

MINUTES

**Wednesday September 14, 2011
Meeting Time 11:00 A.M.
MSRS Building
60 Empire Drive, St. Paul, MN 55103**

President Husom called the meeting to order at 11:00 A.M.

Ms Husom welcomed and asked everyone to introduce themselves.

Board Members Present: Lorene Dimock, Gene Gere, Peggy Hildebrandt, Ruth Husom, Dennis Maki, John Kuderka, Fred Maurer, Peter Obermeyer, Howard Ward

Board Members Excused: Dave Beberg, Richard Mesenburg

Others Present: Dave Bergstrom Executive Director MSRS; Laura Dobozenski-Business Service Provider

Others Present:

Sub Chapter Officers: Mary Anderson, Ross Anderson, Barbara Lamont, Robert Lamont, Kathy Loban, Mary Meyer, Merton Rew, Barb Morgan, Dennis Morgan, Darlyne Pogose, Corrine Sprague, Beata Zincke.

11:00 a.m.

Sub Chapter Officers

President Husom inquired as to what sub chapter officers were trying to encourage their area members to participate at the meetings. Several officers reported various local media's would run ads for no charge for local groups.

President Husom inquired about meetings for sub chapters.

Several officers reported they rotate their meetings, some meet twice a year others three to four times a year, and one sub chapter meets 11 times a year.

A legal pad was distributed so officers could write down various speaker groups they have invited to their meetings.

The idea was suggested to "network" or create a database of resources. Mr. Kuderka felt this was possible to do. No specific assignments were given.

Sub Chapter membership Updates

President Husom distributed an updated sub chapter historical membership report highlighting statistics for each sub chapter.

New Constitution Distribution

President Husom distributed the Constitution adopted by the membership to the officers for their handbooks.

Lunch Recess

Regular Board Meeting of MRSEA

President Husom called the meeting to order at 1:05 p.m.

Set and Approve Agenda

Upon a motion to approve the agenda and a second, the motion carried.

Approve Minutes of June 9, 2011

Upon a motion to approve the minutes with minor corrections and a second, the motion carried.

Membership Report

The Business Service provider highlighted the membership renewals, after two renewal mailing the renewals were consistent with past years. One more renewal notice will be mailed for those who have yet to renew.

Financial Reports

The Business Service Provider highlighted the May, June and July financial reports. Upon a motion to accept subject to audit and a second the motion carried.

MRSEA Committee Reports

Nominating Committee

President Husom reported the committee is comprised of all the board members except for those up for reelection.

The Business Service provider reported Mr. Beberg reported at the Fergus Falls meeting he is working on candidate for the board elections as well as vacancies. Mr. Kuderka reported the board has the authority to appoint someone to fulfill the current vacancies.

Legislative Committee

Mr. Obermeyer reported the Legislative Committee submitted an article for the recent newsletter containing updates on several bills that were introduced, the Joint Study of the DB vs. DC mandate, which the summary is posted on our website and the results of the lawsuit filed against the pension funds.

Insurance Committee

Mr. Maurer reported the committee has been working with MMB to organize and schedule the retiree open enrollment informational meetings. They have been finalized with the following locations and dates:

October 31, 2011-Bloomington

November 1, 2011-Mankato

November 2, 2011-MSRS- St. Paul

November 3, 2011-Brainerd

November 8, 2011-Moose Lake

November 9, 2011 MSRS –St. Paul

Mr. Maurer reported there are no dates scheduled for active employees as of today.

Meeting & Planning Committee

Fall 2011 Boat Trip

Mr. Gere reported the fall boat trip is all scheduled and the registrations were published in the recent newsletter. The trip is September 28, 2011 two weeks away. This is the first boat trip since 2006, and we are hoping for a good attendance.

Spring 2012 Annual Meeting

Mr. Gere highlighted his searches for a venue for the spring meeting. This has been quite a challenge to bring together a reasonable facility cost; meal cost, parking accessibility, and a good speaker all on a specific date. Mr. Gere requested any suggestions board members have please let him know. Mr. Gere has several possible guest speakers that the committee will contact.

Publications & Communications Committee

Ms. Hildebrandt reported she will be reviewing past issues and will be focusing on the next issue for publication, the winter issue.

