

MINUTES

Wednesday, June 11, 2008
Meeting Time 1:00 P.M.
Retirement Systems Building Board Room
60 Empire Drive, St. Paul, MN

Board Members Present: Terry Dempsey, Gene Gere, Sandra Hale, Ruth Husom, John Kuderka, Dennis Maki, Robert Lundahl, Fred Maurer, Richard Mesenburg, Lyle Nelson, Sally Olsen, Yvonne Ross, Lois Willock.

Board Members Excused: Don Buckner, Peter Obermeyer

Others Present: Laura Dobozenki -MRSEA Business Administrator

President Husom called the meeting to order at 1:00 P.M. The Board introduced themselves and, President Husom welcomed the new board members.

Set and Approve Agenda

Upon a motion and second to approve the agenda with the addition of items {13.a Surplus Funds} and {13.b Work Classification of Business Administrator} added; the motion carried.

Approve Minutes

a. April 9, 2008 Minutes

Upon a motion and second the motion carried to approve the minutes as amended.

b. April 24, 2008 Special Meeting Minutes

Upon a motion and second, the minutes were approved as presented.

c. May 14, 2008 Minutes

Upon a motion and second, the minutes were approved as presented.

d. May 14, Annual Meeting Minutes

Upon a motion and second, the minutes were approved as presented.

Accept Financial Reports

e. March 2008 Report

Upon a motion and second, the motion carried to accept the March financial report.

f. April 2008 Report

Upon a motion and second; the motion carried to accept April financial report.

Membership Report (*Business Administrator*)

The business administrator highlighted the most recent membership report, upon a motion to accept the report and a second the motion carried.

MRSEA Committee Reports

Nominating Committee

Mr. Kuderka reported the nominating committee did a very successful job in recruiting and following through with the nominating procedures. Mr. Kuderka also reminded the board the entire nominating committee is up for re- election in 2009 and will need to have new assignments as they cannot serve on the nominating committee when seeking election. Ms. Husom thanked the committee for their dedication and work.

Legislative Committee

Mr. Gere reported the legislature has gone home. The Omnibus pension bill passed, which does included the recommended Post Fund changes as of June 30, 2008. The AFSCME Bill which allows automatic dues deductions from the pension plans was also passed; however it excluded TRA. Mr. Gere reported MRSEA sent approximately several hundred emails to legislators and various committees. Education Minnesota worked very hard to oppose the bill. Mr. Gere also met individually with legislators to promote the passage of the bill.

Insurance Committee-(*Maurer, Chair*)

Mr. Maurer reported he is trying to schedule a meeting with the Insurance Committee and Budd Johnson from DOER. Mr. Maurer reported state and federal laws will require some changes to allow for HSA's for those over 65 years of age.

i. 2008 May Annual Meeting Wrap up Report

Mr. Mesenburg reported the annual meeting attendance was 117 members 65 guests. The total cost was \$5605.00; registration fees recouped \$2914.00; Mr. Mesenburg felt it was a very successful event. Board members received positive comments and attendance was up for the year.

ii. 2008 Fall Membership Meeting Report

Mr. Mesenburg reported the committee is planning a fall meeting in New Ulm with a tour of the Schells Brewery. A brief meeting and luncheon will follow. The luncheon is being planned at the Kaiserhoff Restaurant with a menu to be determined. There are many possible other historic locations for members to tour as well if desired. The committee will consider chartering a bus for the trip for the board as well as opening it to the membership. There are some logistics that would need to be worked out for members to also take the charter bus. The committee will develop a "save the date" article for the newsletter as well as the fall registration article. The board felt New Ulm is a great location for the fall meeting.

Mr. Mesenburg reported the committee also was considering a fall boat trip; however to do so may be a tight schedule to accommodate two events for the fall. The board felt the boat trip would be too much and should be considered for next year.

Publications & Communications Committee

Mr. Lundahl reported the summer newsletter is set to go out soon. The newsletter will recap the election results and include the legislative questionnaire.

Mr. Lundahl also reported the committee will be meeting soon, and asked for input in regards to the logo contest submissions. All board members were sent the submission to review prior to the meeting.

Ms. Olsen inquired if we had any authority to alter the submissions? Mr. Lundahl reported we can choose which logo is most suitable. Mr. Lundahl responded we did have the ability to do

modifications as we asked for ideas and we would have a professional transform the ultimate logo.

Ms. Hale also inquired to the flexibility of the logo size and the space for lettering. Several board members felt the phrase of a particular logo could be slightly adjusted to reflect our mission statement of “protecting state retiree benefits-with MRSEA”.

Mr. Maki commented we need to be careful of size and font so that it will actually “print well.”

The committee will meet and flush out some more thoughts and report back at the next meeting.

