



WAYNE COUNTY RETIREE SUB-CHAPTER 38

WE MAKE MICHIGAN HAPPEN

Executive Board Meeting

July 10, 2018

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

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

PRESENT: Cairgle (11:47), Kreklau, Macdonald, Parker, Sockolosky, Wadlin and Yee

EXCUSED: Cox, McCall, Noelke, and Smith

ABSENT: None

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

- MiARA June 2018 Newsletter with an article on Trump, election of Gary Jones as UAW President and including the MiARA endorsement of candidates for the August Primary There was no announcement of the next membership meeting Receive and File
- ARA Announcement of the 2018 National Membership Meeting in Ls Vegas, Flamingo Hotel on November 13-15, 2018. Registration fee of \$125.00 per person plus \$50.00 per person for the Banquet luncheon. Receive and File
- Council 25 Announcing a Region 2 PEOPLE Committee meeting for June 27, 2018 in the PEOPLE Detroit office starting at 5:00 PM. Receive and File
- Council 25 Announcing a "Community Picnic with Gretchen Whitmer" for July 1, 2018, starting PEOPLE starting at 12:30 PM in Palmer Park, Detroit. Receive and File



Council 25 Announcing the 24th Annual Charity Gold Outing for July 26, 2018 a IMA
Brookwood Gold Course, Burton, Michigan. Registration @ \$100.00

Receive and File

Motion by Brother Macdonald, properly supported by Brother Sockolosky, to receive and file all items in Correspondence. Motion carried.

READING OF MINUTES

Brother Macdonald made the motion, properly supported by Brother Sockolosky, to waive the reading and approve the minutes of the Executive Board meeting of June 12, 2018, as corrected, 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 June 12, 2018, as corrected, 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: I hope everyone has registered to vote in the upcoming election as registration closed yesterday. This coming primary election on August 7th is going to be one of the most important elections for years to come. It will determine who will fill elected positions in the local, state and federal level to represent us. Many people feel that their vote doesn't matter until the general election in November, but for all intents and purposes, whoever is elected in this upcoming primary will go on to win or lose the seat they are running for based on the make-up of their districts come November and, unfortunately, only a small percentage of the electorate even votes in the primary sometimes as little as 10-20% of the eligible voters. So when there are multiple candidates vying for the nomination of their party in the primary election, possibly less than 5-10% of the voters actually determine who will fill that seat and could possibly provide the other party the opportunity to win the seat if their own elected candidate is either too far to the left or too far to the right (example of extremist candidates).

On Monday, July 16 at the Hampton Inn-Livonia, located at 28151 Schoolcraft Road, Livonia 48150, there will be a one day screening event for Wayne County Commissioners. Screenings will start at noon and will be held every 15 minutes. This will be an opportunity for you to hear your prospective County Commissioner discuss issues that will impact retirees. After the screenings are complete, the Wayne County Retiree Association will be making their endorsements.

On Saturday, July 21, there will be a phone bank for Gretchen Whitmer for Governor at 18979 Livernois Avenue, Detroit, MI 48221. There are two (2) time slots available from 10-1 and 12-3 pm. If you have the time and are willing to volunteer, please help out.

We are still attempting to get back in front of the Wayne County Commissioners to address the prospect of increasing the retiree healthcare stipend to \$150 per month and to get a stipend for “mirrored” retirees to help offset their upfront deductibles. So far we have not gotten any response to our repeated requests for this issue to be placed back on the Commission agenda.

Finally, as many of you have probably already heard, the Supreme Court, in a 5-4 decision, ruled against AFSCME in the Janus v AFSCME lawsuit that denied AFSCME the ability to charge a service or maintenance fee to employees who did not choose to be a member of the Union to help offset the cost of collective bargaining. However, the Union was still required to represent the non-member employees in all matters of employment including disciplinary hearings and grievances. This is another example of why we must elect our representatives carefully as those representatives appoint and confirm the very judges that made this decision.

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

VICE-PRESIDENT: None

SECRETARY TREASURER

Financial Report

Brother Macdonald reported that the Sub-Chapter has \$124,783.22 in cash and investments as of June 30, 2018. There are 1,410 current members with 208 participating in the PEOPLE Plan and (58) members lost this calendar year due either death or cancellation.

Motion by Brother Parker, 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 June 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. No change since our June 2018 meeting.

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. The same originations have scheduled a candidate screening session for July 16, 2018 from 12 noon to 8 pm at the Hampton Inn, Livonia, for local and county offices.

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 July 1, 2018 approximately eleven (11) accounts are 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 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 were 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. As of July 6, 2018, Mr. Palamara has not responded to our request and follow-up communication was sent to him. We understand that the Wayne County Administration is opposed to any enhancement of stipends.

ANNOUNCEMENTS – None

Motion by Brother Parker, properly supported by Brother Wadlin, to accept the Secretary's Report. The motion carried.

COMMITTEE REPORTS

PEOPLE Committee: Brother Macdonald reminded the Board that Sister Julie Bauman, Chair of the PEOPLE Committee would be representing the Subchapter at the screening on Monday, July 16th, for Wayne County Employees' Retirement Association endorsements for all Wayne County elected positions, including Wayne County Commissioners and a number of local government positions. Brother Macdonald will be sending out the endorsements by e-mail to the membership.

UNFINISHED BUSINESS: None

NEW BUSINESS: Motion by Brother Macdonald properly supported by Brother Wadlin, **not** to send a representative to the ARA National Membership meeting to be held in November 2018 in Las Vegas, Nevada. The motion carried.

GOOD AND WELFARE

Brother McCall is undergoing surgery this afternoon in an attempt to save his right eye.

There was a moment of silence for deceased members.

ADJOURNMENT

Motion by Brother Macdonald, properly supported by Brother Wadlin to adjourn the meeting at 11:54 pm. The motion carried.