



# WAYNE COUNTY RETIREE SUB-CHAPTER 38

## WE MAKE MICHIGAN HAPPEN

**Ronald Yee**  
*President*

**Gilbert J. Cox**  
*Vice-President*

**Hugh S. Macdonald**  
*Secretary Treasurer*

**Mary Etta Kreklau**  
*Recording Secretary*

**Douglas Wadlin**  
*Sergeant-At-Arms*

**Richard Noelke**  
**John McCall**  
**James Sockolosky**  
*Executive Board*

**Faith Cairgle**  
**Charles Parker**  
**Jerry Smith**  
*Trustees*

### Executive Board Meeting

January 9, 2018

The meeting was called to order at 11:00 AM by President Yee, and was opened with the Pledge of Allegiance.

**PRESENT:** Cairgle, Cox, Kreklau, Macdonald, McCall, Noelke, Parker, Sockolosky, and Yee

**EXCUSED:** Smith

**ABSENT:** None

**ROLL CALL OF OFFICERS:** Brother Macdonald made the motion, properly supported by Brother Cox, to accept the roll call of officers. The motion carried.

**Sub-Chapter 38 minutes for the Executive and Membership meetings are recorded to help the Recording Secretary to produce minutes for each meeting. Pursuant to the previous direction of the membership these recordings shall be disposed of as soon as reasonably possible after the Sub-Chapter 38 membership has approved the minutes. The minutes are not or intended to be an actual verbatim record of the proceedings but are summarized notes of the agenda items, motions maker of the motion, votes and lengthy discussions.**

### CORRESPONDENCE

1. Michigan Alliance for Retired Americans –December 2017 newsletter with the MiARA President's year end comments. There was no date or location provided for the next membership meeting. Receive and File
2. WC Retiree Club-Issue #20, January 2018 newsletter reporting on retiree issues. Receive and File
3. Delphine Fairbanks-A report on the Silverliners annual "Fantasy Flight" held on December 15, 2017 (See November 14, 2017 Membership meeting minutes). Receive and File
4. Secretary-Treasurer-Letter to the Wayne County Employees' Retirement System requesting implementation of the membership dues change to \$3.00 per month effective with the pension payments scheduled for February 1, 2018. Receive and File

Motion by Brother Macdonald, properly supported by Brother Noelke to receive and file all items.  
Motion carried.

### **READING OF MINUTES**

Brother Macdonald made the motion, properly supported by Brother Noelke, to waive the reading and approve the minutes of the Executive Board meeting of December 12, 2017, leaving the record open to the end of the meeting for corrections, additions, or deletions and adopt as corrected. The motion carried.

Brother Macdonald made the motion, properly supported by Brother Noelke, to waive the reading and approve the minutes of the Membership meeting of December 12, 2017, leaving the record open to the end of the meeting for corrections, additions, or deletions and adopt as corrected. The motion carried.

### **REPORT OF OFFICERS**

**PRESIDENT:** The membership dues for this Sub-chapter have been increased by \$.50 per month based on action approved at the December 2017 Membership meeting. That will appear in your February 1, 2018, retirement check and the increase will cover the new Chapter 255 dues. The constitution was changed to allow a review of the dues at the Annual Meeting held in October of each year.

The recommendations made by the Governor's Task Force on Pensions and Benefits were adopted by the State of Michigan Legislature. Thanks to many "boots on the ground" by 1<sup>st</sup> responders around the state, the draconian cuts that were originally proposed by the legislature were not adopted.

The Voters' Not Politicians petitions to place a proposal on gerrymandering on the November 2018 ballot have been submitted to the State Board of Canvassers. This is a non-partisan issue that affects both democrats and republicans.

As a reminder to anyone getting a stipend through GENISYS to pay for recurring bills, you need to refile every year to continue to receive payment for those bills. The forms are available on-line through GENISYS. If you do not file timely, you may still submit the form and receive your payments retro-actively.

Also as a reminder, Saturday, February 10<sup>th</sup> is the annual Martin Luther King, Jr. AFSCME dinner which will be held at the Westin Hotel in Southfield.



Motion to accept the President's report by Brother Cox, properly supported by Sister Cairgle. The motion carried.

#### **VICE-PRESIDENT:**

The Labor Coalition meeting for the month of January is Wednesday, January 31<sup>st</sup> noon at Council 25 offices. The WCERS meeting is Monday, January 29th, at 9:15, 28 W. Adams.

Motion by Brother Sockolosky, properly supported by Brother McCall. The motion carried.

#### **SECRETARY TREASURER**

##### **Financial Report**

Brother Macdonald reported that the Sub-Chapter has \$115,030.61 in cash and investments as of December 31, 2017. There are 1471 current members with 216 participating in the PEOPLE Plan and (103) members lost this calendar year due either death or cancellation.