Upon a motion by Mesenburg to send the alternate choices a \$25.00 gas card and thank you letter, and the winning logo entrant will receive a \$50.00 gas card and thank you letter. Upon a second, the motion carried.

Technology Committee

Mr. Maki reported the committee is waiting to see if MRSEA is going to participate in the retiree chapter merger. As this will determine if we go out on our own and invest in a web site or wait for another alternative after the merger.

g. Constitution & By-Law Committee-

Ms. Olsen reported next year we need to make the per capita change adjustment in the governing documents.

MN Retiree Council

Mr. Maurer reported Martha Johnson is wrapping up the work on the video projects they have been working on called ‘The Changing Faces of Retirement’. Mr. Maurer has been asked to chair the committee, he is not sure he wants to take over this position.

MSRS Board of Directors

Ms. Olsen reported MSRS Board Chair Benner’s mother recently passed away.

Ms. Olsen reported MSRS continues to work on the 2009 Administrative budget, Computer Security Issues and High Five Salary Compositions.

In regards to the AFSCME Bill -MRSEA is concerned if dues are taken out of retiree pensions, the state cannot hold political action funds. This is a concern for PAC, and for MRSEA. Ms. Olsen reported the SBI returns reported as of the end March the basic fund is down -4.15%; Post Fund is down -4.38%; and the Combined Composite is down -4.26%

Ms. Ross inquired when the new Post Fund Legislation becomes effective. The Legislation is effective June 30, 2008.

PEPC

Mr. Maurer reported the next meeting is July 17, 2008. Mr. Maurer felt the consensus of the group is to include retirees. A few people do not feel this group should consist of active employees only. Julie Blyle from AFSCME is leading the group.

Chapter Liaison Reports

a Brainerd-June 19, 2008-(Lundahl)

Bob will cover the upcoming meeting.

b. Duluth- April 23, 2008-(Lundahl)

Mr. Lundahl reported the officer changes in Duluth. Ross Anderson is the new president; Linda Pearson is the new Vice President and Lois Stone is the new Secretary Treasurer. The group met at Sunsets Bar and Grill. Bob will be attending the annual July picnic in Moose Lake.

h. Fergus Falls- First Tuesday of the Month

Ms. Husom asked for volunteers to be liaison to the Brainerd and Fergus Falls Sub Chapters. These two were previously assigned to Frank Dowzak. Please contact President Husom if you have any interest in being a liaison.

i. Mankato June 8, 2008-(Maurer)

Mr. Mesenburg covered the Mankato meeting for Fred Maurer. Mr. Mesenburg reported approximately sixty people attended. Mr. Mesenburg reported there were a couple mailing list issues that he felt were resolved prior to leaving.

j. Rochester-May 9, 2008 (Buckner-)

The business administrator reported for Peter Obermeyer who also attended. This was the first spring meeting by the sub chapter. They had approximately forty people in attendance. Mr. Obermeyer addressed the HSA's and the post fund legislation. The group was very receptive and asked a few question. The business administrator also talked to the group about the upcoming board elections and annual meeting.

k. West Central-June 19, 2008 (Kuderka)

Mr. Kuderka reported the meeting will be held at the Freeport Community Center June 19, 2008. There are approximately twenty three members registered. There is one person willing to be an officer; we will need one more volunteer for the secretary position. Lorene Dimock from DOER as well as Dave Bergstrom are scheduled to be guest speakers.

l. Southwest-September 25, 2008-(Ross)

Ms. Ross reported she was unable to attend due to the special board meeting held the same day. Ms. Ross did follow up with the officers and they reported they had a good meeting; they had four more in attendance than last fall. A written liaison report had been sent in advance of the meeting for the officers to share with the members. The next meeting will be in September.

m. Walker/ Northwoods-June 12, 2008-(Kuderka)

Mr. Kuderka reported he will be attending the meeting in Bemidji. The group always has good attendance and an interesting meeting.

Old Business

a. AFSCME Merger

The board discussed whether the two other retiree chapters had any interest in the merger. Ms. Husom feels AFSCME is looking for the merger to move forward. The consensus of the board was there were many unanswered questions as well as no clear benefit defined to

MRSEA for participating in a merger. Currently we have no way of knowing whether are current members actually were AFSCME workers or non AFSCME workers, we have no information to be able to identify the difference. Ms. Olsen felt in addition, there was not a satisfactory answer to what would happen to the MRSEA business administrator position. Ms. Husom felt the administrator position would be up to MRSEA to continue to make a decision about.

Ms. Ross reported that if the post fund merger does happen, would each agency then be responsible for their portion of the merged funds? If so, then perhaps the statement made by Mr. Regenstreif, that if the state gives a benefit to state employees they usually give it to PERA also would no longer be valid.

Ms. Willock felt if there was a merger, it would not happen very quickly.

Mr. Kuderka inquired if anyone from Council Five was interested in being a liaison to MRSEA. We have not had anyone attend a board meeting.

