



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

Membership Meeting

April 10, 2018

The meeting was called to order at 1:00 PM by President Yee. The meeting 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 Pendracki, 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.

Motion by Brother Cox, properly supported by Brother Noelke, at 1:01 pm to suspend the regular order of the meeting to allow Sam Bagenstos, a candidate for Michigan Supreme Court, to address the membership and a representative of Gretchen Whitmer's campaign. The motion carried.

Motion by Brother Macdonald, properly supported by Brother Pendracki, to return to the regular order of business at 1:13 pm. The motion carried.

CORRESPONDENCE

1. Michigan Alliance for Retired Americans - March 2018 newsletter announcing the Biennial convention on April 18, 2018, discussing the student's nationwide protest and highlighting Mary Etta Kreklau. There will be no membership meeting in April 2018. Receive and File
2. Friends of H. Wilson Announcing a "Help us in Supporting our Partner Friend and Family Members" on behalf of Henry Wilson, Wayne County Employees' Retirement System Trustee. The event is on April 25, 2018 starting at 1:00 PM until 6:00 PM at Harry's. 2482 Clifford Street. Suggested Initial donation is suggested to be \$20.00/ Mr. Wilson has been seriously ill and has been denied long term disability benefits by Wayne County. New business

Motion by Brother Macdonald, properly supported by Sister O'Leary-MacGillis to receive and file Item 1 and refer Item 2 to New Business. Motion carried.

READING OF MINUTES

Brother Macdonald made the motion, properly supported by Brother Pendracki, to waive the reading and approve the minutes of the Executive Board meeting of March 10, 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 Pendracki, to waive the reading and approve the minutes of the Membership meeting of March 10, 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:

PEOPLE Committee Meeting on Thursday, April 5, 2018. Unfortunately I was unable to attend as I was out of town. Sister Betty Bishop will update us on the meeting under Committee Reports.

Brother Yee brought forward he needed to add two (2) members to the PEOPLE Committee, Betty Bishop and Kim Curry-Smith and asked the Membership ratify that action.

Motion by Brother Pendracki, properly supported by Sister O'Leary-MacGillis, to ratify the action of President Yee's appointment of Betty Bishop and Kim Curry-Smith to the Sub-Chapter PEOPLE Committee. The motion carried.

We have been encouraging all our members to attend the coffee meet and greets with your local Representative, Senator and County Commissioner and I attended one with my State Senator, David Knezek. There were only 6 people in attendance but we had some lively conversations. It

is important in this upcoming midterm election cycle that you get to know your legislators and they get to see you so that if you write, e-mail or call them they can put a face with the name. Two issues that I raised with the Senator were:

1) The repeal of the tax on Public Employee Pensions. The Senator attached an amendment to a spending bill that would have repealed the tax on Public Employee Pensions. It failed by only 3 votes. He believes that if there are changes in the make-up of the State Senate in the midterm elections, there is a good chance that the legislation can be approved next year. He also believes that there is enough support in the House to pass the repeal. Governor Snyder has vowed that he would never sign that Bill but he will no longer be Governor after this upcoming election due to term limits. So this is a very good reason to make sure you get out and vote and make a difference in this upcoming election.

2) Additional funding for Road repairs. The Senator believes that the only way to get this issue addressed is again through a change in the State Legislature. The problem is that so many of the Republicans have signed a "No New Taxes Pledge" and therefore won't support any new taxes to address the issue. The Governor's own task force said the State needs 4 billion dollars per year to bring all our roads up to a "Good Standard". In a bill that was passed in November 2015 pertaining to the roads the Bill provided for 1.2 billion dollars to be raised and devoted to road maintenance half of which comes from higher registration fees and gas taxes and half from unspecified areas of the General Fund (most likely education, social services and Medicaid) and does not even go into full effect until 2021 when many of the legislators who voted for it will be Term Limited out of office. In late March of this year, the legislators approved a one time additional 175 million to be spent on roads, which again doesn't come close to the 4 billion dollars needed on an annual basis. It is a start but will still only provides slightly more than the 2.5 billion dollars which is currently allocated to the roads under the original bill and falls significantly short of the 4 billion needed on an annual basis to repair and maintain our roads and bridges. Almost on a daily basis you see on the news of cars getting blowouts, roads being shut down for temporary "cold patch repairs" and pieces of bridges falling down on road surfaces. This issue won't be addressed until we see a change in our State legislature so again I encourage you to make sure you cast your vote in the Midterm Elections and help effect change.

