

MINUTES

Wednesday, January 9, 2008
Meeting Time 1:00 P.M.
Retirement Systems Building
60 Empire Drive, St. Paul, MN

Board Members Present: Don Buckner, Terry Dempsey, Frank Dowzak, Gene Gere, Ruth Husom, Gloria Johnson, John Kuderka, Dennis Maki, Robert Lundahl, Fred Maurer, Richard Mesenburg, Lyle Nelson, Peter Obermeyer, Sally Olsen, Yvonne Ross

Others Present: Laura Dobozenki -MRSEA Business Administrator

President Husom called the meeting to order at 1:00 P.M and welcomed new board member Richard Mesenburg. Board Members introduced themselves.

1. Set and Approve Agenda

Motion to approve the agenda upon a second agenda is approved with one addition, Ms. Olsen reporting on the PAC Committee under item 5G, motion carried.

2. Approve Minutes

a. November 14, 2007 Minutes

Motion to approve with minor corrections, upon a second the motion carried.

b. December 12, 2007 Minutes

Motion to approve, upon a second the motion carried.

3. Accept Financial Report

a. October 2007 Report

b. November 2007 Report

The Business Administrator reviewed the October and November statements. Mr. Obermeyer inquired to the reduction in cash account from the beginning of the year. The Business Administrator clarified the revenues are collected only during dues renewal. During the balance of the year, these are the funds which the association operates upon. Mr. Obermeyer inquired about the pre affiliation funds. Ms. Husom explained the pre affiliation funds were association

funds prior to affiliating with AFSCME. Upon a motion and second to accept the motion carried. Mr. Lundahl inquired to AFSCME recently looking for financial information. The business administrator explained this was to update the surety bond.

4. Membership Report

The Business Administrator reviewed the renewals for 2008 and updated the board on the non renewals and the email address collection progress. Upon a motion to accept and a second, the motion carried.

Mr. Kuderka inquired about a comparison of recent years. The Business Administrator reported this was a very successful first round of renewals which was a significant increase from the previous two years. Mr. Kuderka inquired if we could track the free members who renew. The Business administrator will add that to the report, this would be reflective of the 2007 year, as we would not know the 2008 renewals until 2009.

5. MRSEA Committee Reports

c. Nominating Committee

Mr. Kuderka reported the newsletter contained the candidate election process. Mr. Kuderka is working on a letter of interest to send to a few possible contacts as board candidates. The possible candidates will receive a packet of information about MRSEA. The Business Administrator will work with Mr. Kuderka to organize the information to send in the package to the possible candidates. The Nominating Committee will review all applications and bring them back to the board for a recommendation.

d. Legislative Committee

The Legislature starts meeting in February. The Pension Commission had two meetings in December.

December 6, 2007 was an informational meeting for new commission members. The fund directors also highlighted the Post Fund Committee's activities and progress and recommendations.

Mr. Richter also testified in opposition to the recommendations. AFSCME and the teamsters testified they had no position as of yet. December 19, 2007 was a meeting devoted

almost exclusive to the actuarial presentation. A copy of the presentation by Segal was distributed to the board members.

Mr. Gere updated the Board that he had received a response from Senator Coleman in regards to the medicare prescription cost bill. The prescription drug bill HF3; SF4, still sits in the Senate. The Committee tried to take it directly to the floor of the Senate where it failed dramatically.

e. Insurance Committee

Mr. Maurer submitted a written report. "I have talked with Peter Obermeyer and I support the things he started with Dave Bergstrom on Health Care Savings Accounts.

I would request that Peter serve as Vice Chair and fill in for me during my absence. I will be following and working on things here. I am trying to get meeting with the former DOER folks, when they get reorganized, so that we can be involved in this years health care negotiations much as we were two years ago".

Mr. Kuderka inquired as to the outcome of the insurance committee meeting held prior to the MRSEA meeting. Mr. Gere reported Mr. Bergstrom had met with the insurance committee about a year ago on HSA's. The committee is following up with that to see what vehicles could be used to establish this for retirees. The Insurance Committee will follow up in the near future with Mr. Bergstrom.

