carried.**

After the vote, the following commissioners spoke: Doherty and Tocco.

CORRESPONDENCE FROM CORPORATION COUNSEL REGARDING DROP PARTICIPANTS

Contained within committee packets was a one-page memorandum dated June 17, 2009 from Mr. George Brumbaugh regarding DROP Participants.

Ms. Jill Smith was present to answer questions.

The following commissioners spoke: Doherty, Brdak, D. Flynn, Vosburg and Tocco.

MOTION

A motion was made by Vosburg, supported by D. Flynn, to receive and file the June 17, 2009 correspondence from Corporation Counsel regarding DROP participants. **The Motion Carried.**

After further discussion relating to the one-page memorandum that was prepared by Mr. Brumbaugh, the following action was taken:

MOTION

A motion was made by D. Flynn, supported by Doherty, to direct Ms. Wendy Fisher and Corporation Counsel to send the survey to be anonymously answered to all employees currently in the DROP Program and to gather this data as soon as possible. **The Motion Carried.**

(Note: Laptop system shutdown. No Audacity recording was able to be saved.)

The following is a list of requested information during today's discussion:

Commissioner Doherty asked that Ms. Fisher contact Jacksonville, FL and Houston, TX police and fire retirement systems (administrators and trustees) to get historical changes made to their DROP Programs and the net effect of any of those changes on the workforce behavior.

Commissioner Doherty asked that a copy of the DROP Policy be placed on the next agenda of this ad hoc committee.

Commissioner Doherty asked Ms. Smith if she could do a discussion group with DROP participants on a voluntary basis. Ms. Smith said that she will check and get back with her.

Commissioner Doherty asked Corporation Counsel to draft language for an alternative election under the DROP for interest accrual and mandatory separation of employment at the end of the DROP period.

Commissioner Doherty asked Mr. Doug Fouty to provide information regarding DROP candidate positions that are statutorily required.

Since Mr. Diegel had not yet arrived, Chair Tocco asked what the wishes were of this ad hoc committee.

MOTION

A motion was made by D. Flynn, supported by Doherty, to receive and file Mr. Diegel's report regarding DROP Provision Cost/Savings and to postpone his oral presentation regarding Actuarial Report. **The Motion Carried.**

NEW BUSINESS

Commissioner Doherty asked if there was a date set for the next meeting of this ad hoc committee. Chair Tocco said that she will speak with Mr. Diegel as to when the actuarial reports will be available.

Commissioner Doherty thought that it would be good for this ad hoc committee to meet in the evening when employees in the DROP might be able to attend. Chair Tocco thought it was a good idea.

Commissioner D. Flynn asked if a communication was sent to non-union employees advising them that the DROP Program has been suspended. Ms. Fisher said that no letter has gone out. Commissioner D. Flynn thought it would be a good idea to send correspondence out that the County Board has just suspended, but not terminated, the DROP Program to non-union employees.

After further discussion, the following action was taken:

MOTION

A motion was made by D. Flynn, supported by Doherty, to request that the Board Chair issue a correspondence to non-union employees advising them of the action that the Board took regarding suspending the DROP Program.

A **friendly amendment** by Commissioner Doherty was accepted as follows: "To send the correspondence to those non-union employees within five years of retirement."

It was suggested that, if possible, this correspondence be e-mailed to employees that have access and hard copies to those who don't.

Chair Tocco called for a vote on the motion, as amended, and **The Motion Carried.**

Since Mr. Diegel had arrived, the committee agreed to receive and file his report and reconsidered the postponement of his oral report, if they heard the report today.

REPORT FROM DAVID DIEGEL REGARDING DROP PROVISION COST/SAVINGS

Contained within committee packets was a one-page outlined letter dated June 11, 2009 from Mr. Diegel regarding DROP Provision Cost/Savings, along with excerpts from the 2006 Retiree Health Care and Pension Valuations as prepared by our Actuary.

Mr. Diegel gave a brief verbal presentation.

UPDATE BY DAVID DIEGEL REGARDING ACTUARIAL REPORT

Mr. Diegel said that the health care actuarial report will be available at the end of July and the pension portion of that actuarial report at the end of June and that members of this ad hoc committee will be invited to the Health Care Board meeting to hear discussion with the actuary regarding both reports.

MOTION

A motion was made by Doherty, supported by Vosburg, to receive and file the Finance Director's June 11, 2009 correspondence regarding the DROP Provision and the update by Mr. David Diegel regarding Actuarial Report. **The Motion Carried.**

PUBLIC PARTICIPATION

Mr. Tom Kalkofen spoke on the payment of interest on DROP account and statutorily mandated positions.

ADJOURNMENT

MOTION

A motion was made by Vosburg, supported by D. Flynn, to adjourn the meeting at 10 a.m. **The Motion Carried.**

Denise M. Jacks
Committee Reporter