



WAYNE COUNTY RETIREE SUB-CHAPTER 38

WE MAKE MICHIGAN HAPPEN

Executive Board Meeting

Ronald Yee
President

February 9, 2021

Gilbert J. Cox
Vice-President

The meeting was called to order at 11:31 AM by President Yee via ZOOM and was opened with the Pledge of Allegiance.

Richard Noelke
Secretary/Treasurer

PRESENT: Bauman, Cairgle, Kreklau, McCall, Noelke, Pendracki, Smith, Sockolosky, and Yee

Mary Etta Kreklau
Recording Secretary

EXCUSED: Wadlin

Julie Bauman
Sergeant-At-Arms

ABSENT: None

John McCall
James Sockolosky
Douglas Wadlin
Executive Board

GUEST: Brother Hugh Macdonald

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

Faith Cairgle
Paul Pendracki
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

1. MiARA The December 2020 newsletter that included a year-end report by MiARA President Dick Long. Receive and File
2. MiARA The January 2021 Newsletter discussing the pending impeachment trial of Trump, the Georgia senatorial election, 2020 events and highlighting activist Tom Struckman. Receive and File
3. AFSCME Intl. – Copy of letter to Henry Lykes, President, Michigan AFSCME Retiree Chapter 255, seeking a dues rebate of \$76.80 for members residing in North Carolina during 2020 plus \$86.40 for members residing in Nevada during 2020 and advising that similar rebate requests for 2021 would be issued in March 2021. Receive and File
4. Brian Jenny Retainer Agreement between the Kemp Klein Law Firm and the Sub-Chapter tax consulting services at the rate of \$325/hr. for Mr. Jenney, \$275/hr. for an associate and \$100/hr. for a legal assistant plus a retainer fee of \$1,000. New Business
5. Chapter 93 Retirees – Letter urging AFSCME retirees to enlist congresspersons to rescind the “windfall Elimination Provision and Governess Pension Offset” policy. Under this policy social security benefits of a public employee/retiree could be eliminated. Receive and File

Motion by Brother Pendracki, properly supported by Sister Bauman, to refer Item #4 to New Business. The motion carried.

READING OF MINUTES

Brother Pendracki made the motion, properly supported by Sister Bauman, to waive the reading and approve the minutes of the Executive Board meeting of January 12, 2021, as amended 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 gave an update on the situation between Sub-Chapter, Wayne County, and TASC as it relates to the recent changes potential tax liabilities as it relates to the possibility of the County deciding to disband the HRA accounts and potential tax liability if this happens. The County claims that if this happens, they will have to determine the tax liability for each retiree over the retiree's lifetime and pay those taxes immediately. If that would happen, the County would then stop payments entirely until the tax liability was recouped. The Sub-Chapter disagrees with this position and needs professional tax advice on whether the position the County is taking is correct. The firm of Kemp Klein was recommended for this purpose. This will be taken up under New Business and will also require a Budget Amendment for approval.

An email was sent out by the Sub-Chapter to all members we had emails for informing them of the situation and warning that the County may send out a notice also on the subject.

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

VICE-PRESIDENT: Nothing to report at this time.

SECRETARY TREASURER:

Financial Report

Brother Noelke reported that the Sub-Chapter has \$133,456.90 in cash and investments as of January 31, 2021. There are 1,416 current members with 175 participating in the PEOPLE Plan and (117) members have been lost this fiscal year.

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

President Yee requested Brother Noelke to provide him with the names and e-mails of the new members.

UPDATE ON CONTINUATION OF GRIEVANCES/ARBITRATION:

Brother Macdonald gave an update on the following issues:

One Pending Arbitration Case: There were three (3) grievances filed by AFSCME and its Local Unions relating to pension issues of which one (1) survived various court hearings and was remanded for arbitration. It is:

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. Briefs on this grievance have been submitted and arguments before the arbitrator completed in September 2020. The arbitrator has yet to issue a decision.

