



STATE ENGINEERING ASSOCIATION

SEA View

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From the President

I regret to inform you that this will be my last month as your President. I have accepted a new position as a "Southeast Freeway Mega Project Manager" within the DOT. The classification is Architect/Engineer Management which unfortunately is a non-representative position. This has been a very difficult decision for me to leave my current position with SEA. I will always value my time that I had with this fine organization that is made up of honest, hard working and dedicated individuals like you. I will miss being a part of this organization and especially the individuals who are the Association. There were many accomplishments during my Presidency, but I am disappointed that after endless negotiations, getting a fair contract for our membership was not obtainable.

Our first Vice-President, Sharon Bremser, will be taking over my responsibilities as President of our Association until the current term expires. The elections for the new Board of Directors should take place in August, and installed at our Annual Meeting in October. Please give Sharon your support as you have given me. Sharon will be looking to appoint a new 1st Vice-President at the February meeting, please let her know if you are interested.

George Mickelson and I attended AB 105 Bill signing by Governor Doyle on January 4th. The Bill, now law as Act 89, requires analyses of costs and other factors prior to contracting out services with the private sector. A letter was written to DOT Secretary Frank Busalacchi and DOA Secretary Stephen Bablitch offering our assistance as administrative rules is prepared by the DOA and DOT to comply with Act 89.

Bargaining continues at a snails pace. Meetings were held on December 15th, 20th and January 26th. Not much was accomplished on those three bargaining dates other than to say we had met. On January 26th the SEA bargaining team decided to write Governor Doyle a letter stating our displeasure with the lack of real bargaining at these meetings. Please see our website to review this letter. Upcoming bargaining date is February 27th.

Grievance school is scheduled for February 25th in Madison. Grievance representatives please try to attend. See your local section representative for more information.

SEA Day is tentatively scheduled for April 26th. This has always been a fun and worthwhile day to visit your Legislators and with other SEA members from around the state to talk about our Association issues.

The Statewide Annual Meeting is scheduled for October 21st in Oconomowoc at the Olympia Resort. More information will be coming out in the months to come, please mark your calendars.

Thank you for the opportunity to represent you, I have found it both fulfilling and rewarding. Stay or get involved in the Association, you can make a difference.

Respectfully,
Mark Klipstein
SEA President



Legislative Update

By Dave Bohnsack, Second Vice President
dbbohnsack.sea@charter.net

A recent poll found that 94% of Wisconsinites believe elected officials in the Capitol are more concerned with themselves or special-interest groups than with the taxpayers' interests. Wisconsinites need to take a stand and demand government reform.

The state Ethics Board cleared DOT Deputy Secretary Ruben Anthony of wrongdoing for inviting consultants to a fund-raiser for Governor Doyle. The Ethics Board felt it should be illegal for political appointees to organize political events. Rumors are circulating that the state legislature is working on a statute that will govern state employees' involvement in political activities modeled after the federal Hatch Act. Federal political appointees are barred from soliciting campaign cash.

The Hatch Act restricts the political activity of executive branch employees of the federal government and some state and local employees who work in connection with federally funded programs. Under amendments passed in 1993, most federal employees are now permitted to take an active part in political management and political campaigns. A small group of federal employees are subject to greater restrictions and continue to be prohibited from engaging in partisan political management and partisan political campaigns.

Governor Doyle introduced an ethics reform package in January designed to ban fundraising by incumbents and challengers during the budget period; ban the use of campaign funds and/or state tax money to cover defense fees in state ethics cases; provides 100% public funding for Supreme Court candidates who agree to limit campaign spending; bans legislators and their staff, the governor and gubernatorial political appointees who leave office from lobbying for one year; and merges the Wisconsin Ethics Board and Elections Board. These are all ideas that have been written into previous bills that have gone nowhere.

Recently, there was a series of articles in the Journal Sentinel regarding the state of WisDOT, its employees, and contracting out. The article discussed the DOT study that shows that consultants are 18% higher cost than state engineers. Senator Neal Kedzie (R-Elkhorn) was quoted numerous times. He believes the study was biased and felt an outside audit was needed. He commented that the legislature would be willing to hire more state engineers if the department could provide compelling evidence. I wrote to him and supplied what I felt was compelling evidence. It included a 1990 Legislative Audit Bureau report that showed DOT engineers were at the same cost as consultants given that consultants were given only simple projects. I also provide him with information from the latest report. I asked that he request an independent audit or study if he still feels the information provided was biased. I have heard nothing from his office. If Mr. Kedzie is your senator, please ask him to request an independent study.

I spend a lot of time scanning on-line articles for stories that affect SEA. If an article appears that requires a response, I will be working with the SEA Board to respond accordingly. If you find an article in print or electronic that you think deserves an SEA response, please forward the article to me.

Act 89 (AB 105) was signed into law on January 4th. It requires the department or agency to complete a benefit-cost analysis comparing state employees to outside contractors. There are problems with the act. It allows the department or agency to determine the procedures for developing the analysis. WisDOT is exempt from annual reporting. However, the results of individual analysis and data will be available via open records law.

Scott Newcomer, a Republican from Delafield, was elected to represent the 33rd Assembly District in a special election on January 10. Newcomer succeeds Dan Vrakas, who resigned the seat in October. The composition of the Assembly will be 60 Republicans and 39 Democrats.

2006 Legislative Session Schedule: Jan. 17 to Feb. 2, Feb 21 to March 9, April 25 to May 4, and May 16 to 18.

SEA is going to schedule its annual SEA Day at the Capitol on Wednesday, April 26. As in the past, we will meet at the capitol at 9:00 am for a short assembly, and then meet with our legislators for the rest of the day. A room has not yet been scheduled.



Uses and Abuses of HAM

Hiring Above Minimum (HAM) is increasingly becoming standard practice for hiring. When an agency wants to hire someone above the pay range minimum for their classification, OSER has to approve a HAM request from the agency that wants to use HAM.

Keep in mind, as you read the following, in bargaining, OSER maintains there are “no recruitment or retention problems” to hire engineers or others represented by SEA.

In reality, however, OSER relies on HAM to fill positions with qualified individuals. The following statement is taken, verbatim, from a December HAM request approved by OSER (underlining was used by the agency making the request):

“...the applicant pool will consist largely of consultants who are paid considerably more than the \$24,200 starting salary of a CE Trans Advanced. And the evidence of two previous failed recruitments and the one attracting only two applicants substantiate the need to offer HAM.”

Additionally, wage data taken from a July 2005 consultant contract we have with Ayres, here in Madison. The rates quoted in the contract are for engineers that we would have performed comparable work. That contract information shows the engineer wages (excluding overhead charged by the consultant) ranges from \$27.58 to \$35.64 per hour or \$57,587 to \$74,416 per year. The projected increase for 2006 is expected to be 4% in addition to the above rate. Another contract with MSA, in Madison, direct labor charge for comparable engineers that we would have work at a comparable level ranges from \$32.00 to \$33.75 per hour or \$66,816 to \$70,470 per year with a 3% projected wage increase in 2006.”

Another HAM request approved by OSER in January 2006 states the following:

“The U.S. Bureau of Labor Statistics sites [cites] that the Mean hourly pay rate for Engineers, Architects, and Surveyors in Wisconsin and surrounding states is \$33.76.

Salary.com indicates that a Civil Engineer III in Madison, WI earns an average hourly pay rate of \$34.989.

... Cert number 6006311 has failed twice after a recent, highly qualified applicant rejected an offer of employment due to inadequate salary. Cert number 6006365 has also failed. The current hourly starting salary available to this classification is \$24.200. We are requesting a HAM amount of up to one step below the pay range maximum.”

The positions covered under the second HAM request described above are open (at the time that this was written) for a maximum salary of \$70,000. If that maximum starting salary is the base salary without the P.E. add-on, that salary exceeds the salary of 93.6 percent of the employees represented by SEA. If anyone is hired at that maximum salary, and if they receive one additional within range pay step six months later when they get off of probation, their base salary will exceed the salary of 96.0 percent of SEA represented employees.

And, yet another HAM request that was approved by OSER in October 2005 for land surveyors cited salary data from the American Association of State Highway and Transportation Officials (AASHTO) for 2004 for Wisconsin and state employees in neighboring states. In this case, human resources staff at the agency that is seeking approval to use HAM are describing how much higher the salaries are in neighboring states.

This will probably make your blood boil on a number of levels. We sit with no contract for over two and a half years. According to OSER, we don't deserve a raise because they have witnessed no “retention or recruitment” problems. Yet they acknowledge consultants are granted 3-4% raises **from the state** in their contracts. Baffling...

Grievance Training... We all need it now!

SEA grievance training will be held on February 25, 2006 in Madison at the Best Western East Towne Suites. The training will be from 10:00am - 2:00 pm. In the morning, we will go through the process of filing grievances and then in the afternoon some case studies will be discussed. If you are interested in this training, contact the SEA office at 608-233-4696 for more information. SEA will reimburse expenses associated with grievance training.



