

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
March 20, 2013**

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chair Thomas Wardrop at 10:04 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the December 12, 2012 meeting. On motion duly made and supported, the minutes of the December 12, 2012 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from Janet McClelland, Acting State Personnel Director:

Unclassified Positions Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the state unclassified service. Since the last report, the following approvals were processed:

- On December 3, 2012, a request was received from the Department of Treasury to establish an exempt unclassified position to serve as the Executive Director of MSHDA. Concurrently, the vacant Racing Manager of the MI Gaming Control Board position was abolished. This request was approved on December 6, 2012.
- On December 26, 2012, a request was received from the Department of Attorney General to establish an exempt unclassified position to serve as the Director of Public Relations. This request was approved on January 3, 2013.
- On January 3, 2013, a request was received from the Department of Human Resources to establish an exempt unclassified position to serve as the Media Consultant & Director of Communications. Concurrently, the vacant Director of Inter-Agency Collaboration & Reengineering position will be abolished. This request was approved on January 7, 2013.

- On January 24, 2013, a request was received from the Department of Corrections to establish an exempt unclassified position to serve as the Chief Deputy Director. Concurrently, the OSA Deputy Director position was abolished. This request was approved on January 24, 2013.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Resolution 13-01, UAW and MSEA Agreements (Interim Approval Granted)

General Counsel John Gnodtke presented Item 5.A., Resolution 13-01. Mr. Gnodtke stated that Resolution 13-01 would approve secondary agreements involving the UAW, MSEA, and four state agencies. The Acting State Personnel Director, with consent of the Chair, previously granted interim approval of the four agreements. Staff has reviewed them and found no prohibited subjects of bargaining and, with the CSC adoption of Resolution 13-01, those four secondary agreements would be approved. Chair Wardrop requested a motion to approve Item 5.A., Resolution 13-01. On motion duly made and supported, Resolution 13-01 was unanimously approved.

B. Resolution 13-02, Rule 5-6, Additional Compensation: Miscellaneous

General Counsel John Gnodtke presented Resolution 13-02. In February, SPDOC 13-01 was circulated for proposed changes to Rule 5-6, Additional Compensation: Miscellaneous.

The proposed amendments to Rule 5-6.3 involve out-of-state premiums available for positions classified as Financial Institution Examiners and Financial Institution Managers. The proposed changes address the executive reorganization involving the Department of Licensing and Regulatory Affairs (LARA). These positions will be in the newly created Department of Insurance and Financial Services (DIFS). This rule change removes the prior reference to LARA in Rule 5-6. As a result of public comment, additional changes to Rule 5-6.3 will make the out-of-state premium available to anyone in the Financial Institution Examiner, Financial Institution Manager, or Financial Institution Specialist classes regardless of level as long as they perform the necessary out-of-state work. The amendments to Rule 5-6.3 will be effective immediately upon approval.

The proposed amendments to Rule 5-6.13 are regarding the Lottery Sales Incentive Program. These changes were conceptually approved by the Commission during last year's Coordination Compensation Process and will be implemented effective October 1, 2013. Upon motion duly made and supported, the Commission approved the rule amendments.

C. Consolidation of NERE Professional Development Funds (Interim Approval Granted)

General Counsel John Gnodtke presented this item to the Commissioners. At the request of the Office of the State Employer (OSE), the proposed administrative consolidation combines the Business and Administrative Unit and Managerial, Supervisory, and Confidential Professional Development Funds for the current and coming fiscal years. The Acting State Personnel Director, with the consent of the chair, approved this request. Upon motion duly made and supported, the Commission approved the recommended consolidation.

D. Letter of Understanding Between OSE and MCO (Interim Approval Granted)

General Counsel John Gnodtke presented a Letter of Understanding to establish holiday scheduling procedures for employees of the Center for Forensic Psychiatry in the Security Unit. Upon motion duly made and supported, the Commission approved the Letter of Understanding.

E. Letter of Understanding Between OSE and UAW (Interim Approval Granted)

General Counsel John Gnodtke presented a Letter of Understanding to establish overtime procedures for employees of the Department of Civil Rights involving a HUD grant for the Human Services Unit. Upon motion duly made and supported, the Commission approved the Letter of Understanding.

F. Letter of Understanding Between OSE and MCO (Interim Approval Granted)

General Counsel John Gnodtke presented a Letter of Understanding to allow custody staff at the Newberry Correctional Facility to be assigned to a 12-hour shift as a pilot. Upon motion duly made and supported, the Commission approved the Letter of Understanding.

6. PUBLIC COMMENT

Chair Wardrop stated that the allotted time for each public comment is five minutes, however, the Commission has the authority to grant more time and, if needed, less time. He also stated that the Commission is aware that there are two pending administrative appeals regarding issues at the Grand Rapids Home for Veterans (GRHV). Chair Wardrop informed those present that the Commission considers administrative appeals during closed sessions and its procedures have no provisions for briefing, argument, or other advocacy to the Commission. Chair Wardrop indicated that the Commission is aware of the legislative hearings regarding the same issue, and he asked that the speakers not put the Commissioners in a position of oral argument. He stated that the Commission will hear the comments for informational purposes only. The following individuals addressed the Commission:

Mr. Richard Mack, on Behalf of the Residents of the GRHV

Mr. Mack thanked the Commission for the opportunity to speak regarding the issues at the GRHV. He indicated that he would not be making legal arguments but that he wanted the Commission to see the dozens of veterans from the GRHV that attended this meeting. Mr. Mack stated that the appeals decision to be made by the Commissioners will directly impact the lives of these veterans. Mr. Mack stated that the decision could mean the health and well-being and, in some cases, the life or death of these veterans. He stated that this issue is about whether J2S staff should be first-line caregivers for these veterans who have faithfully served our country. A packet of complaints against J2S, addressed to the State of Michigan, was presented to the Commissioners. Mr. Mack encouraged the Commission to go through this packet to see who is being sent into these homes to care for the veterans. Mr. Mack told the Commissioners that he previously represented the veterans at a hearing where the judge found the behavior of J2S so appalling that she prevented the contract from taking place. He acknowledged that the injunction was overturned in the Court of Appeals, but the information that this judge saw first-hand was very pertinent. Mr. Mack stated that prior to this contract taking effect the J2S workers had been working in the home to supplement the State of Michigan staff. He said that there are approximately 170 nurse assistants and they are the front line of care for these veterans.

Mr. Mack indicated that before this contract became effective, the J2S workers were overseen by state-employed unit coordinators. Under the current contract, the J2S employees are supervised by J2S supervisors. This means that there is no direct State oversight of the J2S workers. Mr. Mack feels that the J2S supervisors have a financial incentive to sweep abuse and neglect under the rug. He outlined several examples of J2S employees not providing proper care to veterans in the home. He also alleged poor training was provided by J2S employees and gave examples of bad behavior by a supervisor.

Mr. Mack also expressed concern that J2S cannot provide the necessary staff. Recently, J2S advertised on Craigslist that they needed 120 people to fill jobs and that they offered training. Per the contract, J2S was to hire workers with at least 12 months work experience.

Previously, their postings indicated that they needed only 6 months experience. Currently, the Craigslist posting does not list how much experience is necessary to obtain a job caring for the veterans.

Mr. Mack stated that he believes that the Commission can reverse the J2S contract and make things right for these veterans. He asked the Commission to please review the information they have received and would hear about from other speakers to make the right decision for our veterans.

Veteran Residents at the GRHV

Residents John Palmer, Norman Tope, Gail Klukos, Tony Spallone, John Tomiasik, and Everett Carr addressed the Commission to share their opinions of a lack of quality care and abuse since the state-employed caregivers have been replaced by J2S caregivers. They requested that the State of Michigan void the J2S contract and put the state-employed caregivers back to work.

Members of the UAW Local 6000 Veterans Committee

Michael McWhirter and James Scruggs addressed the Commission to give examples of the poor care they have witnessed at the GRVH and they urged the Commission to take action.

Current or Former GRVH State-Employed Caregivers

Mark Williams, Tammy Porter, Frank Snarski, Joe Pranomvanaveom, Patrick Otto, Marie Rance, Trina Cogger, Mary Misner, and Betty Moore addressed the Commission to express their concern regarding the abuse and neglect of the veterans by the J2S workers. They gave examples of mistreatment by J2S caregivers and stated that the J2S staff does not have the necessary experience to care for the veterans.

Others who Addressed the Commission

Nick Ciaramitaro, AFSCME Director of Legislation and Public Policy, explained that the materials that were provided to the Commission include three items: one packet contains the exhibits presented to the court in the injunction case; another is a summary of the major cases of abuse and neglect by J2S; and the third is a list of the complaints against J2S from January to March 2013 that have been documented and presented to the supervisory staff.

Mr. Ciaramitaro said that the J2S workers are now being supervised by J2S supervisors so it can be expected that the quality of care will decline even further. The Director of Nursing testified in court that she does not hear any of the complaints, even if someone is seriously injured, unless the J2S supervisor decides to tell her. He also indicated that the legislature does not currently have any specific proposals dealing with this issue. However, the Military and Veterans Affairs (MVA) Subcommittee of the House Appropriations Committee held a hearing yesterday to consider the 2013-2014 budget which also included discussions of the issues at the veterans' homes. Mr. Ciaramitaro and Mr. Williams were allowed to present information to the MVA Subcommittee. They asked that they exercise their oversight responsibility and look into the matter.

Dave Baker, a 26-year state employee, said that he has visited the home and expressed his concern with the care of the veterans. Mr. Baker compared the treatment of veterans to the treatment of prisoners by saying that it's a sad day in Michigan when the criminals get treated better than our war heroes. He stated that now that the Commission has been made aware of what's going on at the GRHV, they have a moral responsibility to stop it and that they should be held accountable for their decisions.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 11:39 a.m.

