RESOLUTION 16-44

ST. CLAIR COUNTY BOARD OF COMMISSIONERS
RETIREE 13TH CHECK

WHEREAS, in 2007, the St. Clair County Board of Commissioners received a presentation from the then County Administrator, Shaun Groden, recommending the establishment and administration of a Retiree 13th Check Program (the “Recommendation”), and

WHEREAS, Mr. Groden’s presentation of the Recommendation was as follows: “In any given year a 13th check will be distributed to retirees in an amount not to exceed the cost-of-living adjustment given to existing employees as negotiated and approved by the Board of Commissioners (i.e., if active employees receive a 2% cost-of-living adjustment, the 13th check paid to retirees can be at most 2% of their annual pension). A retiree will be eligible for the 13th check if they have been retired for at least 5 years as of the calculation date. The calculation date will be the previous December 31 (for example, in order to determine if a 13th check can be paid during 2007, the reserve will be calculated as of December 31, 2006).”, and

WHEREAS, Mr. Groden’s presentation of his Recommendation further detailed that: “A separate reserve fund will be maintained within the Retirement System assets to pay for the 13th checks. The reserve fund will be determined as follows: In a given year, if the Retirement System earns more than 7.5% on the actuarial value of assets, half the surplus will be segregated in the reserve fund. The 7.5% is the assumed long term rate of return on the assets of the Retirement System. This reserve fund will be maintained from one year to the next by increasing it when investment returns exceed 7.5% and decreasing it when investment returns fall below 7.5% and decreasing it by the 13th check payments in years when a payment is made. As long as the reserve is positive, a 13th check payment will be made in a given year.”

WHEREAS, the County Board of Commissioners voted to accept Mr. Groden’s recommendation, and

WHEREAS, the County Board of Commissioners did not pass a resolution or ordinance amendment establishing the Recommendation as a program; and

WHEREAS, from 2007, the Board of Trustees of the Retirement System has followed with the provisions of the Recommendation as detailed by former County Administrator Groden, and

WHEREAS, the Board of Trustees’ Actuary has computed payments based on the Recommendation since 2007, and the Board of Trustees has made payments, when all of the Recommendation’s requirements were met.
RESOLVED that the County Board of Commissioners hereby determines that no further resolutions of the Board of Trustees in following Mr. Gorden's recommendation as presented in

Resolutions since 2007, and be it further

Acknowledges that the Board of Trustees has properly administered and followed the

NOW, THEREFORE, BE IT RESOLVED that the County Board of Commissioners