Technology Committee

Mr. Maki reported he will be scheduling a meeting prior to the next board meeting.

Finance Committee

Mr. Gere reported some financial data is being restructured due to the computer crash. Mr. Gere also reported the membership adopted the annual membership renewal fee for 2012 at the spring meeting, which will be twenty dollars.

MSRS Board of Directors

Mr. Dave Bergstrom distributed a handout titled "Retirement Views". Mr. Bergstrom highlighted the following items:

The SBI's Short and Long Term Returns; as of June 30, 2011 returns were at 23.30% they have since fallen.

The General Plan Funding history, which the current rate is 5% for both employee and employer.

The MSRS 2010 Benefit reforms which reduced the COLA to 2% until a funding ratio of 90% is reached. The 2010 Pension Bill cut costs by 5.947 Billion dollars.

The Legislative Commission on Pensions & Retirement (LCPR); which is comprised of five members of the House and five members of the Senate. The Commission hears bills affecting retirement; LPCR staff provides history and analysis related to pension proposals. Pension Fund Directors provide their Board's view regarding legislation.

Defined Benefit vs. Defined Contribution, what is the difference?

DEFINED BENEFIT PLAN – is a monthly benefit based on the years of service and salary-not how much is in an employee's account.

DEFINED CONTRIBUTION PLAN- Monthly benefit is based on how much an employee contributes and earns through investment returns; lifetime income is not guaranteed.

The cost of switching from a defined Benefit Plan to a Defined Contribution Plan over twenty years for the state would total \$973 million dollars.

The 2010 Legislative Session will see bills to eliminate post retirement increases; a bill to increase employee contributions by 3%; and to lower employer contributions by 3%; and a move to switch new hires to a defined contribution plan.

The National Average for Employer contributions are 9.4%, Minnesota is currently at 5%.

Mr. Bergstrom also reported the Court Ruled June 30, 2011 to uphold the 2010 legislation reducing COLA's. The plaintiff's had until September 6, 2011 to file an appeal; no appeal was filed.

President Husom asked the officers present to report on their sub chapter and particularly any issues they may have experienced regarding the disaffiliation with AFSCME.

Chapter Liaison Reports

Brainerd

Ms. Hildebrandt reported there were 37 people at the June meeting. Ms. Hildebrandt reported the President and Secretary positions will be up for election in September. Ms. Hildebrandt reported there was some confusion about memberships with the two organizations and she advised people it was a personal decision for them and they are welcome to join both organizations.

Duluth-

Ross Anderson reported the next meeting was scheduled for October 26 at the Evergreen Senior Center. There was some initial displeasure about the disaffiliation, however they have moved on from the decision. The sub chapter meets four times a year, with one meeting being a Pot-Luck meeting in Moose Lake City Park.

Fergus Falls

The Business Service Provider attended the meeting in Fergus Falls. They had a good turnout of about 60 people. They elected a couple new officers. Beberg reported on the board activities, as well as looking for candidates to fulfill the vacancies and upcoming elections. Lois Buermann of MSRS substituted for Dave Bergstrom.

Mankato

Corrine Sprague reported the sub chapter meets in June, September and December. They have tried early spring meetings, but due to many people being gone for the winter this was not a successful meeting time.

Rochester

Bea Zincke reported the next meeting is scheduled for October 21, 2011. Rochester meets twice a year. The spring meeting was held at the at the Clarion Hotel.

West Central

Darlyne Pogose reported Mary Meyer is assisting with scheduling the upcoming October 13 meeting. The sub chapter has rotated its meeting locations.

Southwest- Sept. 22, 2011

The next meeting is scheduled for September 22, 2011

Northwoods- Oct. 6, 2011


Mr. Kuderka reported the sub chapter met in June and Martha Johnson reported on the new AFSCME Retiree Chapter. The membership elected two new officers. The next meeting is in October.

With no other items on the agenda, President Husom held an “open forum”, there was no further discussion.

Adjourn Meeting

Upon a motion to adjourn the meeting adjourned at 2:33 P.M.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Samuel", with a horizontal line extending from the end of the signature.

MRSEA Service Provider
Platinum Professional Management, LLC