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OCT 17 2002

WORK FORCE TRANSITION

October 15, 2002

Mr. James Houck
Michigan Department of Career Development
210 N. Washington
Victor Bldg – 5th Floor
Lansing, MI 48913

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MDCD-OWD

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WORK FORCE TRANSITION

Re: Magna – Lakeland Operation

Dear Mr. Houck:

Magna Donnelly will be permanently discontinuing Magna - Lakeland production operations at its entire facility located at 5030 Kraft Avenue, Grand Rapids, MI 49512 and 4185 44th Street SE, Grand Rapids, MI 49512. As a result of this cessation of operations, 414 employees will be impacted. The employee population at this facility is comprised of 333 non-unionized production and maintenance employees and 81 office staff. Approximately two thirds of the total employee population will be offered positions at the Magna Donnelly – Grand Haven, Michigan operation with some additional office personnel being offered positions at other Magna Donnelly sites in West Michigan. Support incentives, including financial assistance for relocation, business completion incentives and severance are being offered to all impacted employees in order to aid them in their move to new careers, either within or outside of Magna Donnelly, and ensure an orderly business transition.

A listing of the job titles of positions affected and the number of affected employees in each job classification has been prepared and is enclosed. Also enclosed is a listing of the Transition Support Programs that are being offered to all affected employees to aid them through this transition.

I regret to have to bring you news of this facility closing. Please contact me if you have any questions or require additional information at the number listed below.

Sincerely,

Magna Donnelly

Rich Stover
General Manager
(616) 656-6314

enclosure

**Magna – Lakeland Plant Closure
Positions Impacted Listing
10/14/2002**

The following list details the job titles of positions affected and the number of affected employees in each job title which are being impacted by the closure of the above plant. Approximately 2/3 of these employees will be given employment options at either the Magna Mirrors –Lowell, MI facility or the Magna Donnelly – Grand Haven, MI facility.

<u>Job Title</u>	<u># of Employees</u>
Production & Maintenance Classifications:	
Assembler	156
Quality Auditor	7
Shipping/Receiving	22
Paint Support	65
Painter	35
Maintenance	11
Office Positions:	
Supervisor	20
Engineer	19
Finance	8
Quality	10
Human Resources	3
Materials	9
Administrative Support	4
Total	369

Note: In addition, 45 employees have already been made and accepted offers at the Magna – Lowell, MI facility.



Magna – Lakeland Transition Support Program Overview October 15, 2002

Program Goal: To help employees move with the business to Grand Haven or move to new career opportunities and support an orderly business transition.

Recognizing that this will be a difficult transition process, it is the intent of Magna Donnelly to provide a wide range of programs to assist each employee through the process. An overview of these programs follows:

- 1) **Career Transition Support:**

Options for placement opportunities at Magna Donnelly – Grand Haven, or support to obtain new career opportunities where placement within the Grand Haven operation is not possible, will be provided. The details for each individual are being provided in writing through individualized packets being distributed today and tomorrow. In general, the following support options will be reviewed:

 - A) **Comparable position in Grand Haven including training and relocation financial support**
\$100 travel stipend per week for 8 weeks
\$2,000 training support (\$1,000 after 2 months, balance after 6 months)
 - B) **Business completion financial incentives for those who are offered and decline a position with Magna Donnelly – Grand Haven**
\$2,000 for hourly and \$4,000 for salaried employees
One month company-paid COBRA
 - C) **Severance and outplacement support where no comparable position is available.**
One week of severance for each year of service at a minimum of 6 weeks
One week of paid COBRA for each year of service at a minimum of 6 weeks
Outplacement support
Prorated attendance and bonus payments where applicable
- 2) **Transition Support Team:**

A Transition Support Team will be established including team members from various levels and departments. This team will meet frequently throughout the transition timeframe to help balance employee and business needs and assist in communications to all employees. Volunteers for this team will be accepted over the next couple of weeks.
- 3) **Grand Haven Plant Tours and Relocation Support:**

An opportunity for employees to visit the Grand Haven operation will be provided prior to final decisions on transfers. Additionally, information regarding the community and relocation resources will be provided to those who are considering moving to the Grand Haven area.
- 4) **Ongoing Communication Meetings:**

Team meetings will be utilized to update employees as we work through the transition period. We will provide regular updates on move schedules, support program specifics, answers to employee questions, etc. and will supplement the meetings with the sharing of written materials posted in the Communications Center.
- 5) **Career Counseling and Outplacement Support:**

Resources will be made available to provide career and personal counseling. EAC, our Employee Assistance Program provider, will be available to work with individual employees and/or groups of employees. Outplacement support will also be provided. State-sponsored programs supporting training and re-employment will also be investigated and offered as available.