



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

March 13, 2018

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

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

EXCUSED: Cox

ABSENT: None

ROLL CALL OF OFFICERS: Brother Macdonald made the motion, properly supported by Brother Sockolosky, 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 - February 2018 newsletter reporting on the January and February AFL-CIO meetings and announcing the biennial MiARA Convention on April 18, 2018, at UAW Region 1, 27800 George Morelli Drive, Warren, including credential documents. Registration fee is \$15.00 per delegate New Business

Motion by Brother Macdonald, properly supported by Sister Cairgle to refer this item to New Business. Motion carried.

READING OF MINUTES

Brother Macdonald made the motion, properly supported by Sister Cairgle, to waive the reading and approve the minutes of the Executive Board meeting of February 13, 2018, 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 Sockolosky, to waive the reading and approve the minutes of the Membership meeting of February 13, 2018, 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:

AFSCME International: There was a 30 minute teleconference with President Saunders, on February 28 regarding the Mark Janus v AFSCME case, where oral arguments were made before the US Supreme Court on Monday February 26, 2018. The plaintiffs argued that being required to pay a "Fair Share Fee" to the Union was a violation of the 1st Amendment - Freedom of Speech. Four Justices seemed to support AFSCME's position (Justices Kagan, Breyer, Sotomayor, & Ginsburg) while 4 Justices seemed to be supporting the plaintiffs position (Justices Roberts, Alito, Kennedy & Thomas). Justice Neil Gorsuch the newest Justice recently appointed by President Trump seems to be the swing vote and was completely silent during the arguments, asking no questions nor making any statements. A decision is expected by June. President Saunders said if this case is decided on the merits of the case then the Justices should rule in favor of AFSCME but he is afraid this ruling will be decided by politics and not by law. Although this decision will have no direct effect on current retirees, we must continue to be activists on issues that impact our working brothers and sisters. One of the major issues in this case is that if AFSCME loses, employees can opt out of paying their "Fair Share" dues but the Union will still be required to negotiate on their behalf and have to represent them in any disciplinary matters, thus giving them a "free ride". There will be another teleconference once the Supreme Court issues their opinion and we will keep you updated.

Wayne County: It is our understanding that the County again missed submitting their payment to Genesis so the Healthcare Reimbursements were not made on time and should be issued this week.

WCERS: The Retirement System Defined Benefit Plan continues moving in a positive direction with a 12% rate of return for the fiscal year ending September 30, 2017. This was well above the assume rate of return of 7.25% and helps move our fund towards an acceptable funded status. The assets in the System rose to \$923,073,290 even though it pays out over \$130 million dollars in retiree pension benefits annually.

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

VICE-PRESIDENT: No report this month.

SECRETARY TREASURER

Financial Report

Brother Macdonald reported that the Sub-Chapter has \$117,529.95 in cash and investments as of February 28, 2018. There are 1,452 current members with 214 participating in the PEOPLE Plan and (11) members lost this calendar year due either death or cancellation.

Motion by Sister Cairgle, properly supported by Brother Sockolosky, 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 “13th 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 February 2018 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 its 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.

RETIREE COALITION TO PROTECT PUBLIC SECTOR BENEFITS

As previously reported, this Sub-Chapter along with the other Wayne County retiree organizations has loosely organized many public employees groups, including police and fire, into a coalition for the purpose of protecting public employees’ benefits and pensions. So far that coalition has effectively blocked anti-public employee legislation. Recently the Republican legislature has taken a new approach to disenfranchise public employee by introducing narrowly targeted bills. The current bill, Senate Bill 796, is to prohibit paid time off for union business. Should that bill passed and be signed by “Tricky Dick” Snyder others will follow to accomplish the Republican agenda of last November/December.

An interesting aspect of Senate Bill 976 is that it could result in management having to meet with union representatives after hours or on weekends.

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. 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).

As previously reported, the Wayne County Commission 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. A significantly incorrect

transcript of the last court hearing was delivered and the attorneys are attempting to agree on the necessary correction. As a result the briefing period has not begun.

PRESCRIPTION CO-PAY SETTLEMENT

This Sub-Chapter continues to reconcile stipends for the Non-Medicare eligible retirees. The latest reconciliation is through the March 1, 2018 pension payment. As of March 1, 2018 approximately eleven (11) accounts of which eight (8) are apparent underpayments and three (3) are overpayments based upon the calculations made by this Sub-Chapter. Sub-Chapter 38 is also attempting to gather information about the Medicare eligible stipend administration at Genesis Employee Benefits. . 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. Wayne County responded to the grievances on January 12, 2018, agreeing to the underpayments cited in the grievances and clarifying the retiree status to our satisfaction for the rest leaving one disability retiree situation unclear. Notwithstanding agreeing to the underpayments Wayne County did not process the underpayment on March 1, 2017. A fourth grievance was filed on January 9, 2018 concerning another disability retirement situation and we still waiting on a county response. An inquiry made to Wayne County received the response, on February 12, 2018, that the county was still researching the Sub-Chapter objections to the County response grievance and Grievance #4. The Sub-Chapter filed Grievance #5 on February 13, 2018 that addresses two (2) underpayment situations identified in February 2018. Wayne County has tendered a "Settlement Agreement between The County of Wayne, Michigan and Michigan AFSCME Wayne County Retiree Sub-Chapter 38" applicable to Grievance 1, 2 and 3 that is grossly unsatisfactory and disregards the issues in our answer to the county initial response to those grievances. The settlement document also includes a sunset on the terms of March 19, 2018. Your representative will be meeting with legal counsel to draft a reply to the 'settlement'. 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.

ANNOUNCEMENTS - None

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

COMMITTEE REPORTS

PEOPLE Committee: Sister Cairgle gave a report on the statewide PEOPLE Conference held Saturday, March 10, 2018. Gretchen Whitmer addressed the delegation indicating she had visited 51 of the 83 Michigan counties.

The statewide officers of the PEOPLE Conference were elected. Lorna Davis is the Chairperson; Betty Bishop is the representative for Region 2. Kim Curry-Smith was also elected to an office.

The next PEOPLE meeting is scheduled March 29, 2018, at the Council 25 offices. The Michigan Democratic Party will have their Convention, on Sunday, April 15th, at Cobo Hall. Registration starts at 8:30 am Council 25 has endorsed Gretchen Whitmer for Governor.

Brother Macdonald informed the Board that he has sent a written notification to Sister Betty Bishop of the members of the Sub-Chapter's PEOPLE Committee and indicated she should be notifying each one of the PEOPLE Committee meetings.

Motion by Brother Macdonald, properly supported by Brother Sockolosky, to accept the PEOPLE Committee report.

UNFINISHED BUSINESS-None

NEW BUSINESS:

MiARA Delegates: The next MiARA meeting on April 18, 2018, is the biennial election. Motion by Brother McCall, properly supported by Brother Sockolosky, to send twelve (12) delegates to the April meeting with the subchapter paying the \$15.00 cost per delegate. Brother Macdonald offered a friendly amendment to the motion that interested members must notify him (Brother Macdonald) today since the registration deadline is before the next membership meeting. Brother McCall accepted the friendly amendment. The motion carried.

Brother McCall bought up AFSCME training for Trustees' which is being offered at the Southfield Westin Hotel. He didn't bring the information with him.

GOOD AND WELFARE

There was a moment of silence for deceased members.

ADJOURNMENT

Motion by Brother Macdonald, properly supported by Sister Cairgle to adjourn the meeting at 11:40 pm. The motion carried.