

JEFFERSON COUNTY COMMISSION



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STATEMENT TO JEFFERSON COUNTY'S EMPLOYEES

As you probably know by now, Jefferson County (the "County") filed a petition for relief under Chapter 9 of the United States Bankruptcy Code on November 9, 2011, with the U.S. Bankruptcy Court here in Birmingham. The County has sought relief under Chapter 9 so that it can pursue a plan of readjustment of its debts under the protection of the federal bankruptcy laws.

Chapter 9 of the Bankruptcy Code was established to protect governments from the interruption of their essential governmental services. Unlike other chapters of the Bankruptcy Code that are applicable to individuals and businesses, Chapter 9 provides that only the governmental entity can propose a plan to resolve the financial issues confronting the government.

It is the County's intent to commence its debt restructuring plan negotiations promptly and to emerge from Chapter 9 as soon as reasonably practicable.

It is critical to the County's restructuring efforts that it maintain its relationships with its current employees and honor its obligations to them. The County depends upon its employees to provide the services essential to the health, welfare, and protection of the County's residents. Accordingly, payroll checks will continue to be issued by the County on their regular schedule, and the filing of the bankruptcy petition itself does not alter employee benefits.

The County recognizes the hard work and commitment of its employees and the tremendous service you provide to our community. The past few years have been filled with challenges, and the County's employees have risen to the occasion each time. The County appreciates the contributions that you have made and continue to make. We thank each of you in advance for your continued efforts as the County works to finalize its long-term financial restructuring plan and emerge from Chapter 9.

Tony Petelos
Chief Executive Officer