

# STATE ENGINEERING ASSOCIATION



# SEA View

4510 Regent St.  
Madison, WI 53705

VOLUME XXXVII ISSUE 7  
July 2007

(608) 233-4696  
FAX (608) 233-6766  
wisea@wisea.org

## **A CALL TO ARMS: OPPOSE ASSEMBLY'S HARMFUL BUDGET!**

**Read this issue to learn about the Assembly's biennial budget provisions penalizing SEA members along with other state and municipal employees, while outsourcing even more public work. Then, send an email message to your elected state representatives expressing your outrage. You can use the sample message at <http://www.WISEA.org>, or write your own. Either way, express your concern, and demand changes to the Assembly Republican Caucus 2007-'09 budget proposal. Send your message right away, so your views will be considered while both houses of the Legislature consider the final budget. Join your fellow SEA members and help stop this mess!**

### ***From the President***

## **A hard day's work deserves an honest day's pay**

**The challenge to a fair deal under our collective bargaining rights**

Once upon a time in America, employers rewarded workers for pulling their weight with better working conditions and by keeping them ahead of the cost of living. Those were the days when America often followed a merit-based system. Doing a good job was the way to get ahead. Employers valued good workers and compensated them in ways that would encourage a long-term commitment. Employers also looked after the health and well-being of all their workers, so they'd be able to turn in a full effort, and avoid lost days due to illness or injury.

### **That was then. This is now:**

You're a State of Wisconsin represented employee. You work hard for nearly two contract periods without a raise, because what the Office of State Employment Relations offers actually represents a pay cut. Finally, you settle for a meager raise over four years and a promise that, when the economy im-

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proves, the state will make it right. During the delay, your effective income declines noticeably, thanks to inflation. Meanwhile, you watch as your agency tries to out-source more and more of your work to private contractors who -- perhaps thanks to their political connections -- are better paid than you are.

The state finally appears ready to negotiate a catch-up contract that gives you a long-overdue raise. But almost before you can even sigh in relief, you learn that Republican legislators are thinking of cutting back on contributions to your health insurance and your retirement, and in other ways breaking a social compact with state workers that dates back to the 1920s and '30s, after public employees first organized for decent working conditions. Instead, say the Republicans, the savings should fund yet another round of corporate welfare.

There are many questionable policy and budget changes in all three pending versions of the biennial budget, Assembly, Senate and Executive. All these other changes have received extensive news coverage, including the battle over municipal revenue sharing and universal health insurance reform. The Assembly's dissing of state employees has, however, largely been overlooked. The GOP budget is a grim, unyielding, punitive vision of what public service should be in Wisconsin, going forward.

Much of what the Assembly Republicans passed would sow chaos among the ranks of state employees. For that reason alone the GOP blueprint amounts to bad-faith bargaining in advance. Some of the changes are directed at SEA members along with other represented state workers, some at municipal employees, others at non-represented state employees. In any event, the effect is to indirectly harm SEA members and other represented state employees by setting a bad precedent. In short, it's a divide-and-conquer strategy.

Elsewhere in this issue is a list of public employment proposals the Assembly Republicans have enacted. The proposals will be considered by a conference committee of both houses, contending with the far more thoughtful budget approved in the

state Senate. The conference sessions are expected to begin in late July, about the time this newsletter hits the streets. The fight to reconcile these versions probably will mean weeks or months of delay.

The budget is already late, as the new fiscal year began July 1. State spending and programs will continue under the previous biennial budget limits until a new budget is signed by the governor. This means a real possibility that the state will operate for months to come without a new budget. Not even considering the impact of inflation, there will during this time be no new money for raises, and contract negotiations may very well be delayed yet some more, since state negotiators won't know exactly what they'll have to offer in salary adjustments or benefits. That, in turn, raises the possibility of yet another round of tedious, multi-year negotiations for SEA's next contract.

