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Mr. Chairman, members of the Committee I want to thank you for the opportunity to address you regarding this very important issue.

My name is Don Taylor I retired from the City of Detroit as a Police Officer in 1998 after 26 years of service. I am also the President of the Retired Detroit police & Fire Fighters Association, (RDPFFA) which represents approximately 7000 retired Detroit police officers and fire fighters, and their surviving spouses. The RDPFFA has been representing Detroit police & Fire retirees for over 50 years. We maintain a full time office, e-mail system with around 3000 retirees participating, monthly meeting attended by approximately 400 retirees each month. In short we have regular contact with retirees and hear their concerns and fears regarding issues that affect their livelihoods.

As the city works its way through this bankruptcy process, I can tell you one of the most prevalent concerns, is the uncertainty all retirees are facing. What's going to happen to their pensions and healthcare? I know as a retiree myself I have seen my monthly healthcare cost increase by over \$900 a month starting on March 1st.

Many retirees are facing far more drastic increases in healthcare cost then I am. If you add additional loses of their pension income many retirees will face some difficult decisions, some may have to choose between paying their regular monthly bills or their medical expenses.

The RDPFFA was the first group to endorse the Plan of Adjustment (POA) the Board of Directors did so knowing that many of our members would not agree with the decision, but as elected representatives of police & fire retirees we felt this was in the best interest

of retirees, the city of Detroit and the State of Michigan. We knew we were giving up our constitutional protected pensions. However, we did not feel it would serve the interest of anyone other than attorneys for us to engage in a long, expensive legal battle over the legal guarantee. And victory for ourselves years from now, but at what cost to our City and State? That type of victory would be hollow.

Just a few years ago retired police and fire fighters were guaranteed life time healthcare benefits for themselves and their spouse in a decision from a Michigan Court. (Weiler vs City of Detroit) and we have all always been told that the Michigan Constitution protected our pensions. Yet the RDPFFA and it's members have stepped up to endorse a plan that takes away these benefits that were guaranteed to be there for the risk of our lives.

We did so because we realize that to do otherwise would result in far more financial damage not only to retirees, but also to the city, the region, and the state. If we allow for the complete collapse of the City of Detroit, it will have a negative economic impact on the rest of the region and across the state that I don't want to imagine.

So as retirees personally affected by the bankruptcy are agreeing to make personal sacrifices, that would allow for what could be considered a compromise on what I believe was the intention of the citizens of Michigan, when they agreed to amend the State Constitution to protect public employee pensions. Although the legislation does not fully protect pensions, it does provide some level of protection.

Some may question if retirees are sacrificing enough, let's take a minute to look at that. Retiree healthcare coverage was worth approximately 4 billion dollars and retirees are dropping their claim for a note worth 450 million. Pension claims are approximately 3.5 billion, and retirees are dropping their claim for the "Grand Bargain" approximately 820 million. So in all retirees will lose over 6 Billion dollars in benefits they earned over their life time, including our constitutionally protected pensions.

We have stepped up to assist the City of Detroit in its economic recovery and give the citizens of the City a new chance to prosper and move the city forward. We ask for your support as we all work together to resolve these issues. We ask that you support of the pending legislation before you.

Don Taylor

Detroit Police Retiree & President of the RDPFFA

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