

Wednesday, February 13, 2008
Meeting Time 1:00 P.M.
Retirement Systems Building
60 Empire Drive, St. Paul, MN

Board Members Present: Don Buckner, Gene Gere, Ruth Husom, Gloria Johnson, John Kuderka, Dennis Maki, Robert Lundahl, Richard Mesenburg, Lyle Nelson, Peter Obermeyer, Yvonne Ross

Board Members Excused: Frank Dowzak, Terry Dempsey, Fred Maurer, Sally Olsen

Others Present: Dave Bergstrom, Executive Director MSRS, Laura Dobozenki -MRSEA Business Administrator

1. Set and Approve Agenda

Mr. Obermeyer requested Mr. Bergstrom be added to the Insurance Committee for a brief report. Upon a motion to approve and a second, the motion carried.

2. Approve Minutes

a. **January 9, 2008 Minutes**

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

3. Accept Financial Report

a. **December 2007 Report**

The Business Administrator reviewed the year end financial statement. One notable item was the PAC Fund transfer. The Business Administrator is continuing to work with the Auditor for the 2007 audit. The 2006 audit has been completed. Both audits will be presented at the same time; this will complete the requested scheduling change by the Board. Upon a motion and second to accept the report the motion carried.

4. Membership Report

The Business Administrator reviewed the membership update and reported the second request for renewals has been mailed. Upon a motion to accept and a second the motion carried.

Mr. Nelson inquired about sending a sympathy card for the expiree's. The Business Administrator reported we do receive the lists about two months after notice is given to MSRS. MSREA tries to process the lists within a thirty to forty five day time period of receipt. Mr. Maki commented timing could be troublesome in trying to accomplish sending out cards.

Mr. Mesenburg mentioned MRSEA to the 550 Club and many in attendance were aware of MRSEA. Mr. Mesenburg will provide some informational materials and membership cards for their next meeting to recruit possible new members for MRSEA.

5. MRSEA Committee Reports

a. Nominating Committee-(Kuderka, Chair)

i. goals

To attract viable candidates for the Annual Meeting.

ii. progress report

Six possible candidates were sent a package of information to see if there was any interest of being involved at the board level. Two people had conflicts with the meeting dates. The third also had some conflicts with schedules. One candidate may be interested in volunteering for the Insurance Committee. Several Board members offered a few people to contact as possible candidates.

b. Legislative Committee-(Gene Gere, Chair)

i. goals

*To establish a committee meeting in the near future.

*Passage of the Joint Post Fund Recommendation to improve the stability of the post fund while maximizing retiree benefits.

* Develop and propose a post retirement HSA's

*Monitor and continue support for the NARFE Legislation

* Monitor legislation of interest to all retiree's at state and federal levels and monitor Legislative Pension Commission activity.

ii. progress report

Legislature convened February 12, 2008. This is year two of a biannual session. The Pension Commission had approximately 90 bills, approximately 30 received actions.

The Committee held a couple meetings with Dave Bergstrom as a follow up to the HSA's issues. The Committee met with Morgan Fleming and Louise Sundin to discuss and propose legislation for HSA's and will follow up after several people return from a scheduled Washington D.C. meeting addressing the issue.

c. Insurance Committee-(Fred Maurer-Chair)

i. goals

- *Decide some definitive direction to take with HAS's
- *Establish another Committee meeting with Dave Bergstrom and Louise Sundin
- *Establish what local organizations may be willing to team up in developing some legislation
- *Passage of some legislation to allow some kind relief for health care premiums and costs

Mr. Kuderka felt having partners in establishing the Insurance committee's goals would be complimentary.

The Business Administrator reported Frank Dowzak inquired if the death benefit had been reduced from \$500.00 to \$250.00. Frank was going to clarify the issue of the dollar amount.

ii. progress report

Mr. Obermeyer followed up on a meeting on the alternatives to receive legislative approval to establish HSA's. It may be easier to seek amendments to exiting legislation or to have some of the HSA standards modified for those over 65.

Ms. Ross inquired as to the advantage of an HSA exemption or the \$3000.00 deduction as the Public Safety employees have. The Public Safety deduction has an advantage as it is already in law. The HSA is an alternative, and would need changes to the tax code.

Mr. Bergstrom, Executive Director of MSRS reported he traveled to Washington D.C and attended a meeting with the Chief Staff person of the House Ways and Means Committee.

The primary discussion was the possibility of expanding the \$3000 Public Safety Tax Exemption; this received a very blunt no. In fact the staff person reported it was hoped the exemption would be eliminated and used for broader health care reform.