Meanwhile, the real impact will be demoralized public workers and an even more severe problem recruiting and retaining professional employees. These effects will be coupled with what probably will be an accelerated trend of outsourcing public work that state employees could do better and at a lower cost. A continuing impasse will provide managers with new justifications to contract work out to the private sector. Then, if GOP outsourcing extensions survive, outsourcing will gallop even further ahead. The GOP version of the budget already includes a provision to cut 25 Transportation engineering jobs.

Even if the Assembly Republican proposals are moderated or killed outright, damage still will have been done. The damage won't just be to represented state workers. As long as we lack a fiscal blueprint for the next two years, uncertainty will reign. Any good public administration student or professional will tell you that uncertainty and "muddling through" make for very bad public policy. But reading the Assembly's budget, you'd almost think Republicans like it that way.

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Worse still, indications are that Assembly Republican leaders have seriously considered blocking a final budget if the Senate and the governor's own proposals aren't significantly changed to their liking. That, according to the non-partisan Legislative Fiscal Bureau, would force the state to cut the number of highway construction projects in half and, among other cutbacks, force local governments to increase property taxes \$357 million more than would be allowed under the governor's version of the budget.

The upshot of all this will be to make it harder for you to do your job while compensating you less, and will harm the overall quality of the services that state government provides.

But this issue is bigger than that. It's like destroying the village in order to save it. What pundits and the average citizen have not yet recognized is that all of us -- state employees, taxpayers, and residents at large -- are in this thing together.

That's why it's time to get on the phone, fire up your email program or print out a letter to your state legislators in the Assembly and Senate. Tell them what you think of the budget proposals in general and about these issues in particular. And brace yourselves, because those good old days appear to be gone. Whatever positive energy we can muster has to come from within us. Let's make the most of it.

### **Bargaining begins**

The first bargaining session with the state was held on July 18 at East Towne Suites. The morning consisted of an extended time where each team individually caucused, followed by a face-to-face meeting when the team exchanged demands. In the afternoon, the teams met again for general discussions on language. OSER indicated that it could not discuss economic issues until after the state budget has been finalized. Another meeting was scheduled for Sept. 26.

As your Association officers previously decided and as we have discussed here previously, details of bargaining will not be reported verbally or in writing to members or others. While we will, as often as we can, provide members with written information on the general tone of bargaining or areas of progress, please otherwise rely on verbal discussions with members of the Bargaining Team or SEA Board. Please avoid rumors, which only sow confusion and do not help our effort.

In selecting Bargaining Team members, I have taken into account the demographics of SEA and looked for people who will represent the Association as a whole. The team will do what it believes is best for all of our constituencies and the entire organization. Members are invited and encouraged to attend bargaining sessions on their own time. Please let me know if you wish to attend a session. The SEA Bargaining Team consists of the following individuals:

**Tom Muga**n – DNR Madison, Engineer (President)  
**Leroy Stublaski** – Commerce Madison, Engineer (1<sup>st</sup> Vice-President)  
**Gretchen Wheat** – DNR Madison, Engineer (2<sup>nd</sup> Vice-President)  
**Duane Hubeler** – Commerce Madison, Engineer (Secretary)  
**John Bolka** – DOT Waukesha, Engineer (Treasurer)  
**Tim Hanley** – DOT Wisconsin Rapids, Engineer (DFC Chairperson)  
**George Mickelson** – DNR Madison, Engineer (Compensation Chairperson)  
**Mary Pamperin-Volk** – DOT Madison, Engineering Specialist  
**Reiny Yahnke** – DOT La Crosse, Engineer  
**Dennis Keyser** – DOT Green Bay, Surveyor  
**John Lund** – DOT Rhinelander, Engineering Specialist (alternate)  
**Willie Haus** – Attorney, Haus, Roman and Banks (Spokesperson)

### **CADDs and surveyors**

In last month's newsletter, I reported that OSER is considering a plan to move CADDs out of SEA. Discussion continues. SEA has asked that OSER not implement changes until we have had another chance to

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meet with them. Due to scheduling conflicts, we were unable to set a date until late August. I know this must be stressful for those of you who face the possibility of this change. Please know that SEA is going into discussions with OSER with your best interests in mind.