January 21, 2006 Board Meeting Summary
Meeting held at Best Western East Towne Suites, Madison
By John Bolka, Secretary

Attendance:

Executive Board: Mark Klipstein - President, Sharon Bremser – 1st Vice President, David Bohnsack – 2nd Vice President, John Bolka – Secretary

Board Members:

Julie Millard, Wisconsin Rapids President
Karl Pierce, Southeast President
Tom Muga, DNR President
John Lund, Rhinelander Trustee
Carl Bujanowski, Central Office
Reiny Yahnke, La Crosse President

Mohammad Hayek, Eau Claire President
Duane Hubeler, State Agencies President
Brian Mattson, Superior President
Michelle Ellias, Madison President
Anthony Allard, Green Bay Trustee

Specialists:

Mel Sensenbrenner, Health and Retirement
Cara Carper, Communication Specialist
Willie Haus, Attorney
Sandy Henke, SEA Office

Committee Leader:

George Mickelson, Compensation Committee

Meeting Begins:

Mark Klipstein called meeting to order at 8:38 am. Introductions were made. There were no changes made to the agenda.

Approvals:

The December 10, 2005 Board Meeting minutes were reviewed. There was a motion by Sharon Bremser to approve. Mohammad Hayek seconded. Motion carried without opposition.

The Correspondence Report was reviewed. Duane Hubeler had a question about who was keeping the email list for contacts at State Agencies. Sharon said she had the list. Michelle Ellias asked about item #11, specifically how much above minimum were the recent Hiring Above Minimum (HAM) hirings. Recent OSER Notifications of HAM hirings were discussed. OSER is using 2005 consultant wage rates for comparable duties and including a 4% wage increase as justification for HAM rates. These justifications were coincidentally signed by the OSER bargaining spokesperson. Mark Klipstein accepted the Correspondence Report.

HIC:

A meeting was held in early January. WSEU has been proposing language for a Post Retirement Health Plan and has been discussing possible ways to fund it. The state may be looking at this in a statewide context although OSER Spokesperson Jill Thomas has told Mark Klipstein they will not be bringing it to the bargaining table with SEA. Aside from WSEU, none of the other BUs present reported any activity or progress on '05-'07 contract negotiations. Atty. Haus updated the Board on the positions of the remaining BU's without '03-05 contracts. The next meeting will be February 27th which coincides with a scheduled bargaining date. Mark would like someone from the Madison Area to attend on behalf of SEA.

Compensation Committee: *By George Mickelson***FEDERAL EMPLOYEE PAY RAISES**

Pay for federal employees continue to rise. Besides their regularly scheduled increases for increased experience, these are the annual across the board pay increases with locality adjustments factored in that were realized by federal employees in January 2006:

- Chicago area increase 3.34 percent
- Milwaukee area increase 3.11 percent
- Minneapolis area 3.26 percent
- Rest of US 2.83 percent



Board Meeting Summary (continued)

STATE EMPLOYEE PAY RAISES

The National Association of State Budget Officers released their *Fiscal Survey of States* in December 2005. Pay increases for neighboring states for the current fiscal year.

- Illinois - no data listed in survey.
- Iowa - zero percent across the board. 4.5 percent merit (whatever that means). Other 2.5 percent is added to the top of most pay plans.
- Michigan - 1.0 percent across the board. Some classified employees will receive step increases. Other employees may be eligible for promotion to a higher classification grade and pay level. Career employees receive an annual longevity payment following completion of 6 years of continuous full-time service.
- Minnesota - 2.0 percent across the board. About 50 percent of employees are also eligible for annual 3.5 percent step increases.
- Wisconsin - 2.0 percent Non-represented only; represented subject to bargaining.

A number of states did not list any data, listed a range of values or listed a fixed dollar amount; these 15 states were not used in the calculations for average across the board increase calculations. A total of 35 states listed a single number for across the board increases that ranged from 0.0 percent (California) to 6.0 percent (Alabama). The average for the across the board increase of these 35 states is 2.83 percent. But many of these states have additional increases on top of the across the board increase, so care must be used in using an average of 2.83 percent, as that only tells part of the story. For example Maryland employees receive a merit step which is comparable to 2 to 4 percent if performance meets standards, on top of their 1.5 percent across the board increases. A few states have increases for market, for example Utah with an across the board increase of 2.5 percent also has an additional 2.3% for market comparability adjustments affecting 65% of state employees. And, the Minnesota example (above) where roughly half of the employees will be receiving an additional within range step that exceeds the across the board increase.

Generally, the states with a high across the board increase do not pay other adjustments too. Of the eight states that have an across the board increase of 4.0 percent or more, only two (Ohio and Alabama) have additional increases on top of the across the board increases.

Three states have an overall pay increase that is worse than the increase offered in Wisconsin are California (0 percent), Arizona (1.7 percent), and Idaho (1.0 percent). It is impossible to say from the report if increases in Michigan (1.0 percent plus some employees do not get step increases) are worse, comparable to, or better than Wisconsin on average. Five states appear to be offering pay increases that are roughly equal to Wisconsin are: Arkansas, North Carolina, West Virginia, Alaska and Nevada. And, roughly two thirds of the states (32 states) have better pay increases than Wisconsin while the remaining states (9 states) did not list any data in the report that could be used to directly compare those states against Wisconsin.