Motion by Brother Cox, properly supported by Sister Cairgle, to accept the Treasurer report as presented. The motion carried.

#### **Secretary-Treasurer Report, Comments and Announcements**

##### **Three (3) Retiree Grievances**

There are three (3) grievances filed by AFSCME and its Local Unions relating to pension issues. The three (3) grievances deal with the following issues:

1. **Pension Funding:** AFSCME takes the position that the retirement ordinance is incorporated into the various CBAs and that the Union has a right to arbitrate the fact that Wayne County has not funded the pension plan.
2. **Elimination of 13th Check:** The second grievance dealt with the changes Evans and the County Commission made when he first came into office to eliminate the funding of the 13th check, taking that money (\$32+ million) away from retirees and using the thirty-two + million dollars, in the "13<sup>th</sup> check account, as a County contribution to the pension system.
3. **Medical Insurance for Disability Retirees:** For (30) years, the County had a practice which was supported by the various CBAs and by the pension ordinance which provided that people who retired on a duty or non-duty disability pension were entitled to medical insurance as part of their retirement. In 2010, CEO Ficano eliminated this program and the Union filed an unfair labor practice and won. The County then filed a challenge in the Michigan Court of Appeals and the Court of Appeals ruled that the matter must be resolved by way of grievance arbitration.

On March 27, 2107 Judge Susan Hubbard, Wayne County Circuit Court, issued an Opinion and Order that (1) denied arbitration on the matter of **"Pension Funding"**, (2) granted the AFSCME motion mandating arbitration on the matter of **"Elimination of 13th Check"**, and (3) denied arbitration on the matter of **"Medical Insurance for Disability Retirees"** stating that the proper forum was a separate lawsuit to enforce the Michigan Court of Appeals ruling. Judge Hubbard's Opinion and Order has been appealed by both parties. The appeals are waiting to be placed on the Michigan Court of Appeals calendar (Case No. 337964). No change since our December meeting



#### **FOUR (4) UNFAIR LABOR PRACTICES CHARGES V. WAYNE COUNTY**

There are four (4) Unfair Labor Practice charges filed by AFSCME and its local 3317 some of which relate to pension issues. These (4) Unfair Labor Practices deal with the following issues:

1. **Surface Bargaining:** AFSCME charges that Wayne County refused to bargain claiming the Wayne County Deficit Elimination Plan was all that could be offered.
2. **Regressive Economic Offer:** In 2015 the Ficano administration tendered its economic offer. The Evans Administration withdrew the economic proposal and replaced it with a reduced economic proposal while Deputy CEO Kaufman reported to the Wayne County Commission that administration had purposely withheld information from the bargaining process that over \$60 million was on deposit at the Wayne County Treasurer in the Delinquent Tax Revolving Fund(s).
3. **Imposition of a Labor Contract:** CEO Evans imposed a labor contract on Local 3317 claiming that the Emergency Manager Statute (EMS) gave him that ability. The EMS does provide the CEO the ability to impose wages, hours and certain other terms and conditions but only after 30 days of **good faith** bargaining and only after any existing contract expires. The Local 3317 labor contract was on an open ended extension that precluded bargaining on retirement issues until 2020. Local 3317 also contend that Wayne County did **not** bargain in good faith during the 30 day period and that retirement issues are among those terms that the EMS statute provides cannot be imposed.
4. **Failure to Bargain:** Following the release of Wayne County from the EMS consent agreement by the State Treasurer, Local 3317 sought immediate contract bargaining pursuant to ACT 312. Wayne County refused to accept any dates for the required arbitration and retaliated by imposing “draconian” new working conditions.

The hearings are now complete and the recommended decision by the ALJ is pending.

#### **ACT 312 ARBITRATION FOR LOCAL 3317**

In October of 2014, prior to Evans becoming the County Executive, Evans requested that the Ficano administration go to Local 3317 and have them withdraw their contract for binding arbitration under the provisions of Act 312, P.A. 1969. Evans wanted time in January 2015, to negotiate a contract and gave written guarantees by way of a separate contract that in the event the parties were unable to reach a new contract that he would not oppose the Union going back into Act 312 Arbitration. In July of 2015, after an impasse was reached, the Union reinstated Act 312 arbitration and Evans filed a Motion with the Michigan Employment Relations Commission to stop the Act 312 arbitration hearings claiming a provision of the Emergency Manager Act, gave him the authority to stop bargaining and cancel the Act 312 Arbitration, even though he had entered into a contract with Local 3317, which guarantee the County’s participation in Act 312 Arbitration, if the Union suspended the Arbitration process in October 2014. The Union filed a lawsuit and also filed an appeal after the Michigan Employment Relations Commissions’ held that Evans had a right to cancel the arbitration process. Ultimately the Circuit Court ruled that once the Employment Relations Commission made its decision, the Court under the doctrine of “res judicata”; was bound to honor the Employment Relations Commission decision.