Respectfully,  
Tom Mugan

## Legislative Update

By Gretchen Wheat  
*Second Vice President*

**Assume the worst and act  
to express your views on  
Assembly GOP budget**

This month the Assembly Republican Caucus approved its proposed changes to the upcoming biennial state budget. Those proposed changes were subsequently approved by the Assembly, where the Republicans hold the majority. SEA members need to get on the phone now (your personal telephone, of course) to oppose the negative treatment of public services under the Assembly budget.

Except for Rep. Jeff Wood (R-Chippewa Falls), who joined all Democrats in opposing the changes, Assembly Republicans seem bent on attacking state services, and state employees are on the front line. Don't sit back and think this is just partisan gaming to hold up the budget until the election campaign season. Stupid things really do happen when reasoned people don't speak up.

Below are several changes directly affecting state employees and SEA members that will be decided in legislative conference in the coming weeks, before the whole budget goes to the governor. Note that this list doesn't include all the other bad stuff in the Assembly's budget version, such as the huge cut in shared revenue payments to bigger Wisconsin cities. Go to SEA's website for pointers to the entire list.

This is BIG: The Assembly Republicans have proposed **a near \$100 million raid on the Compensation Reserve Fund.** This is the fund used to pay increases in employee wages and health insurance premiums that may occur in the biennium. This move represents an even larger reduction (nearly \$200 million) from the budget approved by the Joint Finance Committee. In addition, the Assembly Republicans propose complete elimination of the \$130 million "required statutory balance." Having sufficient reserve funds in place ensures the state's ability to provide critical services, and is sound fiscal policy.

Read my lips. KEEP YOUR HANDS OUT OF THE COOKIE JAR! The Republicans insist on no new taxes, yet plan raids on set-aside funds to make up for lack of responsible, sustainable budget savings, while at the same time spending more and getting less through outsourcing – see more below. Note carefully: They're paying for their budget in large measure with money out of your pocket and mine and by decimating state services. And they still go ahead and raise some state fees in the process.

But wait, there's more. Compared to the proposal to raid the Compensation Reserve Fund, these remaining items will make you feel like you're being nibbled to death by a small congregation of piranhas.

Can you believe a proposal to **convert state payroll from biweekly to monthly?** Considering the level of automation in place for payroll, one has to wonder what small savings could be realized with monthly payroll? Seems like it would be a long-g-g-g-g payback. This change means that the state would hold on to your paychecks longer, earning interest on YOUR earnings. As for the short run, the Assembly proposes no funding for the cost of this conversion. State agencies would be forced to cover the cost out of their already stripped budgets. Further, the GOP would prohibit labor organizations from bargaining to change this.

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As if it's not enough that our wages continually lag the private sector, there is also the "confusion cost" – when the rate of operational change out-paces the ability of agencies and individual workers to make adjustments, gain proficiency and promote efficiency.

This past year, the Republicans especially seemed to have gotten their feathers ruffled over sick leave – that is, the lack of sick leave reporting by legislators, judges and various high ranking state officials. Now they've decided state employees don't need so much of it, either. The Republicans propose that **new employees (except protected service) would earn only six days of sick leave per year.** Current law provides 16.25 days of sick leave per year for full time employees (10.56 days of sick leave for legislators).

State employees in SEA-represented positions currently pay about six percent of our health insurance costs, and retirees are allowed to convert unused sick leave for health insurance payments. The GOP's proposed drastic reduction in sick leave earnings would greatly impact the ability of future employees to secure health insurance after retirement.

After all our hard work protecting employee benefits, will this be our legacy?

The Republican Assembly also wants to **cut real wages and benefits by reducing the state's contributions to the Wisconsin Retirement System (WRS). To make up the difference, certain employees would be required to make contributions to the WRS. The proposal would require non-represented state employees and municipal employees to pay 5% and 3% of their gross wages, respectively.** This nibbling would provide a foot in the door to also reduce the state's retirement contributions to represented employees in the future.