2003-2005 Bargaining:

The Bargaining Team met with OSER on December 15th and 20th. Atty. Haus briefed the Board concerning the last bargaining sessions. Mohammad Hayek asked what type of Economic Offer SEA has proposed. Mark responded with a brief overview of the offer. OSER's reluctance to bargain was demonstrated to the Board by explaining recent discussions regarding safety shoe reimbursement. Although OSER was in agreement that the reimbursement should be paid every two years, they would not agree to a change in the contract language to reflect that belief. Additional Bargaining dates have been scheduled for 1/26, 2/1, and 2/27.

Communication Report: *By Cara Carper*

Cara officially notified the Board she will be leaving the position as Communication Specialist. She has accepted a exciting County opportunity near her home. This will be her last Board Meeting but she has agreed to help transition her duties, particularly with the SEA View Newsletter.

Suggestions were brought up from the Board in the methodology to be used to find a replacement. Sharon suggested placing an ad in the newspaper and motioned to pay up to \$500 for placing an ad and reimbursement to Cara for any expenses involved in the transition. Mohammad Hayek seconded. There was some discussion on the Ad content. The motion carried without opposition.

Thanks to Cara for doing an outstanding job!

**Board Meeting Summary (continued)****Grievance Report:** *By Sharon Bremser*

Note: P-xxx indicates personal grievance

A-xxx indicates an Association grievance

- A-307 (filed 5/3/99) — Denied time to take PE exam – Arbitration pending with Bellman. (Date selection)
- A-351 (filed 7/19/01) – DOT D4 – RLS exam reimbursement. Consolidated with A-307.
- A-352 (filed 6/25/01) – DOT D3 – Initial PE licensing fee reimbursement. Consolidated with A-307.
- A-361 (filed 10/30/01) and A-362 (filed 10/31/01) – DOT D1 and D2 – Assignment of scheduled overtime. Arbitration pending (Date selection).
- A-369 (filed 1/2/02) – DNR Water – Add-on as part of year-end leave cash out option. Arbitration pending.
- A-373 (filed 5/21/02) – DOT D3 – Rescind disciplinary action. Arbitrator granted grievance (win).
- A-378 (filed 8/14/02) – DOT 1 - Not being paid appropriate mileage rate. Filed at Step 4.
- A-389 (filed 5/30/03) – DOT D3 – PE Licensing fee reimbursement. Consolidated with A-307.
- A-394 (filed 8/1/03) – DOT D1 – Discipline Reassignment. Filed at Step 4.
- A-395 (filed 5/3/03) – DNR NER – PE Exam Reimbursement. Consolidated with A-307.
- A-402 (filed 3/25/04) – DOT-DTID – Discipline without just cause. Filed at Step 4.
- A-405 (filed 4/5/04) – DOT D5 – PE Exam and licensing fee reimbursement. Consolidated with A-307.
- A-409 (filed 7/14/04) – DOCOM D5 – Unhealthy and Un-Safe Workplace. Step 3 Decision on hold.
- A-410 (filed 6/29/04) – DNR Water – Granting of Restoration Rights. Filed at Step 4.
- A-412 (filed 7/7/04) – DOT D2 – Stalking Incident. Filed at Step 4.
- P-414 (filed 11/9/04) – DOT D2 – Administrative Leave/Discrimination. Filed at Step 4.
- P-415 (filed 11/17/04) – DOT D2 – Administrative Leave/Discrimination. Filed at Step 4.
- A-419 (filed 12/23/04) – DNR Water – Add-on is part of year end cash out option. Filed at Step 4. Consolidate with A-369.
- A-420 (filed 1/27/05) – DOT – Turndown Mileage Rate. Filed at Step 4.
- P-421 (filed 2/09/05) – DOT D2– Administrative Leave/Discrimination. Moved to Step 4.
- P-422 (filed 2/09/05) – DOT D2– Administrative Leave/Discrimination. Filed at Step 4.
- P-424 (filed 3/18/05) – DOT D2– Demotion without cause. Moved to Step 4.
- P-425 (filed 4/05) – DOT D2– Mental Torture/Investigation Meeting. Filed at Step 4. (Meeting 5/4/05).
- P-426 (filed 5-16-05) – DOT D2 – Suspension w/o Just Cause. Filed at Step 4.
- P-427 (filed 7-27-05) – DOT D2 – Termination w/o Just Cause. Filed at Step 3.
- A-428 (filed 6-23-05) – DOT D5 – Travel Policy/Cards/Hotels. Filed at Step 4.
- A-429 (filed 4-27-05) – DOT D5 – PE Licensing Fee Reimbursement. Filed at Step 2. Consolidated with A-307.
- A-430 (filed 4-27-05) – DOT D5 – PE Exam Reimbursement. Filed at Step 2. Consolidated with A-307.
- A-431 (filed 4-27-05) – DOT D5 – PE Exam and Licensing Fee Reimbursement. Filed at Step 2. Consolidated with A-307.
- A-432 (filed 4-27-05) – DOT D5 – PE Exam and Licensing Fee Reimbursement. Filed at Step 2. Consolidated with A-307.
- A-434 (filed 6-10-05) – UW Stout – Termination w/o Just Cause. Filed at Step 3.
- A-435 (filed 11-30-05) – PE Exam and licensing fee reimbursement. Filed at Step 3 – Consolidated with A-307.
- A-436 (filed 11-18-05) – PE Exam and licensing fee reimbursement. Filed at Step 1.
- A-437 (filed 11-15-05) – Letter of Reprimand. Filed at Step 3.