NOTE:

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

**State of Michigan
CIVIL SERVICE COMMISSION
Public Meeting
May 15, 2013**

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission was opened by Chair Thomas Wardrop at 10:04 a.m. in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the March 20, 2013 meeting. On motion duly made and supported, the minutes of the March 20, 2013 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

State Personnel Director's Report

The Commission received the following report from Janet McClelland, Acting State Personnel Director:

Unclassified Positions Report

Civil Service Commission Rules require the State Personnel Director to report on the establishment or abolishment of positions in the state unclassified service. Since the last report, the following approvals were processed:

- On March 15, 2013, a request was received from the Department of Insurance & Financial Services to establish an exempt unclassified position to serve as the Chief Deputy Director. This request was approved on March 22, 2013.
- On March 29, 2013, a request was received from the Department of Insurance & Financial Services to establish an exempt unclassified position to serve as the Agency Director. This request was approved on March 29, 2013.
- On April 26, 2013, a request was received from the Department of Military & Veterans Affairs to establish an exempt unclassified position to serve as the Deputy Director of State Operations. Concurrently, the Director of Interagency Operations & Plans position was abolished. This request was approved on April 29, 2013.

- On May 1, 2013, a request was received from the Department of Insurance & Financial Services to establish an exempt unclassified position to serve as the Senior Policy Advisor to the Executive Office. This request was approved on May 3, 2013.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Letter of Understanding (LOU) between the Office of the State Employer and the Michigan Corrections Organization (Interim Approval Granted)

General Counsel John Gnodtke indicated that the LOU is regarding the impact of the new non-career Corrections Officer classification based on provisions of the collective bargaining agreement. Interim approval was granted on April 8, 2013 by the Acting State Personnel Director with consent of the Chair. Chair Wardrop requested a motion to approve Item 5.A. On motion duly made and supported, the LOU was unanimously approved.

B. Letter of Understanding (LOU) between the Office of the State Employer and the Michigan State Employees Association

General Counsel John Gnodtke indicated that the LOU addresses reinstating the Labor and Trades and Safety and Regulatory unit employees removed from recall lists. Chair Wardrop requested a motion to approve Item 5.B. On motion duly made and supported, the LOU was unanimously approved.

6. PUBLIC COMMENT

Brandon Zuk addressed the Commission on behalf of the Michigan Association of Governmental Employees (MAGE), whose members' positions may be affected by the pending proposed contract between the Michigan Department of Corrections (DOC) and Aramark for the provision of food services. Mr. Zuk stated that the proposed privatization of food services was originally rejected on grounds that the proposals did not reflect the prerequisite costs savings as required by Civil Service Rules. However, later, the assumptions underlying the cost of at least one of the proposals was changed and as a result of that change, there is now a claimed cost savings. MAGE urged the Commission to be very vigilant in scrutinizing the changes in the assumptions.

Commissioner Barrett asked Acting State Personnel Director Janet McClelland to explain the process going forward as far as review by Civil Service Commission (CSC) staff. Ms. McClelland stated that the cost savings analysis revision was received on May 14, 2013. CSC staff will conduct a cost savings analysis and make a determination. Ms. McClelland encouraged any interested parties to provide their input as soon as possible. She also indicated that the decision may be appealed to the CSC Office of Technical Appeals, then to the Employment Relations Board, which would subsequently provide a recommendation to the Commission.

Mark Williams, a former state employee who worked at the Grand Rapids Veterans Home, addressed the Commission regarding his concerns with subcontracting for services and asked the Commission to make some changes to Standard D. Mr. Williams stated that he believes that quality of service and safety are highly important when looking at the subcontracting of services, not only for the Veterans homes but for the DOC. Mr. Williams asked the Commission to be more involved, especially in reference to the quality of service provided by the subcontractors.

Stacie Dineen of Michigan American Federation of State, County and Municipal Employees (AFSCME) Council 25, representing food service leaders who work in the prisons, addressed the Commission, stating that she reviewed the Request for Purchase and the bids received. Ms. Dineen stated that one of her concerns is that since notice was only given last week, there would not be enough time to review the bid received by Aramark. Ms. Dineen stated that AFSCME is concerned about security, noting she has heard that the prisoners are upset about the changes. Ms. Dineen asked the Commission to look closely at the DOC and its employees and consider the security of the DOC regarding contracting out of food services.

Nick Ciaramitaro, Director of Legislation and Public Policy for the AFSCME and the Michigan State Employees Association (MSEA), stated that both AFSCME and MSEA are concerned about the rapid rate at which the state is contracting for services. Mr. Ciaramitaro stated there are still concerns about the quality of care at the Grand Rapids Veterans Home, and he agreed with other public comments that Standard D needs to be looked at closely by the Commission. Mr. Ciaramitaro questioned the huge variance between a 3.3% cost savings compared to a 20% cost savings recently proposed. Mr. Ciaramitaro stated that the unions will conduct an independent cost analysis.

John Alcodry, Vice President of AFSCME Local 3637, stated he has been in food service for 15 years and that it now costs \$1.79 a day to feed a prisoner. Mr. Alcodry also stated that he believes the food is a huge morale booster for the prisoners and any changes in that service may cause serious problems. Mr. Alcodry agreed that quality of service is vitally important and he also expressed concern about safety in the prisons if the contract with Aramark proceeds.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 10:27 a.m.

NOTE:

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
September 18, 2013

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas Wardrop at 10:04 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the May 15, 2013 meeting. On motion duly made and supported, the minutes of the May 15, 2013 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

Director's Report:

The Commission received the following report from Acting State Personnel Director, Janet McClelland.