Mr. Gere highlighted a bill in Congress HR3517; SF1809, which changes the IRS code providing any distributions to an IRA or similar accounts, could be tax exempt if used for long term health insurance. This was introduced in September, but has gone nowhere in congress. Ms. Olsen felt we should try to try all avenues to establish the goals of the HSA.

f. Meeting & Planning Committee

i. 2008 May Annual Meeting Plan

Ms. Johnson suggested George's as a possible venue for the 2008 Annual Meeting. Some Board Members expressed concern about the parking capacity and the location. The Prom also was available with about 26% tax added to cover labor and room. Ms. Johnson has also tried several other locations with no success. Some locations contacted were already booked for the specific meeting date.

Mr. Mesenburg expressed his experience in hosting conferences and the experience of parking issues. Mr. Mesenburg felt we need to stay away from downtowns due to parking costs.

Mr. Obermeyer inquired as to whether anyone discussed a speaker. Ms. Johnson stated Mr. Bloedow, a former Board Member had always arranged for a speaker.

Ms. Ross suggested that perhaps Mr. Arnie Carlson was a possibility and wanted to see if Mr. Dempsey or Ms. Olsen would like to contact him to see if he was interested in being the keynote speaker. Another possibility was Tom Stinson; State Economist or Art Rolnick, Senior Vice President of the Federal Reserve Bank of Minneapolis.

Ms. Husom requested the Committee come back with a definitive recommendation at the February meeting.

g. Publications & Communications Committee

Mr. Lundahl reported on the newly designed newsletter . The new look is very professional and the vendors have been great to work with. Despite a few typographical errors the overall look is quite successful. The next issue may be expanded to a six page document to accommodate the spring meeting registration and proposed By Law changes to be voted upon at the annual meeting.

Ms. Husom liked the new design of the address bar and all the decorative accents used throughout the newsletter.

Mr. Nelson inquired about colored ink for the paper. Mr. Lundahl stated that color significantly increases the cost.

Ms. Olsen liked the shades of grey tones used for highlighting throughout the newsletter. Mr. Kuderka felt the newsletter was a big improvement.

The logo contest was kicked off in the winter newsletter. Upon a motion by the Board and a second, the winner of the logo contest will receive a \$50.00 Holiday Gas Card. The Publications Committee will determine the winning logo design. Board Members are welcome to submit a logo however; members determining the winner will withdraw from selecting the winner if they submitted a logo to be considered.

h. Technology Committee

Mr. Maki reported the possibility of a state agency hosting a web site was not looking very promising due to security and other issues. Mr. Maki will be contacting outside vendors for further information.

Ms. Husom reported AFSCME may consider hosting a site after AFSCME has completed the reorganization of retiree chapters.

The committee was asked to review the Business Administrator's personal expense of internet usage. Currently the Business Administrator personally provides the service for MRSEA. The Technology Committee recommends that MRSEA reimburse the business administrator fifty percent cost share for the service. Ms. Olsen clarified that the motion would be fifty percent of the actual cost billed as the price may increase in the future. Upon a motion and second the motion carried.

The Tech Committee recommended the purchase of a digital camera for MRSEA with the price range of \$200-400 dollars. Upon a motion and second the motion carried.

Constitution & By-Law Committee

i. By-Law 3

Ms. Olsen reported the PAC Committee met December 5th, 2007. Mr. Weinblatt reviewed a letter from the Campaign Finance Disclosure Board. The committee and MRSEA are in compliance. Upon further discussion of the PAC Collections Alan Weinblatt suggested the MRSEA Board consider adopting a "fiscal dues renewal year". In addition, establishing semi annual deposits to PAC of their contributions received.

Upon a consensus of the committee this was agreed upon and will be brought to MRSEA for authorization for two deposits (June and December) of PAC funds; and to establish the "dues fiscal year".

The 2007 non election year collection was \$8100.00. The Committee will be making contributions to the State House Caucuses this election year.

The committee discussed online payments. Consensus of the committee was there would be no advantage, in fact possibly a potential disaster for PAC if the option to choose was eliminated. The committee also considered the administrative costs and potential issues. The consensus of the committee was no online payments for PAC.

Ms. Olsen also reported MSRS would not be able to collect PAC funds from an online payment.

Ms. Olsen reviewed the draft language of By Law 3 which addresses the aforementioned concerns of PAC.

BY-LAW 3. Fiscal Year.

The fiscal year shall be the calendar year. The administrative year shall be the approximate one year interval between annual meetings held in May.

"The dues year shall be from May 1st of one year to April 30th of the following year.

Mr. Kuderka inquired if the separate line on the dues renewal card for voluntary donations for PAC are sufficient. The Business Administrator responded the collections are compliant and we also file paperwork with the Campaign Finance Disclosure Board.

