



WAYNE COUNTY RETIREE SUB-CHAPTER 38

WE MAKE MICHIGAN HAPPEN

Executive Board Meeting

Ronald Yee
President

September 18, 2018

Gilbert J. Cox
Vice-President

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

Hugh S. Macdonald
Secretary Treasurer

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

Mary Etta Kreklau
Recording Secretary

EXCUSED: McCall

Douglas Wadlin
Sergeant-At-Arms

ABSENT: None

Richard Noelke
John McCall
James Sockolosky
Executive Board

ROLL CALL OF OFFICERS: Brother Macdonald made the motion, properly supported by Brother Wadlin, to accept the roll call of officers. The motion carried.

Faith Cairgle
Charles Parker
Jerry Smith
Trustees

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: August 2018 newsletter reporting that Gretchen Whitmer had vowed her support of retirees and a "spotlight" article of Henry Lykes. No notification of the next membership meeting. Receive and File

Council 25: Announcing the Michigan Council 25 Executive Board meeting for Saturday, September 15, 2018, at the Westin Hotel, Southfield, starting at 10 am. Receive and File

AFSCME Intl. Letter dated August 8, 2018, including an invoice for \$81.60 as a dues sharing for assessment of members with North Carolina addresses. Receive and File

Letter dated August 8, 2018, including an invoice for \$91.20 as a dues sharing for assessment for members with Nevada addresses. Receive and File

Motion by Brother Macdonald, properly supported by Sister Cairgle, to receive and file all items in Correspondence. 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 August 14, 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 Brother Parker, to waive the reading and approve the minutes of the Membership meeting of August 14, 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 apologized to anyone who came last Tuesday to attend this meeting only to find that the meeting was moved by a week so that members could attend the Michigan Court of Appeals hearing in Detroit.

We wanted to thank all the members who supported us at the Court of Appeals hearing last Tuesday, September 11th, regarding the (3) grievances pending arbitration. The (3) issues were demanding immediate full funding of the Retirement System Defined Benefit Plan, healthcare for disability retirees, and the unilateral termination of the inflation equity fund (13th check). We had about 35 retirees who attended this hearing. Judges Mark Kavanaugh, Peter O'Connell and Deborah Servito presided over the hearing. AFSCME attorney, Keith Flynn, appeared on behalf of the Union and Brian Sheckell from Clark-Hill appeared on behalf of the County with corporation Counsel Attorney, Bruce Campbell, also in attendance. It appears that the (3) judge panel had already made up their minds on the issues of full funding of the Defined Benefit Plan and Health Care for Disability retirees and it did not appear they were leaning our way. We are hopeful that the (3) judge panel will lean our way in regard to the 13th check issue and recommend that it go to arbitration. Now that oral arguments are completed, it may take a few months for a written decision to be issued.

The voters worked hard to get petitions signed to place two important issues on the November ballot 1) increasing the minimum wage to \$15.00; and 2) providing sick leave to all employees. The Republican led legislature decided to pass two bills along party lines which approved both the increase in the minimum wage and the mandatory sick leave, which looks like a good thing for workers; but we believe they have ulterior motives. If the provisions remained on the ballot and passed in November, it would take a 2/3's vote of the legislature to amend the proposals. By passing the legislation and removing it from the ballot in November, it will only take a simple majority to amend the legislation. It is our fear that after the November elections, the lame duck session of the legislators will amend the legislation, which will negatively impact the original intent of the voters. We can only wait and hope that the Republicans don't perpetuate this sham on the voters.

On August 1, 2018, US district Court Judge Gershwin Drain, ruled that Michigan could not ban "straight-Ticket" voting and issued a permanent injunction, allowing voters to choose all of one party's candidates with just one vote on the ballot. It appeared to be a win for the Democratic Party which has had much success utilizing straight-ticket voting. Attorney General Bill Schuette, appealed that decision and the U.S. 6th Circuit Court of Appeals in a 2-1 decision, ruled that the plaintiffs were unlikely to win their case and ordered the ban to take effect. On September 7th, the U.S. Supreme Court denied a request for an emergency hearing without citing a reason, so straight-party voting in Michigan will not be allowed in the November 6th election.

On Wednesday, September 19, 2018, at 9:30 am at the Guardian Building, the Committee of the Whole will be voting on the County's 2018-2019 budget which will hopefully include an increase in the monthly stipend to retirees for healthcare payments and the implementation of a \$1,000 payment to mirrored retirees to help offset copays and deductibles. The full Board of Commissioners will vote to finalize the budget on Thursday, September 20th at 10 am. We are requesting that all retiree members who are able to attend these meetings, to please show your interest and support for these budget issues. This will be the last opportunity this year for us to get approval for an increase we have been pushing for over the last two years.