PRESCRIPTION CO-PAY SETTLEMENT

Payments by Wayne County of Medicare eligible stipends appear to be consistent with the settlement agreement. This Sub-Chapter has identified a number of incorrect or omitted pre-Medicare stipend payments. The February 2021 reconciliation found a number of overpayments. Legal counsel and your representatives assigned the task of monitoring the stipend programs are communicating with Wayne County to resolve these overpayments. In spite of our continuing inquiries Wayne County has not advised as to how they propose to deal with the overpayments. Wayne County has advised that a review of the stipend program is “almost” complete but has not provided a copy to the Sub-Chapter for review and comment.

The Sub-Chapter filed Grievance #8 on April 15, 2020, about the many problems with the Health Reimbursement Accounts (HRA) at TASC (formerly Genesis). Arbitration was held on February 7, 2020, with the arbitrator granting the grievance and ordering Wayne County to (1) meet with us “on a regular and meaningful basis to develop a stipend plan”, (2) Wayne County will provide all eligible with an agreed upon summary plan document” (3) “upon implementation of the new stipend plan on or before March 10, 2021” “the unilateral HRA plan will be dissolved” and (4) Wayne County will compensate all Medicare-eligible class members that were harmed by the unilateral implemented plan”. Legal counsel and your representatives assigned the task of monitoring the stipend programs have been participating in video conferences with Wayne County with the express purpose of resolving the inconsistencies of the current process with the settlement agreement. The Wayne County representatives have stalled on every issue. They go so far as to state that Wayne County must have the right to amend or terminate the plan unilaterally because it is too cumbersome to negotiate with the Sub-chapter. Without committing to continuing the HRA type of arrangement for the stipends, the Sub-Chapter continues to attempt to construct an acceptable Wayne County/TASC Basic Plan Document. The Sub-Chapter representatives have proposed alternative solutions and Wayne County has proposed the Michigan Employees’ Retirement System (MERS) as an alternative that would maintain tax-free status for the stipends. Wayne County also provided copies of the standard MERS HRA agreements. Wayne County asserts that a direct-pay program has draconian tax consequences on the recipients. The Sub-Chapter is exploring the retention of a tax attorney to advise on those issues. In the meantime, the Sub-Chapter representatives are scheduled to have a conference call with MERS to obtain additional information and ask questions.

Motion by Brother Pendracki, properly supported by Sister Cairgle, to accept the report. The motion carried.

COMMITTEE REPORT(S):

From the PEOPLE Committee: Sister Bauman reported that there will be a Region 1 and 2 ZOOM meeting on Thursday, February 25, 2021 at 6 pm to discuss the 2021 City of Detroit elections. She will send the notice and information by email to the Committee members.

Motion by Brother Pendracki, properly supported by Sister Cairgle, to accept the PEOPLE Committee report as presented. The motion carried.

From the Chapter 255 Committee: Sister Bauman gave a verbal update on the Chapter 255 Biennial Convention. The proposed date for the convention is October 15, and 16, 2021, at the Labor 51 Hall of the St. Regis Hotel in Detroit, MI. The next meeting of the Biennial Convention Committee will be in April. All of the meetings are on Zoom. Brother Macdonald recommended that the Sub-Chapter needs to demand that Sub-Chapter 38 must have representation on every committee.

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

UNFINISHED BUSINESS:

Zoom Meetings; Sister Bauman and Sister Kreklau updated the Board on the information they have found on YouTube and tutorials for Zoom meeting as it relates to using this for possible Membership meetings in the future. Sister Kreklau updated it appears an important start is building the Contact list for the invitations. She reviewed some of the different ways meetings can be set up and managed. Sister Bauman reviewed the way the invitees would be handled. Determining the protocol in advance is critical. The issue will continue to be reviewed.

NEW BUSINESS:

From Correspondence Engagement Letter from Klemp Klein Law Firm: Motion by Brother Pendracki, properly supported by Brother Cox, to execute the retainer agreement with Klemp Klein Law Firm with the terms as presented, and a maximum expenditure of \$2,000, if needed. The motion carried.

Motion by Brother Pendracki, properly supported by Brother Sockolosky, to amend the 2020-21 Sub-Chapter 38 budget for legal services by adding \$2,000. The motion carried.

GOOD AND WELFARE:

There was a moment of silence for deceased members.

ADJOURNMENT

Motion by Brother Pendracki, properly supported by Sister Bauman, to adjourn the meeting at 12:15 pm. The motion carried.