Unclassified Positions Report

Since the last report, the following approvals were processed:

Department of Military and Veterans Affairs

- On May 9, 2013, a request was received to establish an exempt unclassified position to serve as Director of the Michigan Veterans Affairs Agency. Concurrently, the Executive Director of Public Safety position was abolished. This request was approved effective March 20, 2013.
- On May 13, 2013, a request was received to establish an exempt unclassified position to serve as Senior Policy Advisor. Concurrently, the Deputy Director of Veterans Affairs position was abolished. This request was approved effective March 20, 2013.

Department of Education

- On June 7, 2013, a request was received to establish an exempt unclassified position to serve as the Deputy Superintendent for Educational Services. Concurrently, the vacant Chief Academic Officer/Deputy Superintendent position was abolished. This request was approved effective March 26, 2013.

Department of Human Services

- On July 2, 2013, a request was received to establish an exempt unclassified position to serve as the Director of Policy and Field Legal Services. Concurrently, the vacant Director for Revenue & Partnership Enhancement and the Group Executive Policy Specialist was abolished. This request was approved effective June 23, 2013.

Department of Insurance & Financial Services

- On July 2, 2013, a request was received to establish an exempt unclassified position to serve as the Policy Analyst. This request was approved effective June 23, 2013.

Department of Agriculture and Rural Development

- On August 22, 2013, a request was received to establish an exempt unclassified position to serve as the Department's External Relations Liaison in the Department of Agriculture. This request was approved effective August 18, 2013.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Proposed Fiscal Year 2014 Travel Rates

Joyce VanCoevering of the Department of Technology, Management and Budget requested an extension of the FY 2013 travel rates until the December 18, 2013 Commission meeting.

On motion duly made and supported the request for an extension of the FY 2013 travel rates was approved.

B. Letter of Understanding (LOU) between the Office of the State Employer (OSE) and the Michigan Corrections Organization (MCO) (interim approval granted)

General Counsel John Gnodtke indicated the LOU is regarding the establishment of a 12-hour pilot program at Pugsley correctional facility. Chair Wardrop requested a motion to approve Item 5.B. On motion duly made and supported, Item 5.B., the LOU between OSE and MCO was unanimously approved.

C. Letter of Understanding (LOU) between AFSCME and the Michigan Department of Education

General Counsel John Gnodtke indicated that the LOU changes the overtime subdivisions for the Michigan School for the Deaf in the Institutional Unit. Chair Wardrop requested a motion

to approve Item 5.C. On motion duly made and supported, the LOU was unanimously approved.

D. Secondary Agreement between the UAW and the Department of Licensing and Regulatory Affairs

General Counsel John Gnodtke indicated a tentative agreement on secondary negotiations has been reached for the Administrative Support and Human Services Bargaining Units. Chair Wardrop requested a motion to approve Item 5.D. On motion duly made and supported, the secondary agreement was unanimously approved.

6. PUBLIC COMMENT

State Representative Scott Dianda stated a number of concerns over the contracting out of food services by the Department of Corrections (DOC) to Aramark:

- Whether there would be actual cost savings.
- The loss of jobs in Michigan and sales tax and revenue.
- The relocation or permanent loss of jobs by DOC employees, which affects tax revenue and puts the burden on fewer Michigan residents.
- The impact on the local economy (such as farmers, businesses, and school districts) and the trickle-down effect of the job losses in the area.
- Safety in prisons.

He asked the Commission to take a close look at the Aramark contract to ensure it is beneficial to the taxpayers of Michigan.

State Representatives Tom Cochran and John Divela expressed similar concerns about the erosion of public jobs due to privatization and questioned the true savings that Aramark will provide to the State of Michigan. Representatives Cochran and Divela indicated that privatizing food services is not just about feeding prisoners, it is also about safety. Employees who currently work in food services are experienced, which facilitates the safety of all involved.

Senator Tom Casperson acknowledged that he voted for the legislation that brought this about and stated that he was informed that the bidding for food services would be a competitive process. He believes one problem that continues is that the DOC must purchase products from Michigan Service Industries (MSI) rather than going directly to vendors. MSI increases the costs for DOC to purchase the same products. Senator Casperson believes that removing MSI from the equation should have been considered in reviewing cost savings. He reiterated his concern over the negative impact on local communities and safety in the prisons.

Representative Brandon Dillon stated the negative impact of privatization at the Grand Rapids Home for Veterans (GRHV) cannot be overstated. Many J2S staff at GRHV have had little or no training, and meeting staffing requirements has been a problem that affects the quality of care given to veterans at the home. Representative Dillon expressed that the veterans deserve the best in quality care. Representative Dillon urged the Commission to reconsider the rules regarding how contracts are awarded and to not just look at the cost, but the value of the service given to the veterans.

Todd Hennigan and Chad Stevenson, both Food Service Leaders for the DOC, stated that food service staff is not only involved in the preparing and serving of food, but also in the safety of prisoners and colleagues. Experienced food services staff members are aware of their surroundings and able to assist corrections officers when emergencies arise.