#### **Other cuts, policy changes in Assembly budget**

- Slashes funding to local governments, forcing them to either raise property taxes or cut fire and police services. Milwaukee's mayor said his city alone would lose \$70 million in shared revenues, including funds for police and youth programs.
- Guts funding for state public broadcasting including the safety program "Amber Alert" that protects children.
- Lays off 200 corrections officers despite overcrowded prison populations.
- Cuts millions of dollars from schools, probably forcing local property tax increases. An estimated 1,700 teachers would have to be fired statewide.
- Reduces funding for cervical and breast cancer screening while forcing family planning clinics to close.
- Chops funding for Juvenile Diabetes programs.
- Cuts the BadgerCare Plus program, denying health care to thousands of children.
- Retains the health care perks that legislators receive by cutting the Healthy Wisconsin initiative.

Another no-win proposal is to **eliminate training funds for the labor-management cooperation program.** Let's see: make state employment less desirable and at the same time reduce training that could help settle differences? Sounds like a recipe to jam things up. SEA's grievance back log is at an all time high already. Imagine the Republican Assembly vision.

And, don't forget **OUTSOURCING.** It seems we and the citizenry in general have been somewhat successful in convincing Democrats that outsourcing isn't always the best choice (outsourcing usually costs more), and they have been a fountain of campaign finance and election reform proposals. However, the Republicans have apparently not gotten the word and continue marching to the outsource beat. Money, money, money: special interest contributions to campaigns. The Republican Assembly budget proposes to **convert funds for 25 DOT (segregated fund positions) to the consultant payment fund. That very possibly means cutting those jobs, which have been targeted for work rebuilding Milwaukee's Zoo Freeway interchange, and giving the work instead to private contractors.**

To ensure all levels of government can do it, the Republicans also have proposed changes to the Municipal Employment Relations Act that would **expand municipal outsourcing.** Under the proposal, a municipal employer could presumably outsource services only after having determined it would save money. This would be based on a potentially very expensive procedure that is both complicated and largely theoretical.

It's unclear how certain "new expenses" can be kept from making outsource bids appear more economical. Perhaps the bigger problem is that "savings" is based on a bid, rather than review of actual project costs



incurred by outsourcing. Yet a bid rarely represents actual final cost – there are change orders, and other “unexpected costs”. When it comes to DOT contracts, payment disputes have become so common that a formal dispute resolution procedure was created in recent years.

Under current law, a municipal employer’s decision to contract out for services that are performed by its employees is a mandatory subject of collective bargaining. Without going into the gory details, suffice to say municipal employers could be freed from using represented employees, and thus free from bargaining. SEA Members need to be aware that this type of proposal could easily be converted for state use.

The Republican Assembly also made two additional proposals that initially would apply only to municipal employers. Both have potential negative impacts to municipal employees, and the changes may provide a glimpse of what the Republican leadership has in mind for the state, as well.

**One proposal would allow municipal employers to limit their employees’ ability to bargain for health insurance plans, and any savings realized by the employer from a substantially similar lower cost health plan would not have to be passed along to the employees.** This proposal includes the provisions of 2007 AB 110.

The other proposal would allow certain municipal employers (that are subject to revenue limitations under state law) to **limit annual employee wages and benefits to the previous year’s cost plus an incremental increase based on “allowable available revenue” under state law.** Allowable available revenue would be calculated as the sum of state aid and either (1) the actual property tax levy for employers in a school district, or (2) the allowable property tax levy for employers in a technical college district. **This proposal would prohibit approval by the Wisconsin Employment Relations Commission (WERC) of any final offer from a bargaining unit, if the final offer doesn’t comply with the allowable available revenue caps.**

WERC would be required to determine that a party submitting such offer had, in fact, failed to submit an offer; and direction would be provided to give this expenditure limit greatest weight in arbitration decisions for affected municipalities. In other words, you can bargain collectively, but not really.

That's not all, but it's quite enough. Tell your colleagues, tell your family, tell your neighbors, and above all tell your legislators what you think of these state budget decisions.