Mr. Gere reported on a local TV station featuring the CEO of Mayo; who felt the health care system is not repairable. It needed to be completely transformed, and that quality of care is the biggest issue.

d. Meeting & Planning Committee-(Gloria Johnson, Chair)

i. goals

ii. progress report

iii. 2008 May Annual Meeting Update

Jimmy's Exceptionale, located in Vadnais Heights on Labore Road, just off HWY 35E, has been selected for the Annual Meeting. The Committee has yet to determine the food selections. Jason Davis, TV Personality of "On the Road Again" will be the keynote speaker. Mr. Davis will need some equipment. The committee will get a specific list of items needed and report back. Mr. Mesenburg clarified there were several options of how the desert could be served. Ms. Husom suggested a dessert tray for each table. The consensus of the Board is to keep the door prizes.

Mr. Mesenburg reported the more we offer, perhaps the more we can attract a larger turnout. The Committee will determine the table arrangement and a head table for officers. Mr. Bergstrom will be invited speak also. Cash door prizes will be given instead of writing individual checks. The Committee will prepare the registration form and a promotional piece with a map and submit it to the Publications Committee for the upcoming newsletter.

e. Publications & Communications Committee-(Lundahl, Chair)

i. goals

*Quarterly newsletters

*Establishing deadlines for mailing the newsletter

*Establishing a handbook about putting together the newsletter for future committee members

ii. progress report

Mr. Lundahl distributed the MRSEA 2008 calendars

Current newsletter is in progress, this will be a six page newsletter

Several submissions for the logo contest have been received, another article announcing the gift card will be published in the upcoming newsletter

f. Technology Committee-(Dennis Maki-Chair)

i. goals

* Support tech needs of MRSEA

*Work with all committees in achieving your goals

*Web Site Host, no state agency will be able to host our site due to security issues.

ii. progress report

* Three vendors have been contacted to host and design the Web Site, two are national one is local. Mr. Maki is seeking further detailed information in order to make a recommendation.

Mr. Maki reported the old computer system that had been approved to send to the president is unable to be updated to be compatible with our current system. Mr. Maki reported in addition a second system would be valuable if our primary system would go down and need to be sent out for repair. We would be able to have a back up compatible computer to use. Mr. Maki referred to the minutes of February 2007, authorizing the equipment transfer to the president. Mr. Maki recommended the purchase of a new laptop and printer in the target price range of \$2200.00. The Committee has \$1500.00 remaining in the tech fund for a purchase. The digital camera will also be expensed from this fund. Upon a motion and second to purchase a second laptop and accessories the motion carried.

g. Constitution & By-Law Committee

i. Goals

Keep the Constitution and bylaws updated. The approved changes will be published in the newsletter and voted upon at the annual meeting.

ii. Progress report

The approved changes will be published in the newsletter and voted upon at the annual meeting

6. MN Retiree Council-(Maurer)

7. MSRS Board of Directors-(Olsen)

Next meeting date was scheduled for April 3, due to the ballot counting for the MSRS elections.

8. Chapter Liaison Reports

a. Brainerd-

Next meeting is March 20, 2008

b. Duluth- January 23, 2007-(Lundahl)

The April meeting of the Duluth Sub Chapter is the election meeting for new officers. Duluth Sub Chapter Officers have term limits. There has been very good feedback from members about the meal and meeting location at the local community/library center.

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

d. Grand Rapids-(Lundahl)

e. Mankato -(Maurer)

f. Northeast-(on hold),(Lundahl)

g. Rochester- (Maurer)

h. West Central-(Kuderka)

Mr. Kuderka reviewed the results of the recent survey sent to the West Central Sub Chapter members. After reviewing the surveys the Board will work with Darlyne Pogose in scheduling and coordinating a meeting location and speakers for a meeting for West Central sometime in early June.

There will also be an article in the newsletter informing West Central members a meeting is being coordinated for June.

i. Southwest- -(Ross)

Their meeting is scheduled for April 24, 2008 at the Wooden Nickel.

j. Walker Northwoods -(Kuderka)

Meeting is scheduled for June.

9. Old Business

a. Edna Bernstein Donation Request To Donate to MPR -3rd consideration

The Board reviewed the multiple business package options from MPR. The costs exceeded the anticipated price range. The Board upon further consideration of programs and timing, and cost considerations opted to select a special promotion of two radio spots statewide at a cost of \$125.00 each. Upon a motion and second, the motion passed to have the Business Administrator and Mr. Mesenburg formulate a 15 second message for the radio promotion not to exceed \$250.00. The message would be statewide and use the programs the "Classical" and "News". Consideration will be given to promoting the Annual Meeting also. They will seek the professional guidance of the radio station sales staff to develop the best message.