The following grievances were discussed at the Board Meeting:

A-435 Denied at Step 3, Consolidated with A-307.

A-373: Arbitrator granted grievance (In SEA Favor). No back pay was awarded. Atty. Haus went back to Arbitrator concerning issue of correct pay rate. Arbitrator ordered state to correct pay rate to reflect increases since grievance was filed. Grievance will be closed.

A-434: Step 3 meeting held, grievance denied. Sharon motioned to move to Step 4, Dave Bohnsack seconded. Motion carried without opposition.

A-437: Mutual agreement to extend timeline, Step 3 meeting will be scheduled.

Julie Millard brought forward a new grievance regarding mileage add-on for off-road use of personal vehicles.

Michelle Ellias brought forward a grievance regarding reimbursement for a meal (above \$9). It was denied at Step 2. A Step 3 Hearing was held.

A personal grievance was filed by a member seeking an apology from the DOT regarding a negative review of some past work. A grievance was filed at the DNR concerning an open position and restoration rights to that position.

Grievance Training is scheduled for February 25th in Madison.



Board Meeting Summary (continued)

Health and Retirement Report: *By Mel Sensenbrenner*

Mel reviewed recent news articles and ETF memos. He also reported on the recent WCOA Meeting (1/18/06). Recent accounting rule changes have brought reports of unfunded retirement and public sector benefit plans into the news. Public plans, nationwide are under-funded by an estimated \$450 Billion as a result of contributions not made by various levels of government. Wisconsin's plan is fully funded with 80 – 85% of the funding coming from profits of the Investment Board.

Stay involved a make sure to read Mel's report in the SEA View for more detailed info on this and other Health and Retirement Issues!

Legislative Report: *By David Bohnsack*

AB 105 was signed by Doyle on 1/4/06. Mark Klipstein and George Mickelson attended the signing although SEA was not invited. SEA has requested meetings with DOA Secretary Bablitch and DOT Secretary Busalacchi to discuss the required cost studies and to request participation in the rules formulation as a result of this bill. Sharon recommended John Espie be included in this meeting.

Dave outlined upcoming legislative session dates and proposed dates of 3/8, 3/1, 4/26, or 5/3 for SEA Day 2006. There was some discussion of the pros and cons of the dates. Sharon motioned that we select 4/26 as the date for SEA Day 2006. John Lund seconded. There was a brief follow up discussion regarding possible conflicts and newsletter deadlines. The motion carried without opposition.

Last Wednesday there was a committee hearing on bargaining procedure for UW Faculty and Staff. Next Wednesday the Joint Finance Committee will hold executive hearings on Health Savings Accounts (AB 341). ETF has estimated a cost to the state of \$30 – 40M. Anyone can attend although no testimony will be accepted.

Dave is encouraging members to write legislators who make a statement in the media that you don't agree with. (i.e. Sen. Kedzie regarding Bias in DOT Audit procedure). Dave is willing to help or possibly write the letter but most importantly needs to be contacted when statements like this appear in the media.

Dave also noted he reviewed the Fleet data from the ORR and noted it was raw data and either incomplete or unusable in its present form. The ORR will be checked to see if the data was supplied correctly.

Section Reports:

Madison — The Annual Section Meeting will be held February 9th at the Prime Quarter. The CE-Adv Bridge Maintenance Engineer Retired last week and will be working for a consultant on the Marquette Interchange Project for a "Significant Pay Increase." Two offers to fill a CE-Entry Position were rejected because of the \$18 K pay cut. Members are suggesting that SEA counter the State's Health Care "IOU" with an "IOU" based on 18% of consultant contracts, and the savings that would have been realized if state employees would have performed the work.