## RETIREMENT FAQs

by MEL SENSENBRENNER

*This column answers frequent questions that members have about their retirement. Submit your question to the SEA office or to [view\\_sea@yahoo.com](mailto:view_sea@yahoo.com) and we'll get them to Mel for his expert commentary.*

**Q:** When is the best time to get out of the Variable Fund?

**A:** You should start by determining your “variable excess,” which can be plus or minus, depending on the positive growth or negative growth in the Variable Fund and the growth in the Core Fund while you are in the Variable Fund. Your variable excess is determined by comparing your total annuity of Core and Variable Funds (combined total) to what your total would have been if you had stayed either in the Core or Fixed Fund. Your decision to get out of the Variable would be best scheduled when you have a positive excess in your Variable Fund. That's because your positive amount will be carried in the Core Fund for the rest of your life if you get out at the best time. Also, if you get out of the Variable Fund with a negative variable excess, you will carry that lesser amount in your Core Fund annuity for the rest of your life. ETF can calculate the value of your variable excess using your original annuities at the time of your retirement and report what your variable excess is, plus or minus, today.



## Retirement and Health Insurance Report

by Melvin B. Sensenbrenner, SEA Retirement & Health Insurance Representative

### WISCONSIN COALITION OF ANNUITANTS (WCOA) MEETING – JUNE 20, 2007

Our guest speaker was Bob Conlin, ETF's director of legislation, who updated the group on the budget status and the legislation introduced by the Legislature. (Note information in the Group Insurance Board article in this SEA View.)

The ETF budget passed by the Finance Committee added five extra positions to ETF's retirement service and call center over the Governor's proposal of 9.5 positions. However, in the future, they will need more to reduce the processing backlogs.

The health insurance for domestic partners was removed by the Finance Committee.

The state will start to pay premiums for health care insurance for employees after two months of service rather than the original six months currently required.

Bob Conlin also mentioned that the Finance Committee added \$15,000 for the JSCORS to have an actuary study the effect on the WRS that proposed military service credit would have on the retirement system if the 1974 date were removed as a bill proposes.

Ed Frank provided information about Dental Blue insurance for any WRS retiree purchased directly from Dental Blue, or by being an associate member of WREA (Wisconsin Retired Educators Association) at \$20 per year dues and paying the total insurance premium.

For active state employees, Dental Blue is available through OSER if you pay the total required premiums, and they have a variety of plans to choose from.

The annual premium must be paid before December 31, 2007 for calendar year 2008. WRS retirees already enrolled will be billed directly for 2008.

The SEA Office has information on who and how to contact for plan information by Internet at the OSER website Go to <http://oser.state.wi.us> and look under "Quick Links". If you don't have access, write to:

Mr. Brian Siegenthaler, Dental Blue  
P. O. Box 910, New Glarus, WI 53574.

Be sure to identify yourself as a WRS retiree and provide your return mailing address. Also, all SEA Board members have a copy of this information.

We had a visitor from the Milwaukee Retirement System annuitant attend our meeting to observe how we conduct our meetings and information we obtain.

The new SWIB executive director, Keith Bozarth, will be a guest at the July WCOA meeting on July 18.

### GROUP INSURANCE BOARD MEETING – JUNE 12, 2007

The Actuary, Deloitte Consulting, reported on both the State of Wisconsin Income Continuation Insurance plan (ICI) and the local government ICI plan.

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The local ICI plan for local government employees is very well funded at 400% to 500% of funding to cover the estimated liabilities.

The state employees ICI plan is a mature plan and has been in existence since the 1970s. There is one person's claim from 1972 still open; two persons in 1979; and 38 open claims from the 1980s.

The average number of claims during the 1990s was 23 per year at an average cost of \$682.30 compared to the 1,045 claims in 2006 with average benefits of \$1,150.00.

The overall funding level of the ICI plan has decreased the last two years with negative cash flows to 98.5% and now to 90.6% with the goal of maintaining a 100%-plus funding level. The actuary is confident that with the increased premiums effective February 1, 2007, the \$15.2 million of deferred market gains from the MRA smoothing the next four years, and good returns from 2007 and 2008, the overall funding level will increase.