Upon a motion by Olsen to approve By LAW 3 AND recommend for adoption at the annual meeting in May and a second the motion carried.

Upon a motion by Olsen to transfer semi annual deposits of PAC funds in June and December into the PAC account. Upon a second, the motion carried.

6. MN Retiree Council

No report

7. MSRS Board of Directors

Ms. Olsen reported MSRS met November 16, 2007 and reviewed the Post Fund Committee Reports. The three executive directors are in the process of drafting legislative language for the Post Fund Issues.

Secondly, the implementation of corrective action related to data security recommendations from OET. MSRS is implementing all of the recommendations.

Thirdly, there was discussion of what constitutes a "high five year" average salary; this was continued to the next meeting.

Fourth; in regards to the SBI, there is going to be a combination of two fixed interest accounts; the reason is to eliminate difficulty of transfers in one account. The MN Deferred

Compensation Plan will be a single fixed fund. The two combined will be the Supplemental Investment Fund and the other MN Fixed Fund.

Fifth, adopted a new MN Deferred Compensation Plan Document.

Sixth, considering a document to do away with some rules and regulations and to create a plan document that conforms to state and federal tax laws.

Seventh, The MSRS Board elections are coming up. One of the biographical statements included a statement that MSRS sent out personal data. This was not the case. MSRS does not edit biographies. MSRS decided they would add a disclaimer in bold type “the following information was provided by the candidate and has not been verified by MSRS”. Then, in a separate part of the newsletter a statement will declare MSRS does not divulge personal information.

8. Chapter Liaison Reports

a. Brainerd-December 13, 2007-(Dowzak)

No report, Mr. Dowzak was unable to attend.

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

Duluth will be meeting at the Senior Center on January 23, 2008

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

Mr. Dowzak had been asked if someone had been MOU'd (downsized) are they eligible to be a member of MRSEA? Mr. Kuderka felt this was basically a buyout. The key is if they receive a pension they are eligible. The group had about 30 people attend.

d. Grand Rapids-(Lundahl)

e. Mankato

Mr. Maurer attended their Christmas Party, they had about 45 in attendance. Mr. Maurer was scheduled to give an update on the Joint Board Proposal and answer questions. They started with a presentation by a retired nurse from St. Peter Hospital who was very energetic and funny.

John Smith, newly retired from Corrections and attending his first meeting, volunteered to be the new secretary.

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

g. Rochester- (Maurer)

i. West Central-(Kuderka)

Mr. Kuderka refreshed the Board of the status of the West Central Survey. In November a letter was sent to the officers seeking information about scheduling a meeting. One at large member of the WC Board responded to the letter. Darlyne Pogose tried to set up a meeting with the directors of WC and no one attended. She will continue to try to set a date and location for a meeting with the understanding the general membership will be receiving the survey; and the Board will be moving forward with a meeting after they review the surveys at the February meeting. The reply date is January 30, 2008 for the general membership in regards to interest level of attending a meeting for the West Central Sub Chapter.

The surveys (385) were mailed January 3, 2008.

Ms. Olsen refreshed the Board of some history of the West Central Chapter and the responses by the MRSEA Board.

j. Southwest- -(Ross)

Upcoming meeting in April

k. Walker Northwoods -(Kuderka)

Upcoming meeting in June

9. Old Business

a. Edna Bernstein Donation Request (tabled from November)

Upon a motion to remove requested item 9a from the table and a second, the motion was open for discussion.

Mr. Mesenburg felt it may give MRSEA exposure otherwise not received. Mr. Dempsey inquired as to what the actual coverage would be, if this was outstate as well as metro coverage. Mr. Kuderka thought MPR covered a majority of the state, at least perhaps with the morning show. Mr. Obermeyer inquired as to if the business administrator to research MPR for more specific details, what the message may say, time frame, coverage exposure etc. Upon a motion and second to research more details, the motion carried.

Mr. Kuderka requested a letter of progress be sent to Ms. Bernstein.

Ms. Husom requested the Board turn in their expense sheets monthly, and to anticipate reimbursement checks may be mailed out if necessary.

Meeting Adjourned at 2:57 P.M.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Laura Dobozenki". The signature is fluid and cursive, with a large initial "L" and a long, sweeping underline.

Laura Dobozenki

MRSEA-Business Administrator