



MICHIGAN ASSOCIATION OF RETIRED PUBLIC EMPLOYEES NEWSLETTER

Volume 1, January 2011

2525 E. 14 Mile Road • Sterling Heights, MI 48310-5969
Office: (586) 698-2105 • Fax (586) 795-2183 • Web Site: www.mi-arpe.com

MI-ARPE LAUNCHES INAUGURAL NEWSLETTER

Greg Trozak, President

With this being our Association's first newsletter I would like to welcome everyone to the "MICHIGAN ASSOCIATION OF RETIRED PUBLIC EMPLOYEES" (MI-ARPE). It has been an interesting ten (10) months since this endeavor began. I would like to start by thanking everyone who decided to get involved in getting our group off and running, especially the Board of Directors who generously give up their time to attend the Board meetings every month and recruit new members. I have been involved in and a member of many established organizations over the years, but this being my first in forming a new group has been both rewarding and frustrating.

We know there are thousands of Municipal Retirees throughout the state. The problem is getting in contact with them. This is where we can all get involved. If throughout your travels you run into a friend or co-worker or if your municipality has a retiree organization tell them about us, this is how we will get our message out.

The goal of this Association is twofold, with the first goal being to keep the benefits we received upon retirement and secondly assuring these benefits remain consistent throughout our retirement. These two goals must

Perspectives from the Vice President

As of this writing, I would like to relate what some small cities are doing toward pensions and benefits. I was unable to obtain current information on two departments as they are in arbitration.

First, many communities are pushing toward a defined contribution from a defined benefit system. For those who do not understand these systems, a defined benefit is when you retire you receive a certain amount every month for life depending on which of the options you choose. On the defined contribution, the employer would put so much away per month as you are working and when you leave you get that amount. You receive no other payments and the employer pays no more into your fund. Communities feel this system is cost effective for them in the long run.

remain intact. All retirees I'm sure feel the same way but we as retired municipal employees always seem to be put under the microscope, whether it be from the media investigating the few outrageous pensions that have been awarded or the citizens comparing our so called great fringe benefit packages we received to the ones received by the private sector. We all know that 99% of municipal retirees receive a modest pension and our benefit package is constantly under attack by the employer. So again I ask that we all make every attempt to spread the word about our Association, explain that \$2.50 per month (\$30.00 per year) is a minimal amount to help protect what we have rightfully earned and strive to continue receiving.

Along the same lines as we are all aware there is going to be a change in Lansing over the next four (4) years with a new Governor and the next two (2) years with new leadership in both the House and the Senate. It is enormously vital that any attempt to make changes in the tax laws, pension benefits or any other Legislation attacking retirees must be monitored. This is a necessity for the members of this Association, we your Board of Directors will make every effort to keep everyone informed as much as possible; this will be done mainly through our web site www.mi-arpe.com or by e-mail. If you do not have your e-mail address on file with us please give us a call so the files

(continued on the back)

Second, the other benefit is health care. Many cities want to increase the co-pays on healthcare and several want the employee to assume any cost increases in the future. Some also want to establish a Health Saving Plan so that when you retire they have no future costs. All of these and many other changes are being discussed out there. It is important that the employee keeps up to date on their city's options and proposals.

We here at MI-ARPE will keep up to date on the legislation that is proposed which may affect your pension and health care. All state, county, city, police, fire and educational employees are welcome to join MI-ARPE. We would love to have you. We will do our best to keep you up to date on those issues that affect your livelihood.

Jerry Burden,
Vice President

INAUGURAL *(cont. from front page)*

can be updated. We are also planning on having quarterly general meetings. There is a meeting scheduled on January 10, 2011 which is located at 28525 Beck Road, Wixom, MI 48393. The Board of Directors meeting will begin at 6:00pm with the General Meeting immediately following. New temporary By-Laws were drawn up and voted on, these By-Laws can and should be reviewed and changed as needed in the future. If any of you have any expertise that may be valuable to our objective or if you would like to become more involved please let us know or show up at the scheduled meeting to help us maintain our goals.

