

MINUTES

Wednesday, April 9, 2008

Meeting Time 1:00 P.M.

Retirement Systems Building 60 Empire Drive, St. Paul, MN

Board Members Present: Frank Dowzak, Ruth Husom, Gloria Johnson, John Kuderka, Dennis Maki, Robert Lundahl, , Richard Mesenburg, Lyle Nelson, Peter Obermeyer, Sally Olsen, Yvonne Ross

Board Members Excused: Don Buckner, Terry Dempsey, Gene Gere, Fred Maurer,

Others Present: Laura Dobozenki -MRSEA Business Administrator

1. Set and Approve Agenda

President Husom called the meeting to order at 1:00 p.m. Upon a motion and second to set and approve the agenda the motion carried.

2. Approve Minutes March 12, 2008

Upon a motion and second to approve with minor correction motion carried.

3. Accept February 2008 Financial Report

Upon a motion and second the motion carried to accept the February 2008 Financial Report. Mr. Nelson inquired if we file income tax. The Business Administrator reported yes, it is a tax exempt 990 form.

4. February 2008 Membership Report

5. The Business Administrator reviewed the current membership status and reported the third mailing request had been recently mailed out. Email addresses are also being recorded.

Upon a motion and second to accept the report the motion carried.

6. MRSEA Committee Reports

a. Nominating Committee

Mr. Kuderka refreshed the Board of the slate of candidates seeking a board seat. The Business Administrator has had two people express interest in floor nominations from the Sub Chapters. The voting ballots are complete with space for write in candidates. All candidates will be prepared to give a brief statement at the meeting prior to election.

Mr. Obermeyer inquired what the floor nominations require; do floor nominations need a second? Ms. Olsen and Ms. Husom will look into this however; it is felt no second is needed for a nominee. The election will take place prior to guest presentations, so ballots may be counted.

b. Legislative Committee

Ms. Dobozenski reported for Gene Gere. The Legislative Pension Commission hearing occurred April 8, 2008 for the Post Fund Bill. Mr. Gere did testify and did give an excellent report. The Post Fund Bill did pass through with a couple technical amendments relating to MERF, despite strong opposition from Education Minnesota.

Also, the AFSCME Bill, which allowed for automatic deductions of union dues also passed. It has been narrowed down to unions only and optional for retirees. AFSCME will have to pay administrative costs for this program if AFSCME pursues the automated dues deduction.

Mr. Nelson inquired as to why Education Minnesota is opposed. The Business Administrator reported a few comments by Education Minnesota were that they would like the rule of 90 and would like it attached to this bill. Secondly, they also feel there is no urgency to passing this bill and thirdly; they feel the active employees are bailing out the retirees.

c. Meeting & Planning Committee

i. 2008 May Annual Meeting Update

Ms. Johnson reported the meeting is taken care of. Mr. Mesenburg reported Jason Davis' information and meeting requests have been finalized.

d. Publications & Communications Committee

Mr. Lundahl reported the six page newsletter will be out shortly. The final proof is in the process of being finalized. This includes all the proposed By-Law changes.

e. Technology Committee

Mr. Maki reported the new camera was purchased. Mr. Maki took some test pictures of the board. The second computer is up and running with President Husom. Mr. Maki is continuing to work with vendors for the website. Mr. Maki reported we need to see what will be happening with or without a retiree chapter merger in order to move forward with a web site.

f. Constitution & By-Law Committee

Ms. Olsen reported the board approved By Laws will be published in the upcoming newsletter for the membership approval.

g. Insurance Committee

Mr. Obermeyer reported on the HSA letter that was jointly drafted by the insurance committee and legislative committees. The letter went to eight U.S. Representatives and both Senators. Legislation continues to be introduced but not much information about progress has been reported. Mr. Obermeyer stated we are hoping for a response to the letter. A copy of the letter was distributed to the Board.

Ms. Olsen suggested a newsletter article to assist members with questions to ask candidates seeking election.

Mr. Obermeyer also distributed a copy of an article that appeared in the Star Tribune about a certain individuals experience with HSA's. Ms. Ross inquired if the employer and employee were putting in matching amounts and the employee purchased the policy? Mr. Obermeyer stated that this is one of the issues raised by the article, that the new policy may be cheaper.

6. MN Retiree Council

No Report.

7. MSRS Board of Directors

Ms. Olsen reported the election results from the MSRS 2008 elections and updated the board on the Post Fund Bill, the projection of the Post Fund earnings at the end of February was -3.87 percent. Ms. Olsen gave an example if the market was -5% the post fund would be at an estimated 78% percent funded.

Ms. Olsen reported there were several pages of pension bills, most not impacting MSRS. However the extended Disability Application from 180 days to 18(eighteen months) was a bill involving MSRS.

Mr. Obermeyer inquired if any bills were dealing with pensions tied to healthcare insurance? Ms. Olsen stated not that she was aware of. Ms. Olsen reported one bill relating to a “pro agreement” a phased retirement agreement. For example, recently an MSRS computer person took an early retirement and was training someone in however; the training was to take the new hire through a fiscal year and it did not allow the time before the retirement, this bill would allow a retiree to work up to 5 years with certain earning limitations.