Mr. Hennigan expressed his understanding of trying to save on food costs, but the DOC food services is always prepared to feed every prisoner without an additional cost. A privatized company would charge extra. Mr. Hennigan discussed the negative economic impact on the local community and its families. Mr. Stevenson voiced his concern regarding the positions that are scheduled to be abolished.

Georgi-Ann Bargamian from the UAW expressed her concern over the current process and rules governing the contracting out of state personal services and asked that a reexamination of the CS-138 process be conducted. Ms. Bargamian asked the Commission to review Standards A, B, C and D (specifically Standard D on cost savings) and also the regulations. Ms. Bargamian asked the Commission to consider accountability, quality, and competition. Ms. Bargamian stated that quality should be at the core when considering costs.

Attorney Brandon Zuk, counsel for the Michigan Association of Governmental Employees (MAGE), along with Al Quattrin, MAGE President, and Michael Deshambo, a Food Services Supervisor, spoke as to the negative impact of contracting out food services. Mr. Zuk stated that the Commission's responsibility is to approve or disapprove all personal disbursements and urged the Commission to assertively exercise that role not only with the food services contract, but with other contracts submitted for approval. Messrs. Zuk, Quattrin, and Deshambo felt that narrowly focusing on immediate costs affects quality, which in turn affects costs to the state, and the people of Michigan. Doubt was expressed regarding Aramark's proposed initial cost savings to the state and also the long-term savings since Aramark's costs will increase over the next three years. Safety in the prisons was another concern mentioned because past disturbances in the prisons have involved food services. Messrs. Zuk, Quattrin, and Deshambo asked the Commission to review the information and keep a broader perspective when considering the contracting out of DOC food services.

Messrs. Michael VanRite, James Muth, and Ken Durbal, executives at Michigan companies currently supplying food to the DOC, addressed the negative effects of privatization of food services on their companies, employees and communities. They gave examples of other local businesses that will be affected by contracting out with Aramark, which in turn could affect not only additional jobs, but the revenue of the state due to a decrease in taxes.

State Representative John Kivela stated that the contracting out of food services to Aramark is a very important topic to him. He has three correctional facilities in his district and has met with representatives from those facilities. His three primary concerns with the privatization of food services are safety, fairness, and costs.

Mr. Mark Williams addressed the Commission regarding the Grand Rapids Home for Veterans (GRHV). Mr. Williams commented that the concerns regarding J2S staff and their care for the veterans at the GRHV continues. One problem at the GRHV since July 2013 has been shortage of staff, especially on weekends. Mr. Williams gave numerous examples of abuse that the veterans at the GRHV have experienced by JS2 staff.

Mel Grieshaber, Executive Director of the Michigan Corrections Organization (MCO), expressed his concern regarding the replacement of food services workers with private vendors. MCO represents the corrections officers who are responsible for the safety and security of the prisons. In the past, prisoners have demonstrated because of issues regarding food. Mr. Grieshaber concurred with prior comments on the need to maintain experienced employees who are sensitive to the surroundings. He also concurs with other statements on the negative impact on businesses.

Peter Martel from the American Friends Service Committee, Criminal Justice Program in Ann Arbor stated that his program advocates for and with people who are incarcerated. Mr. Martel also stated that food quality and the nutritional value of food served to prisoners should be considered. The ramifications of serving poor quality food could prove more costly than the minimal savings of a private contract. Mr. Martel expressed his concern regarding the ability to monitor a private company. He believes that the cost savings with contracting out food services to Aramark will be short term.

Matt Vandesteeg from AFSCME voiced his concerns regarding the credibility of Aramark. Mr. Vandesteeg stated that Aramark has had documented unsatisfactory performance in other prisons. He also questioned the validity of the expressed cost savings to be provided by Aramark.

Nick Ciaramitaro, Director of Legislation and Public Policy for AFSCME Council 25 and for MAGE, stated that he believes that serious threats to the safety of the veterans at the GRVH have occurred. A number of examples were given of the abuse and neglect that the veterans have been subjected to from JS2 employees. Complaints submitted from residents and their families have gone unanswered. Some individuals hired by J2S had less than 6 months experience despite a guarantee that all J2S employees would have at least one year of experience. Mr. Ciaramitaro asked the Commission to review and revise its rules on outsourcing personal services.

John Alcodray, a food services supervisor with DOC and vice president of AFSCME Local 3637, echoed the previous concerns on contracting out DOC food services to Aramark.

Dr. James Dankovich's expressed his concerns regarding safety of the employees and inmates and the negative impact on businesses regarding contracting out of food services in the correctional facilities. Dr. James Dankovich stated that there is a need to have some oversight to assure that a company is adhering to its contractual obligations.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 11:27 a.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of September 18, 2013.



Janet McClelland
Acting State Personnel Director

MICHIGAN CIVIL SERVICE COMMISSION
Public Meeting
December 18, 2013

Present: Thomas M. Wardrop, Chair
James Barrett, Commissioner
Charles Blockett, Jr., Commissioner
Robert W. Swanson, Commissioner
Janet McClelland, Acting State Personnel Director

1. CALL TO ORDER

The meeting of the Civil Service Commission (Commission) was opened by Chair Thomas Wardrop at 10:04 a.m., in Conference Room A, Lower Level, Capitol Commons Center, 400 S. Pine Street, Lansing, Michigan.

Approval of Minutes

Chair Wardrop requested a motion to approve the minutes of the September 18, 2013 meeting. On motion duly made and supported, the minutes of the September 18, 2013 Civil Service Commission meeting were approved.

2. AMENDMENTS TO AGENDA

There were no amendments to the agenda.

3. INFORMATIONAL REPORTS

Director's Report:

The Commission received the following report from Acting State Personnel Director, Janet McClelland.

Unclassified Positions Report

Since the last report, the following approvals were processed:

Department of Agriculture & Rural Development

- On September 23, 2013, a request was received to establish an exempt unclassified position to serve as the Department's Social Media Communications Coordinator. This request was approved effective September 15, 2013.

Department of Environmental Quality

- On October 8, 2013, a request was received to establish an exempt unclassified position to serve as the Department's Public Information Officer. Concurrently, the vacant Director of Communications position was abolished. This request was approved effective September 29, 2013.

Department of Natural Resources

- On October 16, 2013, a request was received to establish an exempt unclassified position to serve as the Special Advisor for City Placemaking. This request was approved effective October 13, 2013.

Department of Treasury

- On October 21, 2013, a request was received to establish an exempt unclassified position to serve as the Senior Advisor to the State Treasurer. Concurrently, the vacant Deputy Treasurer for Bond Finance position was abolished. This request was approved effective October 27, 2013.

Department of Civil Rights

- On December 3, 2013, a request was received to establish an exempt unclassified position to serve as the Deputy Director. This request was approved effective November 24, 2013.

4. UNFINISHED BUSINESS

There was no unfinished business.

5. NEW BUSINESS

A. Civil Service Budget

Items 5.A.1. and 5.A.2., Civil Service Budget

Carol Vargovich, Director of the Office of Financial and Administrative Services presented Agenda Items 5.A.1. and 5.A.2.

With regard to Item 5.A.1., Ms. Vargovich asked the Commission to approve the Certification of Aggregate Payroll of Classified State Service as required by the Michigan Constitution. Ms. Vargovich reported that the aggregate payroll for the classified state service from October 1, 2012 through September 30, 2013, is \$5,246,509,523.

The Commission has completed processing the financial transactions for Fiscal Year 2013. All expenditures and revenues have been reconciled and balanced with the State of Michigan's accounting records. The department recorded a general fund lapse of \$52,200.

With regard to Item 5.A.2., Ms. Vargovich indicated that the budget proposal for Fiscal Year 2015 has been completed and recommended that the Commission approve the proposed budget which is a continuation of the prior fiscal year with the exception of pending economic adjustments for salary and wages, retirement, insurance, and workers' compensation.

Chair Wardrop requested a motion to approve Resolution 5.A.1., Certification of the Aggregate Payroll for Fiscal Year 2013. On motion duly made and supported, the motion was unanimously approved.

Chair Wardrop requested a motion to approve Resolution 5.A.2., Budget Proposal for Fiscal Year 2015. On motion duly made and supported, the motion was unanimously approved.

5. NEW BUSINESS (Continued)

B. Collective Bargaining Agreements

1. Coalition of State Employee Unions and the Office of the State Employer

Chair Wardrop stated that a representative from the Coalition of State Employee Unions (Coalition) would address the Commission regarding the Impasse Panel's recommendations relating to economics, followed by the Limited Recognition Organizations (LROs) and then Jan Winters, Director of the Office of the State Employer (OSE). The specific contracts will be handled individually.

General Counsel John Gnodtke stated that on November 27, 2013, the Impasse Panel issued the following recommendations for consolidated impasse issues:

- Economics: The panel recommended a 2% increase for each year and a 0.5% lump-sum award in FY 2015.
- Insurances: The panel recommended moving all employees into the current new-hire health care plan and making smaller increases in cost sharing. The panel also recommended ending provisions requiring union approval of HMO offerings.
- Union Dues: The panel recommended language restoring the current provisions on union dues if Public Act 349 is found not to apply to state employees.

Cindy Estrada, Vice President of the United Auto Workers (UAW), addressed the Commission on behalf of the UAW International and the Coalition of State Employee Unions on concerns about the Impasse Panel's suggested changes to the health care plan. Ms. Estrada stressed the importance of cost cutting instead of cost shifting. Ms. Estrada stated the Coalition believes they have asked for fair wage increases, especially in light of the State's \$600,000,000 surplus, along with maintaining status quo in health care. Ms. Estrada indicated utilization documents were requested from Blue Cross, which was unable to provide the information. Ms. Estrada indicated that the Coalition could not bargain on behalf of its members without having all the facts, which she understood that Blue Cross now had.

Ms. Estrada stated that the 8% increase in health insurance rates was not addressed. Ms. Estrada also stated that it is inappropriate to bring something to impasse that has not been discussed at the bargaining table. Counsel for the Coalition, Marshall Widick, agreed that the 8% rate increase had not been substantiated and therefore, the Coalition would like the opportunity to review the utilization information.