Presently we have over 25 different agencies and municipalities signed on as members. It is up to us to continue to make the Association grow and prosper in these trying and difficult times. If you have any questions, suggestions or information that may be beneficial please give the Association a call or drop us an e-mail at mi-arpe@hotmail.com. Until the next time take care and we hope to see you at one of our meetings.

Flint Yanks Widow's Health Care

Since the late-1970s, the City of Flint has provided health care benefits to the spouses of deceased retirees. Apparently the administration of Flint Mayor Dayne Walling thought this was a mistake and unilaterally terminated the benefits to 55 widows effective February 28th. The Mayor's position was that the union contracts did not provide for health care coverage to the surviving spouse despite City Council resolutions to the contrary.

The United Retired Governmental Employees (URGE) intervened on behalf of six widows who had immediately contacted it and requested an emergency injunction from the Genesee County Circuit Court to stop the City. The City agreed to maintain the benefits for these six until the case could be argued in the U.S. District Court in Detroit (J. George Steeh). The status of the other 49 remains unclear, but URGE's attorney, Gregory T. Gibbs, will attempt to seek damages for them. (see mlive.com March 21 and May 2, 2010 articles in the Flint Journal)

Unfortunately, Flint is not alone in this kind of action. More Michigan cities and counties are feeling the budget pinch as they realize they can no longer afford retiree health care benefits. Thus it is vitally important that all retirees get formally organized at their local level and begin to challenge their former employers as URGE has been doing.

Meanwhile, don't forget to tell your fellow retirees about MARPE and its efforts at the state level. What Flint is doing may be a foretaste of actions in Lansing.

James Race

Treasurer, United Retired Gov. Employees – Flint

Retired Cops sue Shelby Township

by Fran DeFrank, Macomb Daily Staff Writer

Twenty former command-level police officers have filed lawsuits challenging a recent decision by Shelby Township officials to change the retirees' health care coverage.

Last April, after an arbitrator ruled in the township's favor in a dispute with the current command officers' union, elected officials increased prescription co-pays to \$10, \$20 and \$40, depending on the type of drugs.

Township officials estimated the changes in health care coverage would save \$92,000 annually.

The retirees maintain the township should abide by terms of the contract applicable at the time of their retirements. Those terms included co-pays as low as \$2 per prescription.

"Under the terms of the collective bargaining agreements, Shelby Township has a duty to provide medical coverage including prescription coverage with a \$2 co-pay," one of the lawsuits contends. Other former officers retired under a system that required \$5 co-pays. Those officers, too, should be exempt from increases, the lawsuits contend.

Elected officials approved the changes on the advice of their labor attorney, Craig Lange. In a memo to the Board of Trustees last April, Lange said the changes would bring retirees' benefits in line with current command officers.

"All modifications are to place their coverage in a position identical to the coverage enjoyed by current Shelby command officers," Lange wrote.

With the lawsuits, the retired officers are effectively asking for better health care coverage than is currently offered to active police officers, said Clerk Terri Kowal. "It (the new coverage) is good enough for the guys who are working on the street," she said.

Douglas Gutscher, who filed a lawsuit on behalf of seven of the officers, said his clients are asking simply for what they were promised. "These guys worked for Shelby Township for 25 years," he said. "They didn't go to the private sector. These were the promises made to them."

The two lawsuits filed by retired officers bring to three the number of legal challenges associated with rulings handed down in February by arbitrator Donald Burkholder.

Burkholder found in the township's favor in all nine issues brought before him by the township and the Command Officers Association of Michigan, the union that represents the current Shelby Township Police command officers.

The union filed a lawsuit in Macomb County Circuit Court charging that Burkholder "exceeded his jurisdiction" when he found against the union in its five-year labor dispute with the township.

The union claims Burkholder made errors that would justify a judge to send the disputed issues back to Burkholder for reconsideration.