10. New Business

a. AFSCME Retiree Chapter Reorganization (*Husom-Gere*)

Ms. Husom and Gene Gere reported they attended the January 31, 2008 meeting concerning the Retiree Chapter Organization by AFSCME at the Council 5 office. Attendees were from the International Office, Council 5, Field Directors, Retiree Council, Chapter 3, and The Minneapolis Public School retirees.

Elliot Seide, Council 5 Director, started the meeting by informing attendees there are 230,000 retirees in Minnesota with no retiree structure in Council 5. He would like to create a structure unifying public and nonprofit workers that they represent. They have 40,000 dues paying members and represent 43,000 active employees in Minnesota. They have three full time political organizers and a 43 member executive board. Council 5 represents state wide employees, however not city and county employees.

Council 96 of Duluth was not in attendance. Council 5 does not have funds to work with retiree chapters.

AFSCME would “grandfather” current retirees who were not former AFSCME members into the newly reorganized group. However, no new non AFSCME retirees would be allowed to join. AFSCME has met with MSRS about legislation seeking an automatic check off for dues paying members. This would be a voluntary check off.

AFSCME felt it could provide better benefits by working together on pension issues, coordinating and communicating efforts and recruiting new members.

They would like to set up Chapter 5 around the state with Sub Chapters “piggy backed” on MRSEA locations. They would also set up one east and one west metro sub chapter.

This would require a founding convention paid for by AFSCME International and new constitution based on the new structure.

Mr. Gere expressed his conclusion was that AFSCME in essence was trying to transform MRSEA into a state wide organization under the banner of AFSCME. There were many inconsistencies, and what did it mean to be an affiliate as we are now.? The goal was to be bigger and more efficient.

The MRSEA Board directed the Business Administrator to see if it possible to track union or non union retirees, and what the impact may be with our members.

MRSEA was founded by state employees and affiliated with AFSCME in the late 1979-1980.

Ms. Husom was asked to bring this to MRSEA and to see if MRSEA wanted to merge or not?

Mr. Maki inquired about the annual payment to AFSCME? The annual payment goes to the International for bargaining.

Mr. Maki pointed out as MRSEA, we need to distinguish ourselves as the better organization for retirees to join and we could save the \$20,000 dollar annual payment.

What has our affiliation with AFSCME actually done for us? AFSCME states members receive the newsletter, Advantage benefits, health saving, discount legal services, MasterCard and more.

Upon discussion and consensus of the Board, further information would be needed to make an informed decision about merging MRSEA. The Board would like to have Steve Regenstreif attend a MRSEA Board meeting and have a discussion about the merger.

Ms. Husom will contact Mr. Regenstreif to a future meeting to address questions and concerns of the MRSEA Board.

Ms. Husom pointed out two articles in the recent AFSCME newsletter.

1. AFSCME Day On the Hill is scheduled for April 2, 2008
2. February 22-23, 2008, AFSCME is holding an affordable health care conference at the Mall of America Ramada Hotel The Conference goal is to teach people how to talk about healthcare.

b. PEPC Update-(Maurer)

The PEPC meeting for February 13, 2008 was canceled and rescheduled for February 27, 2008.

PEPC January 30, 2008.

The Business Administrator reported she attended on behalf of Fred Maurer. The Business Administrator reported PEPC did not use the MRSEA letterhead which had previously been approved and provided by MRSEA. The meeting notice was issued on Middle Management letterhead instead of MRSEA's.

The meeting started with a few comments about not having a chair to lead the committee. Dave Bergstrom took the lead and went through the Post Fund Committee report and final recommendations. No action was taken. Mr. Bergstrom highlighted some legislative changes.

Mike Bona, secretary treasurer of PEPC inquired about schedules for the next meeting date. The Business Administrator expressed the concern of the Board that Fred Maurer was an officer or we thought he was a current officer and somehow in the past year MRSEA had been dropped off the invitation list of the meeting notices.

A fairly lengthy discussion followed with members expressing their interest in having the retiree's attend. Mr. Bona quite adamantly expressed that he did not want the retirees to attend. He respectfully agreed to disagree with the thought of having retirees attend.

Ms. Bleyhl, from AFSCME will be chairing and Mr. Bona is secretary treasurer. All groups have been asked to contribute \$100.00 for meeting costs. Upon a motion and second to authorize a payment to PEPC for \$100.00 the motion carried.

11. Other Items

None

12. Next Meeting Date March 12, 2008

13. Adjournment

Meeting Adjourned 3:36 P.M.

Respectfully Submitted,



Laura Dobozenski

Business Administrator-MRSEA