Ms. Estrada asked the Commission to accept the Impasse Panel's position on the wage recommendation, approve status quo of the health care plan recommended by the Coalition, and accept the UAW's and Michigan Corrections Organization's status quo language on the joint review process.

Chair Wardrop stated that before proceeding with a response from Jan Winters of the OSE, the Commissioners believe it is important that the LROs have an opportunity to speak on the economic issues before the Commission.

Alan Quattrin, President of the Michigan Association of Governmental Employees (MAGE), expressed his support of the concerns presented to the Commission by the Coalition. Mr. Quattrin stated that when the state was in a financial deficit, the unions and LROs agreed

to a number of concessions. However, Mr. Quattrin feels it is unfair, especially during a time when Michigan is thriving, to expect employees to take on the burden of the increase in health care costs.

Bob Kopasz, Chair of the State Employee Retirees Association Coordinating Council, discussed his concerns regarding the negative impact that the health care recommendation proposed by the Impasse Panel will have on retirees. Mr. Kopasz stated that he believes the new state health plan will significantly increase co-pays, deductibles, and co-insurance. Mr. Kopasz indicated that since the majority of retirees are on a fixed income with only a possible annual increase of \$300, many retirees would not be able to afford any increases in health care costs. Mr. Kopasz asked the Commission to consider the retirees' concerns regarding this proposal.

Mel Farmer and Andre Friedlis representing the Association of State Employees in Management stated that documents were submitted to the Commission regarding opposition to the Impasse Panel's recommendation on health care. Messrs. Farmer and Friedlis concurred with previous statements on the negative impact the proposed health care plan will have on current state employees and retirees.

Jan Winters, Director of the OSE, stated that the 8% rate increase for the State Health Plan was announced during the summer of 2013 with an effective date of October 1, 2014. Average rate increases for the HMOs were 7.6%. Ms. Winters stressed the fact that total compensation should be considered, not just insurances or wage increases. Ms. Winters also stressed that total compensation needs to be a concern to all parties because money expended whether it is for insurance, wages, or overtime, is still money expended. Reserves are no longer available to supplement revenues to cover ongoing increases in health care costs.

Ms. Winters explained that the OSE received a request for utilization from the Coalition but that Blue Cross was unable to provide the information in the same format. However, additional utilization reports were provided with more detailed information than the original format. The OSE is not aware of any other information to be made available by Blue Cross. Ms. Winters stated that the Employer believes that freezing the employees' premiums and having the state absorb the increases would cost the state around \$50,000,000 a year. Ms. Winters asked the Commission to adopt the Impasse Panel recommendations as a whole which the OSE believes is fair and reasonable.

During each of their presentations, Chair Wardrop asked Ms. Estrada and Ms. Winters if they felt that the impasse hearings were fair and did the Employer and Coalition each get to present their positions? Both Ms. Estrada and Ms. Winters responded in the affirmative.

In response, Ms. Estrada stated that the decisions made by the Commission will affect approximately 100,000 lives and that aggregate utilization numbers that were provided did show utilization trends.

No formal action was required or taken on this agenda item because the recommendations in IP 2013-01 are adopted by reference in IP 2013-02 through IP 2013-08.

2. Collective Bargaining Agreement between AFSCME and OSE

John Gnodtke, General Counsel, stated that IP 2013-02 contains the Impasse Panel's recommendation for the collective bargaining agreement for the Institutional Unit, effective January 1, 2014.

Commissioner Blockett made a motion to approve Resolution 5-B(2) as drafted, seconded by Chair Wardrop.

Chair Wardrop stated that the motion before the Commission is to approve the recommendations of the Impasse Panel for the contract between AFSCME and the OSE.

Commissioner Blockett made a motion to amend Resolution 5-B(2) to state that the Commission approves the 2% salary increase but leaves the health care plan at status quo. Commissioner Swanson supported the motion.

Chair Wardrop called the question:

Commissioner Swanson – Yea
Commissioner Barrett – Nay
Commissioner Blockett – Yea
Chair Wardrop – Nay

After a brief recess, Chair Wardrop asked General Counsel John Gnodtke what would happen if the Commissioners deadlocked on Resolution 5-B(2).

Mr. Gnodtke stated that it is an unprecedented situation. The Commission has its own unique form of collective bargaining as approved in Chapter 6 of the rules. Civil Service Commission Rule 6-1.2, states:

“It is the view of the commission that constitutional provisions do not prohibit the commission from establishing a form of collective bargaining analogous to that in other public sector employment, so long as the collective bargaining agreements are subject to review, modification, and approval by the commission.”

Civil Service Commission Rule 6-3.1(a) states:

“A collective bargaining agreement or any provision of a collective bargaining agreement cannot take effect or be enforceable between the parties unless the civil service commission has reviewed and approved the agreement or provision.”

In describing the role of the collective bargaining agreement for those employees in the bargaining unit, Rule 6-2.1(d) states:

“The provisions of a collective bargaining agreement, when approved by the commission, become a subset of the civil service rules governing rates of compensation and other conditions of employment for the eligible employees in the applicable unit.”

In terms of the duration of agreements, Rule 6-3.8(b) requires that:

“Each collective bargaining agreement must contain an effective date and a termination date.”

