

DETROIT CONCERN CITIZENS AND RETIREES ((DCCR)

UPDATE

On April 23, 2014 and May 1, 2014 a group of concern citizens and retirees attended the Pension Board Trustee Meeting(s). During public comments the trustees were asked “why” they had agreed to the Bankruptcy Plan of Adjustment dated 4/16/2014. The only individuals that spoke during this meeting were Michael VanOverbeke, Pension Board Legal Counsel and Rev. Wendell Anthony, community representative, all other trustees were silent. Mr. VanOverbeke stated that the trustees had not voted or agreed to the plan. He further stated that they had only supported the economic issues like (1) 4.5% reduction in pensions, (2) up to a 20% claw-back and (3) elimination of cost of living adjustment (COLA). Mr. VanOverbeke emphasized later that support and approval are two different things legally, and that the pension board had not voted to approve. Sounds like splitting of hairs. He also stated that the board were trying to get the best deal and the final vote or decision was up to the retirees. Rev. Anthony echoed Mr. VanOverbeke statements, but further state the media had misrepresented the actions of the pension board. During the discussion between the board and retirees it was unclear whether they had supported only the 4.5% or all three economic items stated above. The retirees requested a copy of the minutes from the 4/16/2014 GRS Pension Board Meeting and submitted a request Freedom of Information Request Act (FIOA) for the minutes over the last year. “See minutes attached received today”. The following are issues presented to the GRS Pension Board by retiree:

- 95 million spent by Kevin Orr (EM) on consultant and 5.5 million spent by Mike Duggan on new staff while retiree’s pensions are cut.
- 732 million revenue sharing, millions in tax abatement to millionaires/billionaires, while retirees are cut.
- No guaranteed of future cuts or changes in plan of adjustment.
- Pension board will be run by outsider, 5 of who will be appointed by the mayor from a list provided by the governor.
- No active city employee, family member, contractor or union member can be a trustee.
- Retiree requested a general meeting of all retiree before voting ballots are sent out to discuss the details of the Bankruptcy Plan of Adjustment
- Retirees demanded that the pension board not agree to cuts to our pension
- Retirees stressed that the bankruptcy court is avoiding making a decision on State constitutionality of pension protection (10th Amendment US Constitution-Section 903) and Federal law protecting contracts.

See article below briefly covered meeting “Plan Elements Still Fluid”

From The Detroit News: <http://www.detroitnews.com/article/20140424/METRO01/304240035#ixzz31ENfLWaM>

On May 7, 2014, retiree inquired about the national support Detroit retirees had received from AARP, California Pension Plan and Texas Pension and public employees. These plans represent over 2 million people and are worth over 2 trillion dollars. This is powerful support! Rev. Anthony stated that the pension board had solicited the support from these groups. However, very little has been stated by the pension board of this support. The local corporate media will not be balanced or tell the hold story. See attached articles copies of brief are included:

<http://voiceofdetroit.net/wp-content/uploads/2014/05/AARP-Amicus-brief-Detroit-bankruptcy-appeal.pdf>

<http://voiceofdetroit.net/wp-content/uploads/2014/05/DB-6th-CalPERS-ab-2.CV01.pdf>

http://voiceofdetroit.net/wp-content/uploads/2014/05/DB-6th-ab-Natl-Conf-PERS_3-compressed.pdf

Diane Bukowski discussed her official objection to Judge Steven Rhodes participation in a pro emergency manager conference before he was appointment as judge in the Detroit Bankruptcy case. Conway Mackenzie a financial expert witness in this case also attended this conference. Chapter 9 Bankruptcy and pension obligations were also covered in this conference. Diane Bukowski asked that judge Rhodes recuse himself due to this conflict that has not been disclosed. See article on this issue and Diane’s official objection with the

court. Diane Bukowski demand that the pension board file an objection to this conflict of interest. This is a bombshell, maybe this is why Judge Rhodes is being conveniently replace by the Mark A. Random.

The legal counsel for the pension plan stated that the city was paying about 180 million for health care that cost has been reduced to 40 million. This is a 78% decrease in health care cost primarily due to dropping retirees. This saving has and will change the city's financial state.

The 4th Detroit Bankruptcy Plan of Adjustment was submitted Monday 5/5/2014. All active and retired City of Detroit Employee should weigh the "pros and cons" of voting yes or no. Indicated below is just a brief comparison, added your pros and cons:

Bankruptcy Voting Pros and Cons

Pros - YES	Cons - NO
Fearful of press reports that deal will get worst	Judge must rule on City's actual financial status not propaganda from Snyder, Orr or Media
You believe your pensions was not earned	Employee paid into the plan and their funds were used for investments (annuity)
You believe Orr that federal law trumps state law	US constitution 10 th amendment recognizes state's right-Section 903, trumps is a false issue.
The courts are on Snyder and Orr side.	Pension Plans are protected by the State constitution, "not to be diminished or impaired"
Snyder, legislature, and corporation will give money to GRS and PFRS, 350 million	Only an elected official can file bankruptcy, not an emergency manager
	If PA 436 is found to be unconstitutional, then this bankruptcy is also
	You give up all future rights to sue or appeal any decision.
	The pension will be taken over by the state and private interest with high administration cost
	No guaranteed, the plan can change how much you will be paid now and in the future.
	Current city's financial status unknown annual financial report (CARF) , Orr given extension
	City will saved 140 million in health care cost this year per pension board
	GRS had an 11% and PFRS 18% return last fiscal year, This equates to millions of dollars.
	City will eliminate the death benefit
	The pension is not underfunded the city is withholding pension obligations
	Retirees are force to pay high health care cost
	Recoup revenue sharing, tax abatements, tax giveaway to millionaires and billionaires
	Reductions 4.5%, 20% Clawback, Elimination of COLA
	We are not under-funded per actuary firm Gabriel, Roeder, Smith & Company We are funded better than the State and County.

The General Retirement System Board of Trustees plans to hold two informational meetings for retirees after the Plan of Adjustment ballots are mailed. The meetings are planned to help retirees understand the Plan of Adjustment ballots. We will mail postcards to notify retirees of the details for each meeting.

VOTE NO!

