



WAYNE COUNTY RETIREE SUB-CHAPTER 38

WE MAKE MICHIGAN HAPPEN

Ronald Yee
President

Membership Meeting

Gilbert J. Cox
Vice-President

June 12, 2018

Hugh S. Macdonald
Secretary Treasurer

The meeting was called to order at 1:00 PM by Vice-President Cox. The meeting was opened with the Pledge of Allegiance.

Mary Etta Kreklau
Recording Secretary

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

Douglas Wadlin
Sergeant-At-Arms

EXCUSED: Parker, Smith, and Yee

Richard Noelke
John McCall
James Sockolosky
Executive Board

ABSENT: None

Faith Cairgle
Charles Parker
Jerry Smith
Trustees

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 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 Macdonald, properly supported by Brother Noelke, at 1:01 pm to suspend the regular order of the meeting to allow a representative of the Sterling Group, Louise Emerson, to address the membership. Motion carried.

Motion by Brother Macdonald, properly supported by Brother Pendracki, to return to the regular order of business at 1:20 pm. The motion carried.

CORRESPONDENCE

MiARA April 2018 Newsletter reporting on the Biennial convention of April 18, 2018.
Receive and File

MiARA May 2018 Newsletter reminding that new Medicare cards will be arriving soon, alerting members about the pending election cycle, and the recalling that men and

women of our armed forces are the reason for Memorial Day. There was no announcement of the next membership meeting. Receive and File

WC Retiree Club The May 2018 newsletter (Issue #21) reporting on retiree issues and announcing summer lunch at DeLuca's on June 21, 2018, starting at 12 noon. Receive and File

WCERS Excerpt from the latest newsletter providing "Tips for Protecting Your Online Accounts." Receive and File

Motion by Brother Macdonald, properly supported by Brother Pendracki to receive and file all items... 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 May 8, 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 May 12, 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: None

VICE-PRESIDENT:

The Labor Coalition meeting is scheduled for 12:00 noon on June 27, 2018, at Council 25 headquarters. The next WCERS meeting is Monday, June 25, 2018, at 9:30 am at the Retirement System offices. The post office box has been cleared.

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

SECRETARY TREASURER

Financial Report

Brother Macdonald reported that the Sub-Chapter has \$122,429.87 in cash and investments as of May 31, 2018. There are 1,407 current members with 208 participating in the PEOPLE Plan and (58) members lost this calendar year due either death or cancellation.

Motion by Brother Pendracki, properly supported by Sister O'Leary-MacGillis, to accept the Treasurer report as presented. The motion carried.

Brother Macdonald reviewed information from the latest WCERS Audit Report for 2017. The current funding level for Plan 1 is 55%. Some interesting facts are there are 22 current retirees over 100 years of age. There are 108 retirees between 95 and 99 years of age. In 2017, 218 retirees left the rolls while 74 were added. The average pension of those leaving the rolls was \$18,000 per year while the average pension of those entering the rolls was \$28,000

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 May 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. The legislature continues to pass anti-labor bills and even some that are a clear attempt to subvert the right of voters to amend the state constitution. 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. The briefing period ended on May 30, 2018. Sub-Chapter has retained legal counsel for the purpose of submitting an “Amicus” brief on our behalf, but during a conference call with our attorneys, it was decided not to file an Amicus brief since all of our issues are discussed in the WCERS and commission briefs. We now must wait on the court to schedule oral arguments which we do expect before Labor Day (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 approximately eleven (11) accounts 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 some 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. 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 retirees' situation. The Sub-Chapter has made an informal inquiry concerning the last underpayment. A grievance will be file for the last underpayment if the informal process does not get results.

As previously discussed, several Wayne County retiree organizations have made a request of the Wayne County Commissioners for a modest stipend increase for Medicare eligible and mirror retirees. The Commission had suggested that the stipend enhancement request be considered once the new jail project was re-started. On June 7, 2018, the Wayne County Commission passed the last of the resolutions necessary to re-start the new jail project. We almost immediately sent an email to the Chairman of the Wayne County Commission Ways and Means Committee (Mr. Joseph Palamara) requesting immediate consideration of the stipend enhancement and its inclusion in the pending 2018-2019 Wayne County budget considering that the Wayne County audit report for September 30, 2017 showed a General Fund "Unassigned" balance of \$111,254,767.

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

ANNOUNCEMENTS - None

COMMITTEE REPORTS

PEOPLE Committee: Sister Julie Bauman, Chairperson of the Sub-Chapter 38 PEOPLE Committee gave a report on two (2) PEOPLE Screenings that have taken place since our last meeting. AFSCME screening for Regions 1 and 2 took place in May. The majority of screeners were from Sub-Chapter 38. The screening took place over three (3) nights and our members were present for all three nights. She thanked the members who took part in this screening. The recommendations were made to the Executive Board of Council 25 and were adopted. The endorsements are listed on the Council 25 website.

The second screening took place last week and was for the Metro AFL-CIO screenings for Wayne County Board of Commission candidates. Sisters Cairgle, Hyde-Shelton and Bauman attended this screening. Five current Commissioners and two challengers were screened and questions were asked and answered. The current Commissioners were made aware that the Wayne County Retirees intend to hold them accountable for their actions.

Sister Bauman did issue an invitation to members to sign up for PEOPLE Committee deductions. Brother Macdonald has the cards to do so.

Sister Betty Bishop, AFSCME PEOPLE Committee, addressed the membership and issued an invitation to the membership to attend an AFSCME sponsored event at Burk's (Eastern Market) on June 20th on behalf of Gretchen Whitmer, who is the endorsed candidate by AFSCME for Governor.

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

Chapter 255: Brother Henry Lykes addressed the membership and gave a report on Chapter 255. The Chapter is working with Council 25 AFSCME to attempt the restart of dues from Sub-Chapter 98. They are looking at having a meeting in Flint or Saginaw.

UNFINISHED BUSINESS-

Brother Macdonald informed the membership that there will be no delegates or representatives being sent to the conventions in Boston in July. Under the revised AFSCME Retiree structure only Chapters are allowed to send representatives so in view of that decision, Sub-Chapter 38 will not be sending any representatives. Motion by Brother Macdonald, properly supported by Brother Pendracki, that no Sub-Chapter funds will be expended to send a member to the AFSCME Convention when representation is denied. The motion carried.

NEW BUSINESS: None

GOOD AND WELFARE

Sister Janet Wiktor extended thanks to for providing the luncheon today.

Brother Macdonald pointed out to the Membership how much money is Unassigned in the Wayne County budget - \$112 MILLION.

There was a moment of silence for deceased members.

ADJOURNMENT:

Attendance Drawing:

Forty-three (43) members were in attendance.

The attendance drawing was follows:

\$20 - #39 – Henry Lykes

\$10 - #15 – Lois Banks

\$10 - #33 – Cynthia Thompson

Motion by Brother Macdonald, supported by Brother Pendracki, to adjourn the meeting at 1:44 pm.