Finally, with the General Election on Tuesday, November 6th. It is so important that you get out and vote. This could be one of the most important election cycles for us as retirees, in the last several decades. So, if you cannot get to the polls on November 6, make sure you apply for an absentee ballot and make sure you know where your candidates stand in regards to issues that affect you as a retiree. Regardless of your party affiliation, just make sure you vote!

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

VICE-PRESIDENT: The Labor Coalition meeting will be held on Friday, September 21st at noon in the Council 25 offices in Detroit. The WC Employee Retirement System Board meeting will be held on Friday, September 28th, at 9:15 am, 28 W. Adams, Detroit, MI. The post office box has been cleared as of this morning.

Motion by Sister Cairgle, 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 \$126,124.61 in cash and investments as of August 31, 2018. There are 1,383 current members with 206 participating in the PEOPLE Plan and (71) members lost this calendar year due either death or cancellation.

Motion by Sister Cairgle, 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, 2017 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. A hearing has been held before the Michigan Court of Appeals on **Tuesday, September 11, 2018** Approximately 35 retirees attended. Our attorney expressed his appreciation for the impressive retiree attendance. A decision is pending and not expected to be very soon.

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 contends 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 Administrative Law Judge issued his recommended order that dismissed the charges in their entirety. Local 3317 has elected not to appeal to the full MERC Board.

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 most of the anti-public employee legislation. The Republican legislature has taken a new approach to disenfranchise public employees by introducing narrowly targeted bills. Recent discussions with members of the state legislature are warning us that almost immediately following the November 7th election, the Republican caucus will be introducing

legislation attacking public employees and virtually setting aside any constitutional amendments approved by the voters on November 7th.

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. We now must wait on the court to schedule oral arguments which we do expect before New Years' 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 September 1, 2018 pension payment. As of that date, we found nine (9) account balances incorrect of which three (3) are apparent underpayments and six (6) are overpayments. Sub-Chapter 38 is also attempting to gather information about the Medicare eligible stipend administrative process at Genesis Employee Benefits. Since December 12, 2017 six (6) grievances have been sent to Wayne County demanding resolution of some Non-Medicare stipend issues. Two (2) of the above underpayments and one (1) overpayment are part of Grievance #1. The group representing this Sub-Chapter continues to demand that Wayne County fulfill its obligations under the settlement agreement. Grievances #3 and a new Grievance #6 remain open pending additional information from Wayne County. Grievances #2, #4 and #5 have been withdrawn due retiree ineligibility or lack of cooperation from the retiree. It is becoming clear that the only resolution to Grievance #3 is a mutually acceptable Health Reimbursement Account Plan so that every Medicare eligible call member will know their rights and responsibilities under the plan.

MEDICARE AND MIRROR RETIREE STIPEND ENHANCEMENT

As previously discussed, the 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. The Chairman of County Commission Ways and Means Committee has indicated that our request is being opposed by the administration. Several Commissioners have expressed support for our request but have told us that we must recruit additional commissioners to the request. They have further encouraged us to attend the Wayne County Commission Committee of the Whole when it considers the 2018-19 budget on Wednesday, September 19, 2018, at 9:30 am, 7th floor, 500 Griswold. The budget is scheduled to be before the Wayne County Commission Board meeting on Thursday, September 20, 2019, at 10 am, Mezzanine Floor, 500 Griswold for final approval.

ANNOUNCEMENTS

None.

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

COMMITTEE REPORTS:

PEOPLE Committee: Brother Macdonald gave an update. The Region 2 AFSCME PEOPLE Committee meeting was last week. Sisters Bauman and Cairgle were present along with Brother Henry Lykes and Brother McCall. There were no Council 25 personnel there. There were only representatives from Subchapter 38 and Local 1907 present. Council 25 PEOPLE has endorsed Warren Evans.

ELECTION Committee: Motion by Brother Macdonald, properly supported by Brother Cox, to nominate Brother Charles Parker as Trustee for the term ending October 2021. Brother Parker accepted the nomination.

UNFINISHED BUSINESS:

Committees: Motion by Brother Yee, properly supported by Brother Macdonald, to reappoint current members of the Standing Committees, unless they so decide not to continue as members. The motion carried.

NEW BUSINESS: None

GOOD AND WELFARE

There was a moment of silence for deceased members.

ADJOURNMENT

Motion by Brother Macdonald, properly supported by Brother Cox to adjourn the meeting at 12:08 pm. The motion carried.