The Union filed an appeal to the Michigan Court of Appeals (Case No. 334638) on this issue and the County took the unusual step of filing a Motion to Dismiss the appeal even before the appeal has been fully docketed. The Michigan Court of Appeals denied the appeal on December 28, 2017. There will not be an appeal to the Michigan Supreme Court calendar.



## **RETIREE COALITION TO PROTECT PUBLIC SECTOR BENEFITS**

As previously reported this Sub-Chapter along with the other Wayne County retiree organizations has hosted two (2) gatherings of public service retiree groups from throughout Michigan during which a strategy for defending retirees from anticipated attacks on their pensions and benefits was formulated. The Leadership Committee had monitored the group organized by Snyder called "Responsible Retirement Reform for Local Government Task Force". The published report reflects the efforts of labor and retiree representatives approach to a realistic and reasonable response to the problems. The Republican caucus introduced legislation that goes well beyond the report in destroying public service retirees' pension and benefits and including an Emergency Manager type group with powers to attack retirees as never before seen. The Leadership Committee, with Nick Ciarimatero of AFSCME, leading the way with legislators resulted in legislation adopted the task force recommendations. It is anticipated that the Republican caucus will attempt to pass legislation that re-instates the original bills from 2017. Make no mistake, this battle is not over and we cannot afford to lose. We have to continue to monitor this legislature.

## **WAYNE COUNTY LAWSUIT TO SEAT EVAN'S BOARD**

Wayne County CEO Evans filed a lawsuit against the Wayne County Employees' Retirement System Commissioners (WCERS) demanding the ability to seat his handpicked WCERS Board by expanding the Board to ten (10) members while eliminating one (1) active employee Commissioner and one (1) retired member Commissioner. This is an obvious attempt by Evans to gain absolute control of the over \$1 billion in WCERS assets that belong to the members and retirees. Following an intense lobbying effort by your Retiree leadership the Wayne County Commission intervened on our behalf. Judge Leslie Kim Smith issued an opinion on July 31, 2017 denying Evans the ability to seat his WCERS Board. Not surprisingly Wayne County has filed an appeal with the Michigan Court of Appeals. The appeal is waiting to be placed on the Michigan Court of Appeals calendar (Case No. 339714).

The Wayne County Commission Committee on Government Operation considered and denied a request from Evans, dated August 3, 2017, to increase the contract for the Fink law firm from \$35,000 to \$70,000. The Fink law firm represents Evans in this lawsuit with the Commission as a defendant. The County Commission on November 16, 2017 considered the Committee action and denied the Evan's request. On January 4, 2018 the Michigan Court of Appeals advised the Fink Law Firm that if a transcript of the May 15, 2017 hearing is not provided promptly an "Involuntary Dismissal" will be entered. We do not know what Evans will do next

## **PRESCRIPTION CO-PAY SETTLEMENT**

This Sub-Chapter continues to reconcile stipends for the Non-Medicare eligible retirees. The latest reconciliation is through the January 2, 2018 pension payment. As of January 2, 2018, approximately nine (9) accounts of which six (6) are underpayments and three (3) are overpayments based upon the calculations made by this Sub-Chapter. The Sub-Chapter (Wadlin, Noelke and Macdonald) had been meeting with Wayne County, by conference call, to cause the appropriate corrections to happen. The last conference call was July 12, 2017 and it appears that the county has no interest in additional conference calls. The last request for a conference call was made on November 8, 2017. Sub-Chapter 38 is also attempting to gather information about the Medicare

eligible stipend administration. Wayne County has also been out on notice that should Wayne County attempt to impose any unilateral change to settlement class member pension or benefit status, the Sub-Chapter will see them in court the next day. On December 12, 2017, three (3) grievances were sent to Wayne County demanding resolution of some of these issues. The grievance process is included in the settlement agreement and includes an expedited arbitration process. The Wayne County response was due on January 5, 2018. Since Wayne County has not responded, we have authorized Miller-Cohen to initiate the arbitration process.

**ANNOUNCEMENTS-None**

Motion by Brother Wadlin, properly supported by Sister Cairgle, to accept the Secretary's report. The motion carried.

**COMMITTEE REPORTS-None**

**UNFINISHED BUSINESS-None**

**NEW BUSINESS-None**

**GOOD AND WELFARE**

Sister Kreklau announced that Darrin Camillari, State Representative, is having a Campaign Kickoff-Birthday Party on January 28<sup>th</sup>, Brownstown Event Center.

Brother Macdonald announced that Gary Woronchak is running for State Senate, He will not be running for re-election as a County Commissioner.

There was a moment of silence for deceased members.

**ADJOURNMENT**

Motion by Brother Macdonald, properly supported by Brother Noelke to adjourn the meeting at 11:50 am. The motion carried.