I also attended an Ice Cream Social for my State Representative Jewell Jones. It was a little more informal with my State Rep going from table to table to talk to his constituents. There was no formal presentation but he seemed genuinely concerned with the issues raised

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

VICE-PRESIDENT: The Labor Coalition meeting is scheduled for 12:00 noon on April 18, 2018, at Council 25 headquarters. The next WCERS meeting is Monday, April 30, 2018, at 9:30 am at the Retirement System offices. The post office box has been cleared.

Motion by Brother Pendracki, properly supported by Brother Hubert, to accept the Vice-President's report. The motion carried.

SECRETARY TREASURER

Financial Report

Brother Macdonald reported that the Sub-Chapter has \$117,818.02 in cash and investments as of March 30, 2018. There are 1,449 current members with 210 participating in the PEOPLE Plan and (28) members lost this calendar year due either death or cancellation.

Motion by Brother Pendracki, properly supported by Brother Cox, 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 March 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

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 employees by introducing narrowly targeted bills. Thanks to the Easter holiday the legislature has not been in session and, therefore, no new anti-public employee/retiree legislation has been introduced.

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. A corrected transcript has been forwarded to the Court of Appeals along with the required brief by the Fink Law firm. The attorneys for the County Commission and ECERS must now submit reply briefs. Sub-Chapter has retained legal counsel for the purpose of submitting an “Amicus” brief on our behalf. The appeal is waiting to be placed on the Michigan Court of Appeals calendar (Case No. 339714).

PRESCRIPTION CO-PAY SETTLEMENT

This Sub-Chapter continues to reconcile stipends for the Non-Medicare eligible retirees. The latest reconciliation is through the April 1, 2018 pension payment. As of April 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. 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 April 1, 2017. A fourth grievance was filed on January 9, 2018 concerning another disability retirement situation to which the County agreed conceptually. We are waiting for the retiree to accumulate the necessary paperwork with which to support stipend payments back to December 2015. The Sub-Chapter filed Grievance #5 on February 13, 2018 that addresses two (2) underpayment situations identified in February 2018 and Wayne County has not provided a response as of today. 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. Your Sub-Chapter representatives and legal counsel have a meeting scheduled with Wayne County to attempt to resolve these outstanding issues.

Wayne County has also been out on notice that should they 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.

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

ANNOUNCEMENTS - None

COMMITTEE REPORTS

Trustee Report: Sister Cairgle and Brother Parker gave the Trustee Report. Motion by Brother Pendracki, properly supported by Sister Curry-Smith, to accept the Trustee Report dated March 27, 2018. The motion carried.

PEOPLE Committee: Sister Betty Bishop gave an update on the PEOPLE Committee. A delegation from the Sub-Chapter attended the Region 2 PEOPLE Committee meeting last week. There were (12) people in attendance and (6) of them were from this sub-chapter. Sister Bishop

is the Chairperson and Sister Curry-Smith is the Secretary. Sister Bishop indicated that she ran for the Chair because she has been helping people her entire life. The next meeting is May 18th at Council 25 starting at 5 pm.

Motion to accept the PEOPLE Committee report by Brother Macdonald, properly supported by Brother Pendracki. The motion carried.

UNFINISHED BUSINESS-None

NEW BUSINESS: Brother Macdonald reviewed the issue with Brother Henry Wilson, an employee of the Wayne County Sheriff's Department and also a representative for active employees on the Wayne County Employees' Retirement System Board. There is a fundraiser on Wednesday, April 25, 2018. He has a serious illness and is being denied long term (sick) benefits because he didn't apply for them at the same time he applied for his short term benefits. The recommended donation amount for the fundraiser is \$20 per person. Motion by Brother Macdonald, properly supported by Brother Hubert, to ratify the action of the Executive Board and authorize the expenditure of \$100 as a donation for the fundraiser for Brother Henry Wilson. The motion carried.

GOOD AND WELFARE

Sister Janet Wiktor extended thanks to Brother Patrick Meaker for providing the luncheon today and again reminded the membership that volunteers were needed to provide the luncheon and where the sign-up sheet was located.

Brother Sockolosky announced the Wayne County Employees' Retirement Club meeting on April 19th and the new location at Wayne County Field Engineering at Michigan and Howe Road at 1:30 pm, 2nd floor.

There was a moment of silence for deceased members.

ADJOURNMENT:

Attendance Drawing:

Forty-nine (49) members were in attendance.

The attendance drawing was follows:

\$20 - #29 – Dennis Abraham

\$10 - #13 – Doug Wadlin

\$10 - #28 – Ronald A. LaCase

Motion by Brother Macdonald, supported by Brother Pendracki, to adjourn the meeting at 1:48 pm.