



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

June ~~14~~¹¹, 2019 *as Connected*

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, Wadlin, and Yee

EXCUSED: Smith

ABSENT: None

ROLL CALL OF OFFICERS: Brother Pendracki 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.

Motion by Brother Macdonald, properly supported by Brother Noelke to suspend the regular order of business at 1:01 PM to allow guest speakers to address the membership. The motion carried.

Brother Macdonald and Sister Misuraca introduced the speakers, Kevin VanDenHaute and Wendy Mason from Sygma Planning and Candy Meyers from Prudential.

The speakers gave an overview of the upcoming changes the WC Retirement Systems restructuring of the County's defined benefit plans and the County's 457 (deferred compensation plans.

Sygma Planning was hired by the County to look at these plans and offer guidance in the structuring of them.

Motion by Brother Macdonald, properly supported by Brother Cox, to return to the regular order of business at 1:32 PM

CORRESPONDENCE

1. MiARA May 2019 newsletter commenting on Trump acts on Social Security and Medicaid, federal income and health programs, student loans, and a tribute to Judge Damon. There was no announcement of the next membership meeting Receive and File
2. Council 25 Announcing the Michigan Council 25 Executive Board meeting at the Westin Hotel, Southfield on June 1, 2019 starting at 10:00 AM. Receive and File
3. AmWins A copy of the "Summary of Benefits and Coverage" for the Health Reimbursement Accounts for Medicare eligible Macdonald settlement class members. The letter is signed by Mathieu, a Wayne County employee. Receive and File

Motion by Brother Macdonald, properly supported by Brother Pendracki, to receive and file all items. The 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 14, 2019, 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 May 14, 2019, 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: Brother Yee reviewed the recent Michigan Supreme Court decision on the Macomb County Retirees' benefits – specifically health care. The Court decided on a 4-2 decision that retirees' are only entitled to benefits until the contract they retire under expires. If the new contract does not continue those benefits specifically, the benefits may be eliminated by the employer. For Wayne County, the employees' receiving stipends as a result of the settlement of the lawsuit, their benefits may not be eliminated; however, this may greatly affect mirror-retirees benefits in the future.

As was reported last month, we had a meeting with some of the Wayne County Commissioners regarding an increase in the Medicare stipends. We have not heard anything more regarding this although we know many of the Commissioners support this, we are still waiting to hear something regarding this item for the next budget year. It was suggested we meet with the County Executive and Brother Yee did send a letter requesting a meeting. Brother Yee was contacted and informed that the Chief of Staff to the County Executive would be meeting with us and we provided some dates we would be available to meet. We did not hear anything more from the County until President Yee received a phone call from the Chief of Staff's assistant asking if President Yee was going to be at a restaurant within an hour. President Yee said he would be there within 15 minutes but it didn't allow any time to contact the other members of the Committee to get them to the meeting. The concern expressed was that the County Executive is

concerned about incurring unfunded liabilities which may result in a lower bond rating. However, alternatives were offered by President Yee that would lessen that likelihood. The matter was left open with the hopes of another meeting regarding the matter.

The recent Michigan Supreme Court decision brought by the Macomb County retirees was discussed and its implications for Wayne County retirees. While the Subchapter's agreement for some retirees will not be affected by this decision, it could affect the mirrored retirees. The Supreme Court decided that when a collective bargaining agreement expires which a retiree retired under, any fringe benefits for retirees also expires unless specifically expressed as continuing in the new bargaining agreement. This allows any public employer to terminate medical and other benefits to their retirees.

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

VICE-PRESIDENT: The Labor Coalition meeting is scheduled for Wednesday, June 26, 2019, at noon, 3031 W. Grand Blvd., Ste. 415, Detroit, and please note the change the Wayne County Employees Retirement System Board meeting is Monday, June 24, 2019, at 9:15 am, 28 W. Adams, Detroit, MI. The post office box has been cleared.

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

SECRETARY TREASURER

Financial Report

Brother Macdonald reported that the Sub-Chapter has \$128,833.21 in cash and investments as of May 31, 2019. There are 1,335 current members with 193 participating in the PEOPLE Plan and (58) members were lost 46 as a result of deaths this calendar year.

Motion by Brother Pendracki, properly supported by Brother Hubert, to accept the Treasurer report as presented. The motion carried.

Secretary-Treasurer Report, Comments and Announcements

Three (3) Retiree Grievances

There were three (3) grievances filed by AFSCME and its Local Unions relating to pension issues of which two (2) survived various court hearings. The two (2) surviving grievances deal with the following issues:

1. **Elimination of 13th Check:** The second grievance dealt with the changes Evans and the County Commission 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 required County contribution to the pension system.

2. Medical Insurance for Disability Retirees: For (30) years, the County had a practice which was supported by the various CBAs and 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 prevailed. 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.

We have not received the schedule of the arbitration hearing dates. The grievances will be arbitrated separately. Sub-Chapter 38 is committed to assisting counsel during the arbitration processes.

RETIREE COALITION TO PROTECT PUBLIC SECTOR BENEFITS

The coalition is still waiting for the newly elected governor to formulate her agenda and is monitoring how the legislature reacts. Through our various lobbyists we hope to have legislation proposed to ease the onerous aspects of bills passed during the last administration. Unfortunately, it may take years and possibly another election in 2020 to undo the damage done. There have been some encouraging happenings in the legislature but those have been offset by some negative events. The coalition urges every retiree to contact their legislators urging passage of the legislation to rescind the income tax on pensions.

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. Wayne County Circuit Judge Leslie Kim Smith issued an opinion on July 31, 2017 denying Evans the ability to seat his WCERS Board. Wayne County filed an appeal with the Michigan Court of Appeals (Case No. 339714) and an appellate court decision, dated May 9, 2019, confirmed the ruling of Judge Smith. Wayne County has filed a motion to reconsider with the Michigan Court of Appeals and a hearing on that motion has not been scheduled.

PRESCRIPTION CO-PAY SETTLEMENT

This Sub-Chapter continues to reconcile stipends for the Non-Medicare eligible retirees. The latest reconciliation is through the June 1, 2019 pension payment finding that since the only accounts that do not reconcile are overpayments the Sub-Chapter is not pursuing any corrections. Of the eight (8) grievances filed by the Sub-Chapter only Grievance #3 and Grievance #8 remain unresolved. Those grievances concern the many problems with the Health Reimbursement Accounts at TASC (formerly Genesis). As a partial response to Grievance #8 the Sub-Chapter received a list from Wayne County of 996 HRA accounts at TASC with balances of more than \$3,000 totaling over \$3.5 million. The Sub-Chapter will have to consider what to do with the list. It is evident that the only resolution to those grievances is a mutually acceptable Health Reimbursement Account (HRA) Plan and that every Medicare eligible class member know their rights and responsibilities under the plan. The meeting with Wayne County of April 16, 2019 showed a limited willingness by Wayne County to address our issues. The Sub-Chapter was demanding that every Medicare eligible retiree receive a copy of the mutually agreed upon HRA

plan or at least a summary plan document. The AmWins letter reported in correspondence by the Recording Secretary was drafted and mailed without consultation with or the approval of the Sub-Chapter.

During a meeting with the Chairman of the Wayne County Committee on Ways and Means, it appears that the Sub-Chapter may get some relief for Medicare eligible stipend recipients below the poverty level. A recent discussion with other commissioners reinforces that impression. We wait for further developments. A meeting with representative of CEO Evans on that topic is in the scheduling process.

ANNOUNCEMENTS – The preliminary reports on funding levels for the WCERS is promising.

The Defined Benefit Plan #1 preliminary funding level is 62%. The Airport Authority preliminary funding level is 72%. There are only (12) current county employees still in Defined Benefit Plan #1 and 65 in the old 5 and 6 plans. There are 1,900 currently employees in the revised plans.

Sub-Chapter has realized after some investigation that in 2001 Wayne County transferred all life insurance policies to Prudential. Thus, they became paid up insurance. Prudential, therefore, **IS** responsible for all of those policies. Therefore, if you retired prior to 2001, you need to contact Prudential and update your address or check on your beneficiaries

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

COMMITTEE REPORTS:

Chapter 255: Brother McCall along with Sister Cairgle gave an update on recent issues with Chapter 255. They attended the June 4th Executive Officers meeting. Sister Cairgle has been appointed to vacant Trustee position. Brother Lykes was absent due to a family death, so Brother Nic Ciaramitaro chaired the meeting as Vice-President. It was a productive meeting. A preliminary budget was reviewed but has yet to be approved. A convention was set for October 26 – Saturday, at the Westin Hotel for the election of officers (Sister Cairgle). Subchapter should be entitled to (8) delegates and inasmuch as our dues are up to date with AFSCME International, our members are members in good standing with Chapter 255

Brother Henry Lykes also spoke on the current situation with Chapter 255.

Motion by Brother Hubert, properly supported by Brother Sockolosky to accept the Chapter 255 report. The motion carried.

PEOPLE Committee:

Sister Julie Bauman notified the membership of an event by the Metro AFL-CIO. The national AFL-CIO is hosting a Town Hall event called "Demanding Better" on the renegotiation of the NAFTA agreement. AFL-CIO President Trumpka will be the speaker. It will be held on June 19, 2019, from 6 to 8 pm at the Region 1A UAW Hall at 9650 Telegraph Road, Taylor, MI. Interested persons should RSVP at: AFL-CIO.ORG\tradetour.

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

UNFINISHED BUSINESS: None

NEW BUSINESS: None

GOOD AND WELFARE:

Sister Janet Wiktor thanked Sister Betty Misuraca for providing the food for today's luncheon and asked for volunteers for future months that are not covered.

Brother MacDonald brought it that it should be noted that the (4) Supreme Court justices supported as Republicans supported the decision to allow the termination of all fringe benefits for public employer retirees, (2) justices supported as Democrats did support the decision but a newly elected justice supported by the Democrats abstained from voting. Justice Kathleen Cavanaugh is that judge and she specifically came to a Subchapter meeting and said she would always support public retirees.

There was a moment of silence for deceased members.

ATTENDANCE DRAWING:

There were 55 members in attendance.

Attendance Drawing:

- 1) \$20 - # 25 – Delphine Fairbanks
- 2) \$10 - #11 – Gil Cox
- 3) \$10 - #53 – Kim Curry-Smith

ADJOURNMENT

Motion by Brother Macdonald, supported by Brother Pendracki, to adjourn the meeting at 2:24 pm.