Southeast — There were 8 new engineers hired at the CE-Entry, all HAMS (hired above minimum). The Section Board met and announced the Statewide Annual Meeting would be held October 20 – 21, at the Olympia Resort in Oconomowoc. Karl Pierce motioned to approve spending up to \$12 K for hosting the Statewide Annual Meeting. Tony Allard Seconded. Motion carried without opposition. The Regional Director sent out an email asking employees to attend a "welcoming ceremony" for some of the 40 new consultants that have moved into our office to work on the SE Freeway reconstruction. After several complaints the director postponed the event but then re-invited only management to attend the event as previously scheduled. The Structural Engineer handling the Marquette Interchange Reconstruction Project recently quit taking a job in the private industry for an 80% pay increase. His departure was the latest of several from that high profile project.

Green Bay — There were 25 people interested in 8 open CE-Entry positions in Project Development, 3 of those interested were new grads. Two of the Entry positions were filled with Transfers from CE-Senior, hired at Entry level and re-established to Senior in a week. Remaining 6 were hired from outside DOT with an average of 10 years experience. (1 @ Pay Point A; 5 @ Pay Point D). There were 3 positions available in SPO at the CE-Adv level. Two of these were filled with transfers from PDS, the other is awaiting a separate test in Operations. A CE-Senior position in SPO was also filled with a transfer from PD.

Wisconsin Rapids — The Wisconsin Rapids Section invites SEA members to attend a meeting with a Representative to discuss the bargaining process on Friday, February 24th. (The day before scheduled grievance training). More information will be available as details are confirmed. Members are looking forward to SEA Day 2006. Staff in DOT office continues to move around, physically and career related.

**Board Meeting Summary (continued)**

La Crosse – Members are hoping consultants open offices in the La Crosse area to provide more job opportunities.

Eau Claire — Concerned about recent OSER economic proposal offering increases to a select 29 members and looking for this to be expanded to all members. Interviews were recently completed for vacant positions of CE-Senior (SPO) and ES-Adv (TSS).

Rhineland – No Report.

Superior — No Report.

Central Office — Sandy Anderson was elected Section President at Section meeting held on Thursday (1/19).

DNR — Members are having difficulty ordering safety glasses as there are no personnel to process the requests. The situation can be best described by “General Dysfunction”. The only contact person is Jim Federhart who has been unavailable as a result of current bargaining responsibilities.

State Agencies — There was a successful restoration of a Landscape Architect last month. Two people are questioning SEA’s position regarding the recent negative press on the public retirement system plans and any changes that may result.

SEA Office Website:

Check out the website at www.wisea.org or contact SEA at wisea@wisea.org

Financial & Membership Reports:

Nick Martin was not in attendance so no Treasurer or Membership Reports were available.

John Bolka motioned to delay approval of the Proposed 2006 budget until the February Board Meeting. Mohammad Hayek seconded. Motion carried without opposition.

John Bolka motioned to pay the vouchers submitted at this Board Meeting. Mohammad Hayek seconded. Motion carried without opposition.

Tom Muga motioned to pay Mark Klipstein’s vouchers for reimbursement for attendance at the AB-105 signing. Anthony Allard seconded. Motion carried without opposition.

Sharon Bremser motioned to pay a grievance voucher she submitted for a recent hearing. Duane Hubeler seconded. There were questions concerning additional individuals’ expenses that also were required to attend the hearing. It was decided those expenses were the responsibility of the local section. Sharon modified her motion to cover the mileage and lunch expense for herself. Duane accepted the modification. Motion carried without opposition.

Mark Klipstein received an email asking if SEA would like to contribute funds to a newly created Civil Servant Defense Fund, to help defray costs of Jim Theil’s legal battle regarding his apparent removal from his position as chief counsel releasing public records requested by SEA. It was agreed that this information would be posted on the SEA website and anyone wishing to contribute could find the information needed to do so.

Annual Meeting:

The 2006 SEA Annual Meeting will be hosted by the Southeast Section. The meeting will be October 20 – 21, at the Olympia Resort in Oconomowoc. Check out the Olympia Resort at www.olympiaresort.com.

New Business:

The meeting was adjourned at 2:20 PM.

The next meeting date is February 18.



Important Retirement and Health Insurance Information

Melvin B. Sensenbrenner, SEA Retirement & Health Insurance Representative

Wisconsin Coalition of Annuitants (WCOA) Meeting – December 21, 2005

The first item was a discussion on the work-in-progress of Jim Skiles' draft of "Talking Points on WRS", which I provided to all SEA Board members at the December '05 Board Meeting, and requested any comments or improvements that should be made.