Further, General Counsel Gnodtke indicated that Rule 6-3.8(d) “prohibits evergreen provisions allowing for the automatic extension of agreements.

Mr. Gnodtke stated that when a deadlock occurs and there is no affirmative vote of a quorum of the Commission approving substitute rules to be provided under the collective bargaining agreement, then there would be no authorized valid substitute rules and that the conditions of employment would revert to those provided in the Civil Service Rules and Regulations. Mr. Gnodtke also stated his opinion that a deadlock would mean no raises and the health care plan would stay status quo.

Commissioner Swanson made a motion to table the original motion until the January 15, 2014 Commission meeting, seconded by Commissioner Blockett. The motion was unanimously approved.

Commissioner Swanson made a motion to table Agenda Items C. and D. until the January 15, 2014 Commission meeting, seconded by Commissioner Blockett. The motion was unanimously approved.

Commissioner Swanson made a motion to extend the current contracts until the January 15, 2014 Commission meeting, seconded by Commissioner Blockett. The motion was unanimously approved.

6. PUBLIC COMMENT

Roland Zullo from the University of Michigan addressed the Commission on contracting out food services in the Department of Corrections (DOC). Mr. Zullo expressed his concerns about the economic impact on the employees and communities by contracting with Aramark and for safety of the employees and prisoners by replacing experienced staff with new hires. Mr. Zullo stated that the decision to out source should be based on the best interest of the people of the state of Michigan.

Nick Ciaramitaro, Director, Legislation and Public Policy for AFSCME Council 25 and MAGE, addressed the Commission on his concerns about the care given to veterans in the Grand Rapids Veterans Home (GRVH) by J2S employees. Mr. Ciaramitaro stated that a department response was received regarding their concerns and those responses are being reviewed. He also expressed concerns regarding out sourcing food services in the DOC. He believes that neither quality or quantity were considered when the decision was made to contract with Aramark. Mr. Ciaramitaro distributed a list of what he believes are transgressions that have been committed by Aramark. Mr. Ciaramitaro urged the Commission to reject staff findings and take responsibility and reassert its constitutional authority.

Jim Dunn, Deputy Director of the Veteran's Affairs Agency, and Leno Pretto, a member of the Grand Rapids Veteran's Home Board of Managers and Complaint Committee, addressed the Commission. Mr. Dunn addressed Mr. Ciaramitaro's comments regarding the care at GRVH. Mr. Dunn stated that not one of the complaints that Mr. Ciaramitaro listed has been brought to their attention directly and that if a concern regarding the care of a veteran is delayed, that delays the resolution of the problem. It also places in the mind of the veteran and the veteran's family members that an issue is not being addressed. Mr. Pretto indicated that his main concern is the quality of the care the veterans receive at the GRVH. He also stated that he has never been made aware of neglect on the part of staff causing the death of a veteran and would welcome any information to the contrary.

Andrew Pike addressed the Commission on behalf of Senator Thomas Casperson. Mr. Pike mentioned that the Commission has received two letters, one from Senator Casperson and another from Representative Scott Dianda. The letter from Representative

Dianda was signed by colleagues stating their concerns regarding the contracting out of food services in DOC. Mr. Pike reiterated that nothing has happened since Senator Casperson addressed the Commission at its September 18, 2013 meeting to alleviate his concerns. Mr. Pike stated that Senator Casperson maintains his opposition to the Aramark contract going forward on the basis of the information he shared with the Commission at the September 18, 2013 meeting.

Jan Winters, Director of the OSE, and Russ Marlan, Administrator with the Executive Bureau, Department of Corrections, encouraged individuals to speak directly with them regarding any concerns they might have regarding the food services contract. The legislature stated that the DOC had to issue a Request for Proposal (RFP) for food services. The RFP was managed by the Department of Technology, Management and Budget (DTMB). It was determined by the DTMB that there was cost savings to meet the Standard D threshold and the contract was awarded to Aramark. Mr. Marlan assured the Commission that maintaining custody and security of the correctional facilities is a top priority for the DOC, along with saving money and being prudent with taxpayers' money. Mr. Marlan also wanted to assure the Commission that the DOC is comfortable with the contract as it stands and is monitoring it carefully.

Jerry Carter and Robin Sanders expressed concerns regarding the recommendation made by the Impasse Panel stating that employees have carried enough of the burden during Michigan's financial difficulties. They hope that the Commission shares their concerns and do what is logical and reasonable for the common good of all Michigan citizens by rejecting the proposed health care changes.

ADJOURNMENT

There being no further items for Commission approval or public comments to be heard, Chair Wardrop called for a motion to adjourn. On motion duly made and supported, the meeting was adjourned at 1:30 p.m.

NOTE

Copies of any written statements, reports, or staff proposals which were presented to the Commission may be obtained by contacting the Civil Service Commission, Executive Office, Capitol Commons Center, 400 S. Pine Street, P.O. Box 30002, Lansing, Michigan, 48909, or by telephone at 517-373-3020.

I, Janet McClelland, Acting State Personnel Director, hereby certify that the foregoing are the Minutes of the Civil Service Commission meeting of December 18, 2013.



Janet McClelland
Acting State Personnel Director