

Mr. Chairman and Committee Members, thank you for the opportunity to address you today.

My name is Don Taylor, President of the Retired Detroit Police & Fire Fighters Association and former DPOA board member I retired from the DPD with 26 years of service.

This afternoon I'll share with you

1. How the retirees of the Detroit Police and Fire Departments, unlike so many other retirees, do not have any voice in how the pension is run.
2. The history of how the retirees have sought through many vehicles, to get a voice. And,
3. How this issue got to you and why you are the only means left to gain that voice.

It is routine for retirees to have a voice in their pension system, usually in the form of a full board member. To name just a few:

Detroit General City Employees

The counties of Wayne, Oakland, and Genesee

Cities of Saginaw, Flint, Pontiac, Grand Rapids, and Lansing

State of Michigan pension systems for general state employees, teachers, and state police all are systems where retirees have a voice.

So what we're asking for isn't unique, in fact we think it's just common sense.

Next I'd like to begin with a brief history of the RDPFFA's attempt to obtain a voice on the Pension System, to which they belong, and contributed to for 25 years of their life.

The RDPFFA first started to pursue a voice in the early 1990's through a resolution passed by Detroit City Council supporting Retirees having a voice. This process was held to be invalid.

Then the residents of Detroit amended the City Charter in the 1996 election and approved a Retiree seat on the Pension Board.

P&F Pension Board denied the request from RDPFFA to conduct an Election. The Association went to court to enforce the vote of the people. We won at the trial court level but the Court of Appeals overturned the decision in an unpublished opinion.

With the Court's decision, and absent an agreement by the Unions to put the City Charter into effect and give retirees a seat, the RDPFFA begin the process that brings us to you today.

This legislation doesn't give retirees the full seat on the Pension Board as called for in the City Charter.

HB 4917 would allow Retirees to vote for the candidates which represent the Retirees' rank and department at the time of retirement, with the candidates being nominated by the actives.

#### Current Structure of P&F Pension Board (11 Members)

- Mayor or a designee
- Member City Council
- City Treasurer
- Chief of Police
- Fire Commissioner

3 Firefighters (2 elected members holding rank Lt or lower, 1-elected member above rank of Lt

3-Police Officers (2-elected members holding rank Lt or lower, 1-elected member above rank of LT

(le)Those Retirees that Retired from Police Dept with Rank above Lt, would be eligible to vote for the one position called for in City charter for Police above the rank of LT.

RDPFFA Membership Total 6700 (1300 Detroit Residents Approx)

Active 5491 Associates/includes non 1203

In addition to these procedural hurdles, we've run into other problems by not having a voice.

In 2000 the P&F Pension System showed an overfunding of Approx 500 Million dollars, October an agreement which is known as 13<sup>th</sup> check agreement was signed by all parties involved.(City of Detroit, DPLSA, DFFA,DPOA,DPCOA, and RDPFFA) This agreement allowed for the distribution of funds from the system that exceeded 100 million dollars.

As follows:

- 40% allocated to the employer (City of Detroit)
- 30% allocated to Active Employees
- 30% allocated for Retirees

This distribution took place and covered a three year period

Once again in 2007 the system showed an overfunding of approx 200 million dollars in excess of the 100 million reserves. All the active Unions and Rep of the RDPFFA met to discuss a proposal that was being presented. The proposal included Actives receiving additional payout on their sick, with a portion of the value of the sick used for their average final compensation; Retirees would receive their portion in a fund for Health savings account. For years 2006 and 2007 this total amount per Retiree was \$5970.00 (These proposals are included in your packages)

(Distribution (50% to City, 25% Active, 25% Retirees)

No final agreement was reached regarding this proposal.

In May 2008, the RDPFFA became aware of an agreement between all the Active Unions and the City of Detroit regarding funding of the P&F pension system and improvements to active member benefits.

The City of Detroit was allowed to forgo paying in 75 million dollars to P&F pension, and Actives received increased payout on sick time and increased pensions.

Retirees without any voice were shut out of the process and the agreement.

This was approved at a special meeting of the P&F Pension Trustees on Tuesday May 13, Special Meeting Number 2680, which lasted one minute 11:50AM to 11:51AM, we are not aware of any notice being posted regarding this special meeting of the P & F Pension System.  
(All documents are included in package)

The RDPFFA has a Representative that monitors the P & F Pension Hearings, but he is kicked out on a regular basis, as they say they are in closed session. But in this case, even worse we weren't even aware of this special meeting being called.

2008 and 2009 numerous media accounts of questionable activities, questionable investments deals, and Federal investigations, of Pensions Systems, have ratcheted up the concern of Retirees over the Pension System and Trustees involvement.

As the RDPFFA has campaigned for voting rights, others who oppose the right to vote have made claims that do not hold water.

I refer to our informational package which was passed out to Representatives. Section E "Let the Record Show" in which we respond to these claims.

For example: "Retirees don't pay into the system anymore so they don't have an interest". This is ridiculous. We're retirees and we rely on our pension checks to live. I can't think of a stronger interest than that.

Another example, is that this issue isn't a state issue, but a local one. Please keep in mind those making this claim are the same people who in 1999 came to Lansing and asked the legislature to remove residency from the bargaining table. As I mentioned earlier, we've exhausted all other courses of action so state action is call for at this point.

I would also like to assure you that this Association would never propose or support any legislation that we believe would have an adverse affect on police officers or fire fighters. As the ranks of the actives are made up of hundreds of our sons and daughters.

The informational packages which were passed out include numerous documents detailing the history of our struggle and supporting our account of events. I ask that you take a minute to review them.

I understand and appreciate the position that some Representatives feel they are being put into as a result of this Legislation. I have meet with numerous members of the House and Senate, and with only a couple exceptions everyone appears to support the Legislation. Most all also point to their support of Police Officers and Fire Fighter issues. That is why I can assure you that the RDPFFA has exhausted every possibility to resolve this issue outside of this legislation which would have resulting in retirees having a voice.

So in closing, Retirees are just asking for your support in giving us a voice of how our pension system is managed. As long as you keep the issue of retirees having a voice a subject of collective bargaining, we Retirees will continue to be denied a basic right to have a say, or to hold those accountable for their decisions that have an effect on Retirees livelihood.

We're tired of being on the outside looking in; it's time for us to be let inside, and this unjust treatment of Retired Detroit Police Officers & Fire Fighters be ended. We ask for your support on HB4917.