With all the continued attacks on all retirement systems throughout the country, we have to be overly vigilant that our well funded system is protected from any public or political attacks. When the updated "Talking Points on WRS" are revised and completed, I will provide copies to all SEA Board members and put them in the SEA VIEW.

Bill Ford of the Legislative Council provided the Legislative Report, with no new bills added since the last report, and he passed out the just completed 2005 Comparative Study of Major Public Employee Retirement Systems. I was presented the first copy printed because on December 15, 2005 at the ETF Board Meeting, I asked Bill Ford how the study report was coming along. He replied the State of Connecticut hasn't responded with their changes, and when he returned to his office on the 15th of December, the data was there so my first printed copy had a green Christmas bow attached. I will obtain copies for all SEA Board members and provide them at the January 21, 2006 Board Meeting.

The guest speakers for this meeting were Mr. James Senty, Chair of SWIB, and Dave Mills, Executive Director of SWIB. Mr. Mills introduced Mr. Senty, who was glad to meet with the WCOA and said it would be good for all the SWIB trustees to meet with the Coalition. He indicated the Investment Board is pleased to have Coalition representatives at their meetings to support and re-affirm the decisions that are made. The fiduciary responsibility weighs heavy on the trustees who want to get the best return with the least risk.

Mr. Senty gave us a little history. He is a Wisconsin native, UW graduate, and has lived in La Crosse since. He started in private business with his father and is considered an entrepreneur having started many business ventures in Canada, Florida, Georgia, Minnesota, Iowa and Wisconsin with 30-40 offices. Not all of his business ventures were successful, but he "battled better than 500". With his banking and insurance involvement in the Madison area, he became acquainted with many people and ended up on the Investment Board serving under Governors Thompson and Doyle.

Mr. Senty and Mr. Mills were questioned about the following subjects:

- . Derivatives
- . No investments in Hedge Funds because they are not regulated by SEC
- . Loaning stocks, deal in options and currency exchange
- . Turnover rate of investment staff
 - 30% internal staff changes
 - 10% are leaving for better employment

Mr. Senty closed by stating that the feeling of the SWIB staff and trustees is that they are working for the annuitants and for the taxpayers of Wisconsin.

We also discussed suggested revisions to Jim Skiles' "Talking Points on WRS" and how to fix the pension mess for the Pension Benefit Guaranty Corporation (PBGC), which is funded by Congress and all of us taxpayers, which was caused by the reduction of funding required for private corporations.

TABOR is on the scene again in the Legislature for 2006, and we will have to prepare to respond.

The next WCOA meeting is set for January 18, 2006.



Important Retirement and Health Insurance Information (continued)

Wisconsin Coalition of Annuitants (WCOA) Meeting - January 18, 2006

Eric Stanchfield, Director of ETF, was guest speaker and he brought two staff persons with him: Sari King, Administrator of Retirement Services, and Nancy Bennett, Director of Strategic Health Policy.

Eric started by discussing the national crises of public pension funds that are under-funded and causing budget problems for many cities, counties and states across the country as noted by the media articles he is provided on a daily basis. Yesterday, on the 17th of January 2006, he received a copy of 15 different articles from a review service on public employers retirement articles.

There is gross under-funding nationally estimated at 450 billion dollars caused by political decisions not to make the required contribution every year. The WRS is fully funded and the annual investments provide 80 to 85% of the annual payments to annuitants, which amounted to 3 billion dollars for calendar year 2005.

Many of the unfunded plans are converting their retirement systems to 401K plans, which puts the funding responsibility on the individual employee.

Eric also gave us an ESTIMATE of the effective rate of return for the fixed fund and variable fund and the possible dividends for fixed and variable.

	SWIB Return	Effective Rate	Dividend estimate
Core	+8.5%	+6.6%	+0.9%
Variable	+8.2%	+8.0%	+2.0%

The final number may be available by the 15th of February from the Actuary.

Nancy Bennett provided a handout of the Top Ten Health Care Trends Forecasted for 2006. She also reported on the progress being made with the private and public coalition for health data. This health care data is becoming available on a web site (www.healthcheck.com) by Wisconsin Health Initiative Organization (WHIO).

Nancy also mentioned that the information on health care plans and hospitals is in the Dual Choice books for 2006 in Section G. It is a report card system providing the level of cooperation of medical service and data provided to the WHIO.

Eric was asked a question why ETF changed their health data contract from Blue Cross-Blue Shield to WPS. He responded that the bid was 3 million dollars less and will provide more data to ETF.

Sari King reported on the implementation of the new payment computer system in February 2006, and ETF has hired an attorney from the Legislative Council by the name of Mr. Conlin to replace the retiring Vicki Poole as ETF Legislative Representative.