The other report to the GIB was from WPS on their contract to provide health insurance administration for ETF. WPS of Madison is the largest health and life insurance plan administration firm in the world. They currently handle Tricare for military, Tricare for life retired military and all Medicare except Medicare Part A for New York.

WPS has met, or exceeded, its service goals for ETF's contract in 2006. WPS exceeded goals in ten areas and met goals in seven areas.

Tom Korpady announced that Navitus has been selected to provide prescription drug service for the State of Minnesota employees also.

Bob Conlin, ETF director of legislation, reported on the budget status and the 41 bills introduced by legislators covering the following areas:

- . Eliminating sick leave conversion for future legislators.
- . Income tax credit for HSA contributions.
- . Health care services for everyone in Wisconsin by July 1, 2010, with six regional offices by a new Department of Health Planning and Finance.
- . Income tax credit for amounts paid for medical insurance premiums. The claimant must be the employee of another person, and the employer must pay part, but not all, of the costs of the health insurance.
- . Health care providers tax credit up to 50% of cost for hardware or software used to maintain medical records.
- . Health insurance for farmers and small business employees from the ETF system by paying full premiums.
- . Creates a tax credit for businesses for workplace wellness programs for employees equal to 30% of cost to provide a wellness or fitness program.
- . Insurance tax credit for individuals for 100% of the amount paid by the individual for medical insurance if the individual's employer pays a portion of the cost of the policy.

You may want to review A.B. 125 and A.B. 392, which provide for farmers and small business employees to join the ETF health insurance system. If there is adverse selection for high cost services and they drop their coverage, the rates may have to be increased!

The next Group Insurance Board meeting is scheduled for August 28, 2007.

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STATE OF WISCONSIN INVESTMENT BOARD MEETING – JUNE 13, 2007

The new Executive Director, Keith Bozarth, was in attendance at this meeting, and he will be handling the next Board meeting which is scheduled for August 8. Dave Mills’ retirement party is set for August 7. Gail Hanson filled in for Dave Mills at the June 13 board meeting because Dave Mills had already retired.

SWIB Performance Calendar YTD

	March 31, 2007	April 30, 2007	May 31, 2007
Core Fund:	+2.0%	+5.5%	+7.6% (B.M. +6.9%)
Variable:	+1.4%	+5.8%	+9.3% (B.M. +9.5%)
Core Fund:	77.382B	79.740B	81.812B
Variable:	7.057B	7.271B	7.807B
	84.439B	87.011B	89.619B

The rest of the meeting was a continued presentation from investment staff at SWIB of where they are heading to improve performance and increase their internal investments.

The next SWIB meeting is scheduled for August 8, 2007. There is no meeting in July.

ETF RETIREMENT BOARD MEETING – JUNE 21 & 22, 2007

The following agenda items were discussed:

- . Develop ETF Secretary Search Committee.
- . WRS 26<sup>th</sup> Annual Actuarial Validation of Active Lives Dec. 31, 2006.
- . Accumulated sick leave conversion credit annual actuarial valuation.
- . Budget update and legislative report by Bob Conlin.

Eric Stanchfield, the ETF department secretary, is leaving to return to the Washington D.C. area after 20 years here in Wisconsin. The ETF Board has voted to create a Search Committee to replace him. The committee is scheduled to meet in July, advertise nationally, and provide an interview list of candidates by September. Dave Stella, Deputy Secretary of ETF, will be included in the interview list.

Actuaries Gabriel, Roeder and Smith presented the WRS annual 26<sup>th</sup> actuarial valuation for Dec. 31, 2006. The contribution rates are as follows for WRS in percentage of payroll cost:

	General/	Exec.&Elected/	Protective/	Protective (w/o SSA)
2007 Rates	10.8%	11.6%	13.4%	14.6%
2008 Rates	10.8%	11.6%	13.4%	14.6%

Note that there is no increased cost to WRS employees and employers. For general employees, the cost is shared 5.0% plus benefit adjustment 1.0% and employer cost of 4.8% for the total of 10.8% of payroll.