MSRS also discussed what should be included in determining the High 5 Salary Year. No action was taken; the board will be reviewing again at the next meeting.

The board also discussed a bill to support increasing the salary to the aid of Howard Bicker Director of the SBI. The person who had this position left for another state, this is a highly skilled position and the salary should be competitive.

8. PEPC

Ms. Dobozenski reported the PEPC meeting was cancelled.

9. Chapter Liaison Reports

a. Brainerd-March 20, 2008-(Dowzak)

Mr. Dowzak reported It was short meeting, Mr. Dowzak said his good bye as the liaison to the sub chapter.

b. Duluth- April 23, 2008

Mr. Lundahl reported their annual elections will be held at this upcoming meeting.

The Business Administrator received a request from the Duluth President. They would like to focus on a closer range around Duluth. They stated the cost of postage and lack of turn out from those

in the far edges of the Sub Chapter. Currently the Sub Chapter is allowed to determine their mailing area.

Mr. Lundahl, felt strongly members should at least receive their meeting notices for paying their dues. Perhaps members could be removed at their own request. Duluth encompasses the area from North Branch up to Silver Bay.

Ms. Ross commented if people are not included in a mailing, and not aware of the meeting they will not attend.

Mr. Kuderka felt if they want to adjust the area, they may do so.

Upon consensus of the board, if the Sub Chapter would like to amend their boundaries they may do so, in accordance with the Sub Chapter Charter document.

c. Fergus Falls- First Tuesday of the Month-(Dowzak)

Mr. Dowzak reported the guest speaker who created the "Bobcat" was in attendance and gave the history of the machine. Overall it was a short meeting.

d. Mankato June 2

No Report

e.)Rochester-May 9 (Buckner)

No Report

f.. West Central-June(Kuderka)

The West Central meeting is scheduled for June 19, 2008 at the Freeport Community Center. The hall rental is \$200.00 and the dinner cost is \$7.00. The agenda is being worked on which will include elections. The notices will be mailed out next month. Ms. Husom encouraged Board members to attend and to carpool.

g. Southwest- April 24-(Ross)

Ms. Ross reported she will not be attending due to the upcoming special board meeting.

h.Walker Northwoods-June 12-(Kuderka)

Mr. Kuderka reported the meeting scheduled for June 12, 2008 in Bemidji.

11. New Business

a. Special Meeting- April, 24 2008 (Husom)

Ms. Husom reported Mr. Regenstreif will be here April 24th, the meeting is set for 11:30 A.M.

Mr. Regenstreif has requested to hear what MRSEA has been working on. Ms. Husom would like a list of accomplishments, and what projects we are working on, and a list of questions you may have.

Mr. Nelson inquired if they (AFSCME) are trying to take over our organization?

Ms. Husom also reported she received the retirement report from Executive report from AFSCME International. Ms. Husom read the report to the board. The report stated Mr. Regenstreif met with Council 5 Director Elliot Seide, and top council staff to discuss establishing a statewide council 5 retiree chapter. Currently three Chapters are in the district; Chapter 3, Chapter 6, and Chapter 96.

There are about 9400 total members. An additional meeting was held with retiree leadership to begin discussing the possible new structure, further meetings are anticipated. Council 5 lobbyists are working on a legislative bill for a "check off" for automated dues deductions from pension checks. Currently MSRS and PERA have indicated no objection to the bill.

Mr. Obermeyer posed the question if the ultimate goal was to have one retiree chapter? Ms. Husom clarified, yes.

Ms. Olsen inquired as to what happens with our current business administrator? Mr. Regenstreif proposed an office at AFSCME Council 5. Ms. Husom updated Mr. Regenstreif that MRSEA has a business administrator and office equipment.

Ms. Olsen inquired as to what the consequences would be if MRSEA did not merge? Ms. Husom reported it was her understanding the Minneapolis group is inactive and Duluth Chapter is not favoring a merger.

Ms. Husom also reported future non AFSCME retirees would not be eligible to join MRSEA under the new reorganization. Currently we do not have any way to track who are AFSCME or non AFSCME members. Mr. Regenstreif will report on the benefits of joining the new structure at the April 24, 2008 meeting. Currently AFSCME does subsidize a mailing every 5 years. MRSEA does use the Council 5 Postage Permit for a reduced postage rate.

Ms. Ross recalled Donn Escher reported that the collective bargaining law does not provide for bargaining for pensions. The advantage would be to use AFSCME for informational resources and access to information.

Mr. Kuderka stated the Northwoods Sub Chapter has strong AFSCME membership, and felt we should take a look at what exactly AFSCME provides us before making any decisions.

Ms. Husom reported Mr. Regenstreif was of the opinion Sub Chapters did not have enough interaction with the Board.

b. Sub Chapter Newsletter

Ms. Husom reported a Sub Chapter would like to send a newsletter out, our Sub Chapter Charter document does not allow for any additional inserts except for the meeting notice. Council 5 and the MRSEA office has received complaints of mailings that people have received that were not sent out by either organization. MRSEA does not know what may be being inserted with the mailings.

Mr. Mesenburg reported that data privacy, is being compromised if anything additional is sent members without their permission. Secondly, all members' information updates should be maintained by MRSEA not the Sub Chapters.

Ms. Olsen, stated sending out additional newsletters or inserts in the meeting notices may cause additional administrative duties such as to review requests, copying and timing of mailing notices. Also all mailings go out under MRSEA is a concern given it is carrying our mailing address and name.

Mr. Obermeyer would like to support the request, this will add to the administrative duties of the business administrator however.

Upon a motion to authorize the business administrator to contact the requesting Sub Chapter to send the newsletter with the last paragraph requesting private data is deleted, upon a second the motion carried.

c. Insurance Policy (*Husom*)

Ms. Husom reported currently retirees receive an automatic insurance policy worth \$500.00 upon the expiration of the retiree. As of July 1, 2008 the new policy will be only \$250.00.

d. Data Practice Policy

i. MRSEA Proposed Policy

Mr. Mesenburg, reported MRSEA in order to update our data practice policy, we should have a written policy statement. Upon a motion and second the following policy statement was adopted.

MRSEA DATA PRACTICE POLICY STATEMENT:

It is the policy of the Minnesota Retired State Employees Association that data consisting of mailing labels, addresses, phone numbers, marital status, and/or other information which may comprise private data will not be distributed in electronic, verbal, printed or written form.

ii. Sub Chapter Charter Document Proposed Updates

Mr. Mesenburg reported the proposed changes would update our Sub Chapter Document to be coordinated with the Data Privacy Policy.

CURRENT:

~~Mailing Services. The MRSEA office will code the membership file and the files of recent retirees as to provide lists and labels of retirees within the general area of the Sub Chapter. Before this can be done the Sub Chapter must provide a list of cities and their Zip Codes that the Sub Chapter wishes to include within their area. The Sub Chapter makes the decision as to which cities will be included. Because of geographical overlap it is possible for an individual to be coded for more than one Sub Chapter. Lists of new retirees are coded as they are received so lists are constantly changing.~~

~~The MRSEA office will provide the following services for Sub Chapter meetings. Requests for any of these items must be received *three weeks* prior to when they are needed:~~

~~a. Copies of the meeting notice. You must provide the original notice. We will make copies of what you provide. Sub Chapters may choose to prepare copies locally with their own funds.~~

~~b. Envelopes and stamps to mail out the notices, which are prefolded.~~

~~c. Mailing labels and lists of retirees that are coded for that Sub Chapter. Lists are alphabetical within the specified area.~~

AMENDED:

Mailing Services:

The MRSEA Board Office will compile and maintain membership databases. Copies of any information contained in this database will not be available. The MRSEA Board Office will mail Sub Chapter meeting announcements upon receipt of a master copy at least forty five days prior to the scheduled meeting date. This timeline allows for the following sequence of events: twenty one days to prepare the mailing and twenty four days for member response to the mailing.

Upon a motion and second the amended mailing service policy carried.

Communications. Sub Chapters have the responsibility to Communicate:

CURRENT:

~~1. to the Business Manager/Administrator: changes of address of members, deaths, new officers (along with phone numbers and mailing addresses), notice of meetings of the Sub Chapter with time, place, date and city so they may be included in the next newsletter. It is also expected that Sub Chapters will provide the Business Manager/Administrator with copies of any minutes taken at Sub Chapter meetings.~~

Upon a motion and second the amended communications policy carried.

AMENDED:

Communications. Sub Chapters have the responsibility to Communicate:

to the Business Administrator: all changes of address of members, deaths, new officers (along with phone numbers , mailing addresses and email addresses) submitted by members; members should be referred to the MRSEA office for all changes. A notice of meetings of the Sub Chapter with time, place, date and city may be included in the next newsletter. It is also expected that Sub Chapters will provide the Business Administrator with copies of any minutes taken at Sub Chapter meetings.

e. Sub Chapter Meeting Expense (*Husom*)

Mr. Kuderka inquired how long the per capita reimbursement has been at \$2.00? Should we seriously consider increasing the per capita? The MRSEA per capita was originally at \$1.00 per

person. About ten years ago it was raised to the current \$2.00 rate. We average about \$460.00 per year on reimbursements.

Upon a motion by to increase the per capita to \$3.00 upon a second it was opened to discussion. Mr. Kuderka felt it would help defray some costs and to assist with room costs for the Sub Chapters.

Ms Ross made a friendly amendment to increase the per capita to \$4.00, the amendment was not accepted and motion carried to increase per capita to \$3.00.

Mr. Lundahl suggested all Sub Chapter officers are told to insert all updates in their manuals.

12. Next Meeting Date


April 24, 2008 (Special meeting)

May 14, 2008 Annual Meeting

13. Adjournment

Meeting adjourned 3:45PM

Respectfully Submitted,



Laura Dobozenski-MRSEA Business Administrator