Eric left us with ETF's budget dilemma in the future with 130,000 annuitants now and a projection of double the number by 2015 of 260,000 annuitants.

The next WCOA meeting is set for February 15, 2006.



Important Retirement and Health Insurance Information (continued)

SWIB Meetings – December 14, 2005 & January 11, 2006

SWIB Performance Y.T.D.:

Table with 4 columns: Metric, Oct. 31, 2005, Nov. 30, 2005, Dec. 31, 05. Rows include Core, Variable, and TOTAL values.

Real estate equity at 28.2% Y.T.D. and private equity at 43.9% are still above and beyond their benchmarks.

The 3-year, 5-year & 10-year performance are at or above the benchmarks.

The Compensation Committee recommended a 3% across-the-board for staff wages and a 2% adjustment by the executive director on basis of performance.

Dave Mills reported that Dave Kruger, new Investment Board appointee, was approved by the state Senate in December 2005. Dave Mills also reported to the Board in January 2006 that the investments in Wisconsin Venture Capital are improving.

SWIB has hired a new private equity manager by the name of Francis Brenner from Morgan Stanley where he was Vice President of Capital Group in New York City. Francis was originally from Wisconsin and a graduate from UW Platteville with a Masters degree from the University of Michigan.

Also a new Wisconsin Private Debt Portfolio Manager was hired from his Vice President’s position at M&I Bank by the name of James VanderMeer.

Jane Hamblin reported to the Board about the E.I. Dupont Class Action Settlement in December 2005. SWIB’s share was \$602,041.00.

Other actions pending are WorldCom Class Action, Owens Corning bankruptcy and a private equity sale of a holding in California.

The next SWIB meeting is set for February 8, 2006.

Acronyms Used in Mel Sensenbrenner’s Articles

Table listing acronyms and their full names: WRS, MRA, ETF, GIB, SWIB, WCOA, WREA, WRC, UMPERSA, ORP, GPR, DOA, WEAC, WHIO.

Last Month’s Puzzling Puzzler

There are four 3-digit natural numbers, each of them equals the sum of the cubes of its digits. We give you three of the four, find the fourth:

- Three of them are:
153 = 1 + 125 + 27
370 = 27 + 343 + 0
407 = 64 + 0 + 343

Do you know what the fourth one is?
Answer: 371
371 = 27 + 343 + 1

Congratulations to Thomas Sand who came up with the correct answer first!



Important Retirement and Health Insurance Information (continued)

ETF Retirement Board Meeting – December 15, 2005

Along with the Legislative Report dated November 25, 2005, Vicki Poole, the Director of Legislation, Communications and Planning, announced her retirement date of December 30, 2005.

Please note on the Legislative Report the six items approved to be included in the remedial legislation to be introduced with no fiscal impact. Included in the six items is the name change of the WRS Fixed Fund to "Core Fund". All SEA Board members have a copy of the above Legislative Report.

Linda Owens, Benefit Plan Policy Analyst, provided a memo dated November 16, 2005 highlighting factors that affect formula vs. money purchase retirement benefits. All SEA Board members are provided a copy of the memo for your review.

The actuary firm of Gabriel, Roeder, Smith & Company reviewed the 50-year actuarial projections for the following:

- . Year by year cash flows
- . Demonstrates how the plan for meeting cash flows is expected to work
- . Discloses emerging patterns
- . It is not a prediction, only a projection

The new payment system will be starting up January 30, 2006, and it sounds like we will have difficulty obtaining a fixed amount of tax withheld from the annuity checks because federal law requires the tax table be used, and they are revised annually.

The total participants in the WRS at the end of 2005 are as follows:

Active Employees	262,771
Inactive Employees	132,479
Annuitants	130,239
TOTAL:	525,489

Save These Dates!

Grievance Training – February 25
SEA Day – April 26
SEA Annual Meeting – October 20-21

The next ETF Board Meeting is scheduled for March 30 & 31, 2006.

Moving?

Since we no longer send many copies of SEA View through the mail, it is difficult to track if members have moved. If you have a new address, please contact the SEA office so we can continue to send your ratification, election, and other mailings.

Thank your for your assistance!

Puzzling Puzzler

(submitted by Larry Legro, "Father of the SEA Puzzling Puzzler")

Suppose you want to send in the mail a valuable object to a friend. You have a box which is big enough to hold the object. The box has a locking ring which is large enough to have a lock attached and you have several locks with keys. However, your friend does not have the key to any lock that you have. You cannot send the key in an unlocked box since it may be stolen or copied. How do you send the valuable object, locked, to your friend - so it may be opened by your friend?

Submit your answer to carperfarm@mhtc.net. The answer and name of the person who came up with the correct answer first will be published in next month's SEA View.