



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

May 8, 2018

The meeting was called to order at 11:30 AM by President Yee and was opened with the Pledge of Allegiance.

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

EXCUSED: None

ABSENT: None

ROLL CALL OF OFFICERS: Brother Macdonald made the motion, properly supported by Sister Cairgle, 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

AFSCME Retirees-Announcing the annual convention of AFSCME Retiree Council in Boston, Massachusetts Sunday, July 15, 2018 and Monday July 16, 2018. Sub-Chapter 38 does not have a representative on this Council. *This convention is being held as an adjunct to the ASFSCME International Convention later in the week. We are waiting for the AFSCME International official convention notice before taking any action.*

New Business

AFSCME PEOPLE-Announcing the next Region 2 PEOPLE meeting on Thursday, May 10, 2018, starting at 4:30 PM in the lower level of the AFSCME Detroit office. Receive and File

Motion by Brother Macdonald, properly supported by Brother Wadlin, to refer Item #1 to New Business and receive and file Item #2. The 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 April 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 Sister Cairgle, to waive the reading and approve the minutes of the Membership meeting of April 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:

President Yee attended the fundraiser on April 25, 2018, for Brother Henry Wilson. It was very well attended.

AFSCME International Convention is going to be July 16-20, 2018, in Boston, MA. No Convention Call has been received as yet. We don't know if we will be receiving a Convention Call this year or if it will be going to Chapter 255. President Yee has contacted AFSCME International regarding this.

The PEOPLE Committee from International wants to send out notices to our members for PEOPLE Committee contributions. We had some issues with their plan and sent these issues to them but have not heard back yet. Subchapter 38 has the largest number of members making PEOPLE contributions for AFSCME in the State of Michigan.

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

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

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

SECRETARY TREASURER

Financial Report

Brother Macdonald reported that the Sub-Chapter has \$119,638.49 in cash and investments as of April 30, 2018. There are 1,423 current members with 211 participating in the PEOPLE Plan and (39) members lost this calendar year due either death or cancellation.

Motion by Brother Macdonald, 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 April 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. With the pre-election adjournment of the legislature new legislation does appear eminent. Hopefully, we have a respite until the lame duck session of the 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. 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 briefing period is currently expiring on May 30, 2018. Once all of the briefs are filed, the court will place the appeal on the Michigan Court of Appeals calendar for oral arguments which can be early as Labor Day (+/-). But not likely (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 May 1, 2018 pension payment. As of May 1, 2018, we found twelve (12) account balances incorrect of which six (6) are apparent underpayments and five (5) are overpayments. Sub-Chapter 38 is also attempting to gather information about the Medicare eligible stipend administration at Genesis Employee Benefits. Since December 12, 2017, five (5) grievances were sent to Wayne County demanding resolution of non-Medicare stipend issues. Four (4) of the underpayments were part of Grievance #1. The group representing this Sub-Chapter has reached a settlement with Wayne County that requires those four (4) retirees to be made whole by May 25, 2018. This amounts to \$13,421.50. Grievances #2 and #3 remain open pending additional information from Wayne County. Grievance #4 has been withdrawn due to lack of cooperation from the retiree. Grievance #5 has evolved into the underpayment became an overpayment and additional information is needed for the other retiree situation. The Sub-Chapter has made an informal inquiry concerning the last underpayment. A Grievance will be filed for the last underpayment if the informal process does get results. Wayne County has also been put on notice that should they attempt to impose any unilateral change to settlement class's member pension or benefit status, the Sub-Chapter will see them in court the next day.

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

ANNOUNCEMENTS –

Brother Macdonald informed the Board that (2) current members of the Wayne County Employees' Retirement System Board are up for re-election this year. Those members are Brother Macdonald, representing Wayne County Retirees, and the current President of the WCERS Executive Board representing active employees. As far as he is aware, both will probably be pulling petitions to run for reelection.

COMMITTEE REPORTS-None

UNFINISHED BUSINESS-None

NEW BUSINESS-

AFSCME Retiree Convention –President Yee recommended that we send not more than one (1) representative to the AFSCME Retiree Convention to be held July 15 and 16, 2018, at Boston, MA, if, and only if we get the necessary information that would allow us to send a delegate to the convention. The motion was made by Brother Cox, properly supported by Sister Kreklau, that a recommendation be made to the membership to send not more than one (1) delegate is to be sent to the July 15 and 16 Retiree Convention in Boston, MA if a delegate can be sent by this sub-chapter at all. The motion carried.

Brother Macdonald made a motion, properly supported by Brother Cox, that should such a delegate be sent to said convention, that delegate should be Sister Faith Cairgle. The motion carried.

GOOD AND WELFARE

Brother Macdonald brought up that a representative of the Sterling Financial Services, who handles the Defined Contribution Plan (Plan 4) requested an audience at a Sub-Chapter meeting.

Motion by Brother Wadlin, properly supported by Brother Sockoolosky, to authorize Brother Macdonald to extend an invitation to the Sterling Financial Services representative. The motion carried.

There was a moment of silence for deceased members.

ADJOURNMENT

Motion by Brother Cox, properly supported by Brother Wadlin to adjourn the meeting at 12:17 pm. The motion carried.