



WAYNE COUNTY RETIREE SUB-CHAPTER 38

WE MAKE MICHIGAN HAPPEN

Executive Board Meeting

August 13, 2019

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: Cox, Kreklau, Macdonald, Parker, Smith, Sockolosky, Wadlin and Yee

EXCUSED: Cairgle and McCall

ABSENT: None

ROLL CALL OF OFFICERS: Brother Sockolosky made the motion, properly supported by Brother Noelke, 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

1. MiARA July 2019 newsletter reporting on AFL-CIO President Trumpa comments at the June 19, 2019 membership meeting in Taylor urging support of the Amazon strikers and announcing a next membership meeting for August 21, 2019, at UAW Region 1A, 9650 Telegraph, Taylor, starting at 11:00 AM. Receive and File
2. WCERS An email from the retirement system that provides the contact members for the "Benefit Team" within the benefits department of Wayne County. Note that the Benefit Team is not a WCERS function and is housed in the Guardian building. Receive and File
(DETAIL OF BENEFIT TEAM INFORMATION ON LAST PAGE OF MEMBERSHIP MINUTES)
3. Council 25 Announcing the next Council 25 Executive Board meeting for Saturday, September 7, 2019, at the Westin Hotel, Southfield, starting at 10:00 AM Receive and File
4. Council 255 Letter announcing the 1st Constitutional Convention to be held at the Westin Hotel, Southfield, on October 26, 2019, starting at 10:00 AM. A reception the previous evening starting at 5:00 PM Refer to New Business
5. AFSCME PEOPLE – Announcement of a Region 2 PEOPLE Committee meeting on Tuesday, August 20, 2019, at Council 25 Detroit starting at 4:00 PM. The agenda for the meeting is to screen candidates for local elections in Westland, Livonia, Trenton, Dearborn Heights and possibly more. PEOPLE Committee

6. Council 25 Announcing the 22nd Constitutional Convention of Michigan Council 25 AFSCME starting at 10:00 AM Saturday, October 12, 2019, at the Westin Hotel, Southfield.

Refer to New Business

Motion by Brother Macdonald, properly supported by Brother Sockolosky, to receive and file Items 1-3 and refer Item #4 and #6 to New Business referring Item #5 to the PEOPLE Committee. 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 July 9, 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 July 9, 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:

A letter was sent to many of our retirees from Management and Budget, Benefits Division, requesting verification of eligibility for continuation of the retiree healthcare stipend. It states that failure to return the form could result in the suspension of benefits. This letter was in addition to the letter sent out by TASC to verify eligibility for the monthly retiree healthcare stipend. I contacted the County to get clarification of their letter and was told that the letter was intended for retirees that were under age 65 and not eligible for Medicare or retirees that were over age 65 and eligible for Medicare but had dependents that were under age 65 and would still be eligible for the County provided healthcare supplement that is based on your income. They were not sure why people not affected were sent the letter and requested that we clarify this matter so that retirees not affected did not return the letter.

Brother Macdonald and I attended a Ways and Means Budget Hearing which included the Retirement System. The state of the pension fund is steadily improving. It has risen from a low of 44% funded to 62% funded with the Airport at 72% funded. The Accrued Liability is at a 10-year low and the number of employees retiring has been going down over the recent past which means that more retirees are dying than retiring each year. The county has been making its Annual Required Contributions (ARC) to the pensions system as well as additional payments which have helped accelerate the funding status of the System. The current ARC is 52.2 million dollars and the county has stated that it will be making its required contribution.

We discussed the possibility of an increase in the stipend for retirees receiving Medicare with some of the Commissioners and they said that there were funds in the proposed budget to address this issue. We requested a copy of the proposed plan so that we could update our membership and they said they would have a copy forwarded to us. We have not heard from the County Executive's Office on whether they support this particular line item.

Brother Sockolosky read his summary report of the July 15, 2019, meeting with Sub-Chapter 38 representatives and the Wayne County Administration regarding the HRA issues. This County gave its claims regarding the current HRA arrangement; how it sees the HRA plan and it maintains that the Sub-Chapter will not have a role in administering the HRA. It reiterated that Wayne County owns the HRA's; the dollars in the funds are the property of Wayne County and it cannot be allocated to the retirees. When the retiree dies; the balance in the fund reverts back to Wayne County. Wayne County believes the settlement agreement gives it wide latitude to administer the agreement.

Motion by Brother Macdonald, 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 \$134,166.21 in cash and investments as of July 31, 2019. There are 1,325 current members with 190 participating in the PEOPLE Plan and (69) members were lost this calendar year.

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

Secretary-Treasurer Report, Comments and Announcements

Two Pending Arbitration Cases

There were three (3) grievances filed by AFSCME and its Local Unions relating to pension issues of which two (2) survived various court hearings and were remanded for arbitration. They are:

1. **Elimination of 13th Check:** The 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.

The Sub-Chapter has been assisting legal counsel in preparation for arbitration. Legal counsel anticipates that an evidentiary hearing on either matter will be unnecessary with all of the factual data stipulated by both sides. Submission of stipulations was to be by August 12, 2019. Should the parties not agree on the proposed stipulations, the arbitrator may rule on acceptability or order evidentiary hearings. Sub-Chapter 38 remains committed to assisting legal counsel during the arbitration processes.

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

Payments by Wayne County of both Medicare eligible and Non-Medicare stipends appear to be consistent with the settlement agreement. The Sub-Chapter continues to pursue a grievance on the issue of the many problems with the Health Reimbursement Accounts at TASC (formerly Genesis). As a partial response 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 is seeking mutually agreed upon HRA plan or that at least a summary plan document is provided to every current and future Medicare eligible retiree. A meeting with Wayne County was held on July 15, 2019 with limited progress toward these goals. The primary problem is communication with affected retirees. Wayne County and the Sub-Chapter are both working on developing a communication plan.

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

WCERS has completed the "Historical Review 2009-2018 as of September 30, 2019" This review contains interesting information on both the defined benefit and defined contribution plans. The review will be available of the WCERS web site www.wcers.org.

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

COMMITTEE REPORTS: None

UNFINISHED BUSINESS: None

NEW BUSINESS:

Item referred from Correspondence: Convention Call Chapter 255: