



MINUTES
Committee on Ways and Means
July 11, 2017 @ 3:30 p.m.
10th Floor Conference Room, City Hall

CALL TO ORDER

The meeting was called to order at 3:30 p.m.

ROLL CALL

Councilmember Jody Washington, Chair
Councilmember Kathie Dunbar, Vice Chair
Councilmember Carol Wood, Member

OTHERS PRESENT

Sherrie Boak, Council Staff
Eric Brewer, Council Internal Auditor
Brandon Waddell, Assistant City Attorney – arrived at 3:33 p.m.
Irene Cahill, Teamsters
Kathy Miles
Denise Estee
Teresa Frassetto
Steve Maloney
Elaine Womboldt
Susan
Steve Harry

Minutes

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM MAY 31, 2017 AS PRESENTED. MOTION CARRIED 3-0.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM JUNE 6, 2017 AS PRESENTED. MOTION CARRIED 3-0.

MOTION BY COUNCIL MEMBER WOOD TO APPROVE THE MINUTES FROM JUNE 20, 2017 WITH THE EMAIL FROM ROBERT ENGEL ADDED. MOTION CARRIED 3-0.

Public Comment

Public Comment will be made at each agenda item.

Sole Source Purchase: Segal Waters Consulting Group, Human Resources

Council Member Washington read the email from Ms. Riley dating back to May 31 when she was invited to attend the meeting to answer questions on this Sole Source. The last communication from Ms. Riley was dated July 5, 2017 where she stated that the Segal contract had not been finalized yet, and her opinion was that it was premature to discuss it, but anticipated finalizing the matter in August.

Council Member Wood voiced a concerned that the Human Resources Department was the department that sent the Sole Source to the Mayor's office for referral back in May, so it is confusing why 2 months later she, Ms. Riley, would state it was not finalized. Council Member Wood then read into the record 206.05:

206.05. - Sole source procurement.

(a)

A contract for supplies, services or construction items may be awarded by the Mayor or Director, whoever is applicable, without competitive sealed bids when the Director determines, after conducting a good faith review of available sources, that there is only one source for supplying the requested supply, service or construction item. The Director, along with a representative from the requesting using agency, shall conduct negotiations as appropriate. The written documentation shall be available for public inspection in the Finance Department.

Council Member Wood noted that the City has worked with Hay Group for years, and therefore there is more than one source for what is being proposed to only go to Segal Waters. Council Member Wood asked direction to be given to Mr. Waddell with Law to investigate into if this a violation of the Ordinance, and then report back at the next meeting on August 1, 2017. Mr. Waddell was also asked to contact Ms. Riley to inform her an investigation has been requested and since she admitted the contract is not finalized, that she should not sign anything until the investigation is finalized. Mr. Waddell was also asked to inform Ms. Riley this would be on the August 1st Committee agenda.

OTHER

Teamsters 580 Retiree Healthcare Coverage

Council Member Washington referenced the binders of information that each Committee member had which included information compiled by Council Member Wood. Council Member Wood pointed to pages 1-47 which were the minutes from past meeting, and then later in the document under Attachment B was the 2010 memo from Mark Colby, former City employee. Lastly she referred the Committee to the letter from Ms. McIntyre dated November 23, 2015.

Council Member Washington admitted she was not sure of what all the materials were in the binder when presented with it last week, and what significance each item had, but now with the understanding would review the binder over the next couple weeks.

Ms. Cahill representing Ms. Meade with Teamsters introduced herself stating Ms. Meade was meeting Ms. Riley on a Segal Waters presentation.

Council Member Washington stated to the group that she had spoken to City Attorney Smiertka in the past about what the City Council Committee on Ways and Means can do with this situation, and was told the Committee has nothing they can do, and there is nothing anyone can do unless they hire an attorney. Council Member Wood then referred the Committee to the

memo by Ms. McIntyre from 2015. Council Member Washington stated she was informed by Mr. Smiertka that he met with Ms. Estee because her situation was different. Ms. Estee acknowledged she met with him, however stated her role at the meetings is the spokesperson for other.

Council Member Wood informed the Committee that there were two issues, one being those being overcharged, and that was resolved. The other issue was this certain group of retirees that Ms. Estee states she represents. The concern they have is with their rates, the benefits they left the City with and what they have now, and the dates those items were changed.

During a review of the Mark Colby memo, Council Member Dunbar asked if the contract he spoke about from 2007-2012 speaks about going back to 2004, and the consensus of the Committee and public was that it did not.

Ms. Estee noted that anything that states retirees follow active is a concern, because there is no tie- bar in Teamsters until 2014.

Susan noted that all health care premium changes occur in February and that could explain why Mr. Colby wrote the memo in March.

Ms. Estee went onto explain the situation of the group she represents in relationship to increases, co-pays, and questioned Mr. Colby's authority at the time he wrote the memo.

Ms. Womboldt spoke in opposition to the delay of answers for the retirees, and lack of presence by Mr. Smiertka or Mr. Abood at this meeting.

Ms. Estee added to her earlier statements that her opinion was that prior to 2010, with the collective bargaining retirees got to maintain their benefits and in 2010 they dropped that practice. It was asked who the City Labor Specialist was, and it was confirmed Mr. Abood.

Council Member Washington asked Council staff and Mr. Waddell to invite and make sure Mr. Smiertka and Mr. Abood are present at the August 1st meeting.

The Committee again reviewed the 2010 Mark Colby memo, and Council Member Dunbar pointed out it stated retiring 2004 and after. Ms. Estee stated she retired in 2005 and for the first 5 years she was okay, but then when this memo came out in 2010 there was not warning it was coming, and she believes that going back 6 years to 2004 is illegal. Council Member Dunbar asked what the remedy was she was looking for. Ms. Estee asked for a refund since they have taken over \$7,000 from her pensions, and also to admit their error.

Mr. Maloney explained his situation, where his plans changed and affected his cost also, which should have been under the 1% cap. Council Member Dunbar noted that in Mr. Maloney case it would require the health insurance company to be involved to figure out his discrepancies. It was stated by Council Member Dunbar for clarity that it appeared Mr. Maloney was affected because for 6 years he paid what he thought, and the coverage didn't change, but the City eliminated the 1% cap and changed the price. Council Member Dunbar asked Mr. Maloney what remedy he was seeking, and he stated he should have been left on the plan he had when he retired with no changes. Since he retired prior to 2014, when the tie-bar was added to the contract he should not have changed.

Ms. Estee provided an example of where Susan retired in 2001, and she retired in 2005 under the same Teamsters, however Susan has benefits with no charge, and she pays. She ended by stating it appears a random 50 retirees were affected.

Council Member Wood noted to the Committee that in the past the Committee on Ways and Means has asked if retirees are given a form to sign when they leave that outlines their benefits and they were told they were not.

Ms. Estee added to her remedy request that she would like the legal document that shows in her contract of 2003-2007 that there was a topic of tie-bar.

Council Member Washington asked if there were any other bargaining units affected by this, and Council Member Wood stated she had not heard of any other complaints.

Ms. Denise read and submitted her comments in writing. (Attached)

Council Member Wood asked Mr. Brewer to review the binder and document any questions he may have.

Council Member Washington noted to the group that in her discussions she has been told that Ms. McIntyre opinion from 2015 does not matter because she is no longer the City Attorney.

The next meeting will occur on Tuesday, August 1st, and again Council Staff and Law were asked to invite Mr. Abood and Mr. Smiertka.

Mr. Harry asked when the 2016 Actuarial Reports will be out. Council Member Wood stated confirmed the Retirement Board hasn't even seen them, and they are usually a year behind.

Council Staff provided the City website link to where the public could find the information the Committee was reviewing in the binder.

ADJOURN

Adjourn at 4:35 p.m.

Submitted by,

Sherrie Boak, Recording Secretary

Lansing City Council

Approved by the Committee on August 15, 2017

First of all my comments are not intended to offend or show disrespect to the current City Attorney's office. Mr. Abood and Mr. Smiertka basically became involved after the process was done and Ms. Janene McIntyre had already completed the Part 2 report in November 2015.

I would again like to make it very clear that the retirees complaint to the Internal Auditor in June 2014 is about the so-called 2-20-2004 tie-bar date. There is no such date and does not exist in any Teamster contract to date. The retirees have been telling the truth. Our truth is supported by and not limited to:

1. Internal Audit 2014 questionnaire completed by Lynne Meade, Teamster business rep. Questionnaire was NOT completed by Human Resources.
2. Statements by union stewards that were on the negotiating team for the 2003-2007 contract.
3. The actual 2003-2007 Teamster collective bargaining agreement
4. FOIA requests.
5. 2011 and 2013 City of Lansing Actuary reports on healthcare.
6. Janene McIntyre November 23, 2015 Part 2 report on the tie-bar issue.

For seven (7) years the City of Lansing has been unable to produce one single legal document that authorized them to divide a retirees group based on this 2004 date. Mark Colby was a Teamsters 580 Supervisor and certainly had no authority on his own to make this change. I am concerned about the current City Attorney's role in this process after the fact. I assumed that the CA was to be an independent audit in this process and also worked for the City Council. It appears to me the CA is an extended voice of the Mayor and Administration and attends these meetings to say no-no-no. The new City Attorney can certainly prepare his own report on the 2004 tie-bar date but he too will discover that the language does not exist and will reach the same conclusion as Ms. McIntyre.

The truth is the truth and never changes. How can you change the truth? How can you change facts. Once and for all, the CA needs to go to Human Resources ask for the document that contains the tie-bar date. **When HR is unable to produce**, the CA should instruct HR to correct their error and make premium refunds where needed.

I would also at this time like to acknowledge the support of Susan Brownlee, a 2001 Teamster 580 retiree who has attended these meetings. **In 2010** Susan and I were part of the **very same retiree group**. Susan had been retired for 9 yrs. I had been retired for 5 yrs retiring in 2005. Both the 2000-2003 and 2004-2007 contracts have the same language pertaining to retiree HC. I would like the CA to explain to me why Susan got to keep her benefits at no charge and why the City started charging me through withdrawals from my pension. So did the City "like Susan best?" Is it because Susan worked in the Finance Dept.? Is it because she worked less yrs. for the City? What is the answer? Certainly discrimination and totally lacking in any common sense.

Comments to Ways and Means, July 11th, 2017, 3:30 PM
Denise Estee, 2005 City of Lansing Teamster 580 retiree

Submitted @mty.