

## **AUGUST 2017 LEGISLATIVE AND LEGAL UPDATE**

### **Great News – Part I:**

As of the release of this update, through the lobbying efforts of the Wayne County Retirees' Association and the Wayne County Retirees' Subchapter 38 AFSCME's efforts, members of the Wayne County Board of Commissioners have, over Warren Evans' strong objections, introduced an amendment to the upcoming 2017-2018 budget appropriations to provide for (2) increases in retiree benefits. The (2) appropriation measures are as follows:

#### **A). Increase in Medicare Stipends:**

The Wayne County Retirees' Association and the Wayne County Retirees' Subchapter 38 AFSCME have been instrumental in having an amendment introduced to the upcoming 2017-2018 budget which would increase the stipend paid to Medicare eligible retirees from \$130.00 to \$150.00 per month. We will first have to obtain enough votes in the Ways and Means Committee to have this appropriation included in the upcoming budget in order that it can be passed on to the full Board of Commissioners. We will post a notice on both websites advising you as to the time and date that this budget appropriation will be taken up by the Commissioners.

#### **B) Payment to Assist in Making Payments for the High Deductible Blue Cross/Blue Shield Plans:**

In addition to an increase in the Medicare stipend, we have been able to have an amendment to the upcoming budget introduced, which will pay our retirees who

are considered “mirror” retirees. As you are aware when Evans forced the active employees on January 1, 2016, to be covered by the high deductible Blue Cross/Blue Shield Plan and which require deductibles of \$600.00 for an individual; \$1,300.00 for a (2) person and \$2,600.00 for a family plan as the first dollar deductible.

In January 2016, Evans gave active employees a \$1,000.00 cash payment which could be paid into the active employees’ Health Savings Account (HAS) and in June 2017, Evans gave active employees an additional \$1,000.00 cash bonus which would allow employees to have the cash bonus paid into their Health Saving Account (HAS).

The proposal sponsored by the Wayne County Retirees’ Association and Wayne County Retirees’ Subchapter AFSCME calls for the same payment. This payment will be set up to be deposited into a retirement healthcare account which will have to be set up by the County or in which the existing account for the payment of stipends can be used.

Here again, go to our website to find out when these issues are going to go before the subcommittee of the Board of Commissioners, the Ways and Means Committee of the Board of Commissioners and the full Board. We will need you to show up and provide the leadership of your retiree organizations

with your support. As soon as we know who the sponsors are of these (2) appropriation issues, we will post them on our website and we would request that you call and thank these individual Commissioners for their support.

## **Great News – Part II:**

The leaders of your retiree organizations are pleased to advise you that Warren Evans' attempt to grab control of the \$1 billion dollars of assets in the retirement system by way of placing his handpicked Retirement Board members on the Retirement Board, has been rejected by the Wayne County Circuit Court.

As you will recall in February of 2016 when a small group of retirees with the support of Subchapter 38 AFSCME formed the Wayne County Retirees' Association, we filed a lawsuit in the Federal Court; included in the lawsuit was the retirees' request to block Evans from taking control of the assets of the retirement system, by way of allowing him to appoint his own representatives to the Retirement Board and removing (1) of our (2) retiree representatives.

Judge Smith of the Wayne County Circuit Court ruled, just as we argued in our Federal court case, that the Wayne County Charter forbid Evans from making changes to the Retirement Board; therefore, having control of the \$1 billion-dollar retirement assets. This is the great victory for retirees who have banded together to fight Evans, in everything he is trying to do, in driving us into poverty.

Evans stated in 2015, when he became County Executive, that the changes he was going to make Union employees and retirees benefits would be “draconian” in nature. Nothing else needs to be said about how Evans felt about retirees.

We assume this matter will proceed to the Court of Appeals and the existing Retirement Boards’ law firm, will have to defend this great victory on behalf of the retirees and the Retirement Board. Our organizations will file a Motion requesting to be allowed to file an Amicus Brief on behalf of the Retirement Board.

### **Part III - Evans Lied to the Unions and Retirees When He Publicly said in 2015 After Taking Office that the County Was Broke.**

In a report issued in June 2015, Marcella Cora, the Auditor General for the Wayne County Board of Commissioners issues a report in which she stated:

***“With regard to the credit net budgeted change in fund balance of negative 18.9 million, this was a result of Delinquent Tax Revolving Fund (DTRF), monies having been included in the budget, but subsequently not transferred at the request of the incoming Administration (see discussion below on deficit condition).***

***Had the \$78 million in DTRF funds been transferred in 2014, the net budget change in fund balance would have been a positive \$13 million for FY 2013-2014.***

***The IR indicates the only restricted fund deficit peaked at \$156.4 million in 2013 and was reduced to \$82.8 million in 2014. Reduction in the accumulated deficit are primarily due to transfers from the DTRF.”***

Therefore, it is clear that Evans' term of office started with fraud and deceit.

**Part IV - Three (3) grievances slated for arbitration are now in the Court of Appeals.**

As previously reported there are (3) grievances which are the subject matter of litigation now before the Court of Appeals; the (3) grievances are as follows:

1. A grievance requiring an arbitrator to rule, under the provisions of the Retirement Ordinance which is incorporated into each Collective Bargaining Agreement, to fund the pension system. Presently the County has, at a minimum, (2) statutory mills which the citizens have not been requested to approve;
2. A grievance demanding arbitration as to the County taking the \$43 million dollars from the Retirement Equity Fund to pay the 13<sup>th</sup> check. Here again, AFSCME through Local 3317 filed a grievance when the Evans' administration took the \$43 million dollars awarded the Court and used the money to pay the County's retirement contribution to the 2014-2015 fiscal year; at the same time, presented an Ordinance to the County Commission to eliminate the 13<sup>th</sup> check, without bargaining that change with the Union, as ordered by the Employment Relations Commission;
3. A grievance requiring the County to provide medical insurance to retirees who retired on a duty and non-duty disability pension. Here again, the Michigan Court of Appeals ordered the County to go into arbitration on this issue. The County took the matter back

to the Circuit Court along with the other (2) grievances and the County is now at the Court of Appeals on these (3) grievances.

United We Stand,

Jim Akhtar