Some additional concerns expressed about the merger included the make up and size of the MRSEA board. The complexion of the current organization would change and MRSEA may possibly lose members. In addition would MRSEA need to change its name?

Mr. Maki expressed the concern about the restructuring being limited to possibly AFSCME employees only.

Ms. Husom suggested we start itemizing our questions if we are approached in the future to merge.

Upon a motion and second, the board resolved "at this time based on the information we have received, we do not feel comfortable in moving ahead with the AFSCME Retirees Chapters merger." Motion carried unanimously.

Mr. Maki inquired as to whether the technology committee could move forward with developing the web site, based on the previous motion. Ms. Husom felt the committee should move forward.

b. 2009 Meeting Calendar

Ms. Husom explained there has been a request to look at the board meeting summer schedule. Mr. Kuderka would like to see a summer meeting to accommodate the fall business that should be started. Mr. Mesenburg concurred that it would be helpful to be able to plan for the fall events.

Some board members would like to keep the schedule with the summer off, other felt it would be beneficial to meet in August.

Ms. Olsen inquired about the business administrator's thoughts about preparing for an additional meeting, given this is usually a "catch up" time for the business administrator. The business administrator expressed she would accommodate the meeting request.

Upon a motion and second to hold a special meeting in August to determine how successful a summer meeting would be for the board. The fall boat trip will be deferred to next year. The motion carried.

Ms. Olsen proposed that officers and committee chairs prepare brief job description to assist new committee members with calendars and timelines, as the committee's change. This should be accomplished by the annual 2009 meeting. In addition Ms. Olsen suggested given MRSEA now has its own computers all business documentation created by board members should be transmitted electronically to the business administrator to keep on record for MRSEA. This allows for future editing and the maintaining of documents.

Upon a motion that "the officers and committee chairs prepare a job description for their officer position or their chair by the 2009 annual meeting", and a second, the motion carried.

Upon a motion that "any document that is created by an officer or committee chair should be electronically transmitted to the business administrator", upon a second, the motion carried.

New Business

a. Appoint Delegates to State Retiree Council Convention September 14, 2008 (in Duluth)

MRSEA is allowed ten delegates for the convention. The registration starts at 11:30 a.m. with adjournment approximately at 3:30 P.M

Ms. Husom called for volunteers. Fred Maurer, Bob Lundahl, Lois Willock and Ms. Husom volunteered to go. The business administrator will contact Ross Anderson from Moose Lake, who has attended in the past. The business administrator will check her calendar to see if she is available to attend.

Upon a motion and second to approve the six named delegates to attend the September convention and authorizing up to four more delegates to attend, the motion carried.

Other Business

a. Surplus Funds

Mr. Nelson suggested the board spend down the reserve funds. Mr. Nelson felt there was too much money in the reserve account. Mr. Nelson acknowledge their may be some limitations on how the funds may be spent. Mr. Nelson would like the board to consider options to spending the reserves.

Some board members felt their needs to be a thought process to any spending rather than just spend down the funds. We have greatly increased our technology and newsletter costs over the last year, and are creating a new website. This will be ongoing costs we did not previously have.

Mr. Kuderka suggested a review committee for charity requests.

Ms. Olsen also pointed out, that our revenues are collected only once a year. We do not have another source of revenue. We do throughout the year spend some of the reserves.

We have in the past made donations, and most recently donated to the bridge disaster fund as well as the flood relief fund in southern Minnesota.

Classification of Business Administrator

Mr. Nelson expressed a concern about the classification of the business administrator position.

Ms. Olsen suggested he contact Ms. Husom with his concerns, as she oversees the business administrator's review committee.

Next Meeting Date

August 7, 2008

Election of Board Officers

Ms. Husom opened nomination for President. Upon a nomination and second for Ruth Husom, Ms. Husom called for any other nominations, hearing none, nominations were closed. Motion carried unanimously.

Ms. Husom called for nominations for First Vice President. Upon a nomination and second for Sally Olsen, Ms. Husom called for any other nominations, hearing none, nominations were closed. Motion carried unanimously.

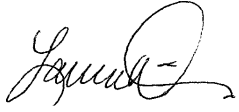
Ms. Husom called for nominations for Second Vice President. Upon a nomination and second for Gene Gere, Ms. Husom called for any other nominations, hearing none, nominations were closed. Motion carried unanimously.

Ms. Husom called for nominations for Secretary/Treasurer. Upon a nomination and second for Yvonne Ross, Ms. Husom called for any other nominations, hearing none, nominations were closed. Motion carried unanimously.

Ms. Willock was unanimously appointed to the assistant treasurer position.

Meeting adjourned at 3:48 P.M.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Laura Dobozenski', with a stylized flourish at the end.

Laura Dobozenski

MREA-Business Administrator