





GENESEE COUNTY
BOARD OF COMMISSIONERS

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As promised, this update is the next in our series to keep you informed regarding our efforts in the extremely important area of retiree healthcare. We want to let you know firsthand the status of that work to give you an opportunity to interact and to dispel any misunderstandings as soon as possible. Many of you are familiar with our VEBA dedicated website:

https://www.gc4me.com/departments/board_of_commissioners_1/veba_information.php

We encourage you to visit that site to view the information that is available. You will find County contact information, relevant VEBA meeting presentations, retiree correspondence, and public meeting notices. We have posted the most recent (March 30, 2020) work plan from Plante Moran, our consultants on retiree healthcare.

Our last letter stated that we are actively seeking solutions to address very significant budget challenges. The pandemic has certainly aggravated our plight. During this crisis, adequate healthcare could mean the difference between life and death. We are committed to finding responsible healthcare options for our retirees. We have continually emphasized that we do not want to harm our retirees. We are committed to, and we must find, equitable options for healthcare while continuing to serve the citizens of Genesee County.

Some of you may have attended Plante Moran's presentation regarding County health care strategies. As mentioned above, that presentation is available on our website. Plante Moran recommended that simply pooling all of our retirees together and bidding out a set of standard plans could yield savings upwards of \$3 million dollars annually. The impact on retirees, as their presentation shows, is minimal. Current rates of annual premiums might remain the same, while deductibles might increase in the 3-5% range.

We want to stress this point; at this moment we do not know and have not made any decisions about what our future plan will be. We'll review all of our options before making any final decision.

In March, the Board hired Plante Moran to advise us for both active and retired beneficiaries. By taking a holistic approach, we believe that health resources will be maximized. Plante Moran will be developing our medical plan strategy, design, assist in vendor procurement and provide ongoing assistance for both active and retired users of healthcare.

Historically, we have treated active employees and retirees' groups as separate risk pools. This diffuse strategy has wasted millions of dollars. This Board has made the politically difficult decision to address this issue now in order to sustain benefits into the future.

Initially, Plante Moran will be hyper-focused on developing plans for our retiree groups. Our hope is that we will review designs of plans by late July. As has consistently been done throughout this process, we will discuss these plans in an open forum. We are committed to your access and to your ability to be heard during these discussions. We encourage your participation. As those dates approach, likely in September, we will communicate with you via letters, emails, and notices on our website. You will also be able to attend these meetings either in person or via the internet.

We hope to have new plans in place by January. Though we have set a goal of January 2021, if the plans do not meet our needs, we will continue working until we get it right.

The pandemic has made our situation even more urgent. Our Department of Fiscal Services compared year over year revenue. Because of lost economic activity, Genesee County is about \$1.5 million lower in revenue this year. The State of Michigan, which contributes over \$10 million in state revenue sharing to Genesee County, projects a budget deficit of nearly \$3 billion. Revenue sharing is negotiated in the State budget and approved by statute in the annual State budget bill. The amount of County revenue sharing is negotiated year to year. We expect that the State will reduce revenue sharing dollars to counties in this current budget year. Next year looks worse. We must plan for that now.

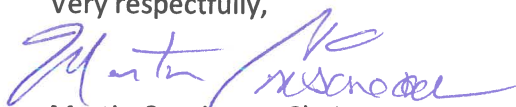
Last month the Board of Commissioners temporarily laid off nearly 150 employees in an effort to reduce expenditures in anticipation of reduced revenue. This Board continues to work hard to reduce costs. No stone will be unturned.

We are assessing County buildings, looking for ways to consolidate facilities. As many of you know, having worked in these buildings, the obsolescence is considerable. Buildings are outdated, often underutilized and too costly to operate. We will address these inefficiencies.

These are truly unprecedented times. After the holidays, the pandemic came upon us and the state of emergency it caused, has dominated our work. Genesee County has focused on our residents and has delivered the services that they need. Our Emergency Operations Center worked non-stop gathering and distributing personal protection equipment to first responders and healthcare providers. Our Health Department traced those who have been infected. Every County department learned to operate in new ways. Every county employee contributed. I am proud of the work that we are doing.

As always, should you have any questions, please do not hesitate to reach out to our office. We are more than happy to talk with you and give you any information that we have.

Very respectfully,



Martin Cousineau, Chairman
Genesee County Board of Commissioners