The executive and elected officials employees contribute 3.0%, benefit adjustment 0.0% and the employer contributes 8.6% equal to the total of 11.6% of payroll.

The Actuaries’ (GRS) calculation of total funding level of the WRS on December 31, 2006 is assets of \$73.4153 billion and liabilities of \$73.7358 billion, which gives us a funding balance of 99.6%.



Notes that the total contribution rates have decreased from 1982 to 2006 as follows:

	General/	Exec.&Elected/	Protective/	Protective (w/o SSA)
1982	12.9%	17.6%	19.4%	27.8%
2006	10.8%	11.6%	13.4%	14.6%

There is no increase in contribution rates for 2008, based on increased investment returns by SWIB and the MRA smoothing system, which balances the increases necessary for the improved life expectancy of the system annuitants.

The accumulated sick leave conversion credit annual actuarial valuation by GRS shows that for 2007, the contribution rates are reduced by 0.1% of payroll for each, the base plan and for the supplemental plan. This means the employer contribution is reduced from 1.2% of payroll to 1.0%.

For the ETF budget update, see Bob Conlin’s report in the WCOA article in this SEA View issue and Bob Conlin’s legislative report in the Group Insurance Board article included in this SEA View.

The next ETF Retirement Board meeting is scheduled for Sept. 13-14.

**June 30, 2007 Board Meeting Summary**  
 Meeting held at East Towne Suites, Madison  
 By Bob Schaefer, Substitute Secretary

**Attendance:**

**Executive Board:** Tom Mugan – President, Leroy Stublaski – 1<sup>st</sup> Vice President, John Bolka - Treasurer

**Board Members:**

Tom Peronto, Wisconsin Rapids President  
 Dawn Marshall, Southeast Region  
 Tony Allard, Green Bay President  
 Central Office, Not Represented  
 Ryan McKane, La Crosse Vice-President  
 John Lund, Rhinelander President

Kathleen Currie, Eau Claire Vice President  
 Monte Ewing, State Agencies Section  
 Brian Mattson, Superior President  
 Khader Abu al-eis, Madison President  
 Bob Schaefer, DNR Madison President

**Specialists:**

Mel Sensenbrenner, Health and Retirement  
 Sandy Henke, SEA Office  
 Ron Legro, Communications Specialist  
 Tim Hanley, DFC Chairperson  
 George Mickelson, Compensation  
 Willie Haus, Attorney

**Guests:**

Larry Legro – State Agencies Trustee

**Meeting Begins:**

Tom Mugan called meeting to order at 8:36 am. Introductions were made.

**Additions to Agenda:**

Tom Mugan added Labor Management Meetings to the Miscellaneous Items and Updates. The second Health and Retirement report opportunity for Mel Sensenbrenner was taken off the agenda.

**Approvals:**



The June 2, 2007 Board Meeting Minutes were reviewed. Tony Allard moved to approve the minutes as written. Leroy Stublaski seconded. Motion carried without opposition. Discussion by Ron Legro regarding posting of the employee wages on the web site was mentioned and dropped from the web site minutes. Bolka commented on the compensation issue of earning too much; having to pay Social Security, Medicare/Medicaid expenses at the higher rates was also discussed. No limitations were found since everything is handled by the IRS at the end of the year for each individual. Hanley commented that each officer should be aware of the amounts so that individuals make the minimum payments required by the IRS.

The Correspondence Report was reviewed. Tom Mugan accepted the Correspondence Report. A question came up about the HAM reports received by SEA. Sandy Henke reported that all the HAM reports are kept in one file for reference.

**Legislative Report:** *By Gretchen Wheat*

There was no report on Legislative activities since Gretchen was not present. Gretchen did submit a brief written report to SEA officers. The report included three bills expected to be reintroduced by Rep. Gottlieb. One concern was whether the bills would apply to public employees in local government vs. state. The bills included the following: LRB 0546/1 – PENSION PARTICIPATION, LRB 0547/1 – COMPETITIVE CONTRACTING, and LRB 0551/1 – LINK ARBITRATION TO ABILITY TO PAY. While these bills may target only local government employees now, if passed, they might pave the way for similar future measures aimed at state workers. Several Republican legislators are rumbling about blocking the budget. Budget items of particular interest to SEA include, but are not limited to, the compensation reserve and ETF issues.

**Health and Retirement Update:**

Mel Sensenbrenner reported that changes in top management are the main news from the ETF and SWIB. Dave Mills of SWIB retired and Keith Bossard was hired to replace him. Eric Stanchfield is resigning and a search is under way to replace him. The ETF board hopes to have a list for review by September. A funding report on sick leave conversion program pointed that Wisconsin ETF is in a very sound financial position. More detailed information will be available in the next newsletter.

**Bargaining Update:** The first meeting with OSER is scheduled for July 18. A new member was selected to fill the vacancy on the bargaining team caused by the retirement of William Taylor. After reviewing all the applicants and in an attempt to maintain balance on the team, President Mugan put forth Dennis Keyzer, DOT-GB for the position. A motion by Tony Allard with a second by Dawn Marshall to accept the addition of Mr. Keyzer was made. The motion passed. The Board wished to thank all who offered to participate in bargaining the 2007-'09 contract. The Legislature has not passed a new budget at this time and is still in deliberation. The Assembly portion of the budget has not been submitted but the Senate version is out for review. An extension of the current deal was signed by SEA and OSER. George Mickelson reported that OSER provided the frozen compensation data in May and this sets the basis for any compensation analysis.

One additional issue was brought forward concerning the implementation of the uniform contract with the state. SEA needs to be vigilant and not get caught up in the action of setting up little side agreements that have no basis of support in the contract. There is one contract and the employees should be following that document. If there is an issue there are formal procedures to address changes. There will be more on that later on in the minutes under Miscellaneous Items and Updates.

**Grievance Report:** *By Leroy Stublaski*

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-378 (filed 8/14/02) – DOT 1 - Not being paid appropriate mileage rate. Filed at Step 4.

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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-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. Consolidated 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 4/14/05) – 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-429 (filed 4-27-05) – DOT D5 – PE Licensing Fee Reimbursement. Consolidated with A-307.  
A-430 (filed 4-27-05) – DOT D5 – PE Exam Reimbursement. Consolidated with A-307.  
A-431 (filed 4-27-05) – DOT D5 – PE Exam and Licensing Fee Reimbursement. Consolidated with A-307.  
A-432 (filed 4-27-05) – DOT D5 – PE Exam and Licensing Fee Reimbursement. Consolidated with A-307.  
A-435 (filed 11-30-05) – PE Exam and licensing fee reimbursement. – Consolidated with A-307.  
A-436 (filed 11-18-05) – PE Exam and licensing fee reimbursement. – Consolidated with A-307.  
A-439 (filed 11-29-05) – DNR - Extra Mileage. Filed at Step 4.  
A-440 (filed 11-09-05) – DOT D1 - Lunch Money. Filed at Step 4.  
A-444 (filed 3-14-06) – DOT D2 – Individual Bargaining. Filed at Step 4.  
A-446 (filed 2-14-06) – DOT SW – PE exam and licensing fee reimbursement. Consolidated with A-307  
A-447 (filed 3/27/06) – DOT NCR – Fleet vehicle assignment & utilization. Filed at Step 4.  
A-448 (filed 5/12/06) – DOT NCR – HAM used on current state employee in promotion. Filed at Step 4.  
A-451 (filed 7/10/06) – DOT NWR EC – Discipline w/o just cause. Filed at Step 4.  
A-453 (filed 8/18/06) – DOT NER - PE Exam and licensing fee reimbursement. Waived to Step 3.  
A-455 (filed 10/27/06) – DHFS-Reimbursement of surcharge for over 2000 miles. Filed at Step 4.  
A-456 (filed 9/13/06) – DOT NER - PE Exam and licensing fee reimbursement. Waived to Step 3.  
A-460 (filed 12/12/06) – DOT NWR EC - