



WAYNE COUNTY RETIREE SUB-CHAPTER 38

WE MAKE MICHIGAN HAPPEN

Executive Board Meeting

July 9, 2019

Ronald Yee
President

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

Gilbert J. Cox
Vice-President

PRESENT: Cairgle, Kreklau, Macdonald, McCall, Parker, Sockolosky, Wadlin and Yee

Hugh S. Macdonald
Secretary Treasurer

EXCUSED: Cox, Noelke, and Smith

Mary Etta Kreklau
Recording Secretary

ABSENT: None

Douglas Wadlin
Sergeant-At-Arms

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

Richard Noelke
John McCall
James Sockolosky
Executive Board

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.

Faith Cairgle
Charles Parker
Jerry Smith
Trustees

CORRESPONDENCE

1. MiARA June 2019 newsletter commenting on proposed federal legislation directed at protecting Taft-Hartley pension systems. The next membership meeting will be August 21, 2019 at UAW Region 1A, 9650 Telegraph, Taylor, MI. The time is to be announced.
Receive and File
2. Council 25 Announcing the 25th Annual Charity Golf Outing on Friday, July 26, 2019, at the IMA Brookwood Golf Club, Burton, MI. Green fees are \$100 per golfer. Receive and File
3. Council 255 Letter dated June 27, 2019, including a "2019 Proposed Budget" that begins with a May 1, 2019, "Beginning Balance".
Receive and File
4. Council 255 Letter dated June 27, 2019, demanding that Sub-Chapter 38 pay \$15,587.25 to Chapter 255.
Refer to New Business

Motion by Brother Macdonald, properly supported by Brother Sockolosky, to receive and file Items 1-3 and refer Item #4 to New Business. The 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 11, 2019, 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 Sockolosky, to waive the reading and approve the minutes of the Membership meeting of June 11, 2019, 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:

Chapter 255: Brother Lykes has been in the hospital so he will not be at our meeting this month. We do know there will be a Chapter 255 Convention on October 26, 2019, however, we have not received the Convention Call as yet and President Yee did talk to Brother Lykes about that. Brother Lykes said the Call would be faxed to us; however, we have not received anything. We know we are entitled to (8) delegates based on our membership and we're looking to place members on various committees, including resolution, rules, sergeant-at-arms; election, credentials and constitution, but until we have the Call, we cannot name anyone to any committees. Hopefully we will have this information by our next meeting.

Wayne County: There is a meeting scheduled next week (week of July 15th) to discuss the Health Reimbursement Accounts. We are still trying to get a plan document that meets with the terms of the Court settlement and also a summary plan description that can be sent out to all Members.

With regards to the stipend increase, we have met with the Chair of the Ways and Means and it appears they are willing to make some moves on this; but they did suggest we meet with the County Executive on this. I have met with a representative of the County Executive over a month ago regarding this and have faxed to him a request for an update, but have heard nothing from him.

US Supreme Court: As I'm sure you've heard, the Court ruled against the gerrymandering lawsuits. We had hoped that the lines would be redrawn before the 2020 election it appears now that Michigan voters will have to wait until after the 2020 election to see any changes in the districts.

Motion by Brother Macdonald, properly supported by Brother Sockolosky. The motion carried.

VICE-PRESIDENT: None

SECRETARY TREASURER

Financial Report

Brother Macdonald reported that the Sub-Chapter has \$131,855.48 in cash and investments as of June 30, 2019. There are 1,328 current members with 191 participating in the PEOPLE Plan and (66) members were lost this calendar year.

Motion by Brother Macdonald, properly supported by Sister Cairgle, 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.

Legal counsel advised that arbitration on the 13th check issue is scheduled for September 11, 2019 with no date for the disability benefits issue set. Council anticipates that an evidentiary hearing on both matters will be unnecessary with all of the factual data stipulated by both sides. 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

The latest reconciliation of the Non-Medicare eligible stipends is through the July 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 \$3,000.00 totaling over \$3.5 million. 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 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. A meeting with Wayne County scheduled for July 15, 2019 may make some progress toward these goals. The Sub-Chapter will then have to consider what to do with the aforementioned list.

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. With the Commission budget deliberations beginning soon, we will get a better idea of what to expect.

ANNOUNCEMENTS

Brother Macdonald discussed the selective data report from the Wayne County Employees' Retirement System. The System is sixteen (16) years from 100% funding if it goes according to current actuary funding policy. The funding level is 62% for the County and 72% for the Airport Authority. Annual pension payroll is down almost \$2 million dollars. The average pensioner is up to 74 years of age and the average age of retirement is 54.8 years. The average service time stays at roughly 24 years. We are down to 1,948 people in the Defined Benefit programs of the 3,119 employees the County has.

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

COMMITTEE REPORTS: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

Item referred from Correspondence: Request for Payment from Chapter 255:

Motion by Brother McCall, properly supported by Brother Sockolosky, to initiate payments to Chapter 255 beginning July 1, 2019, when the proposed budget was received.

Roll Call Vote:

Yes: Yee, Macdonald, Parker, McCall, Cairgle

No: Sockolosky and Wadlin

Abstain: Kreklau

The motion carried.

GOOD AND WELFARE:

There was a moment of silence for deceased members.

ADJOURNMENT

Motion by Brother Macdonald, properly supported by Brother Wadlin to adjourn the meeting at 12:13 pm. The motion carried.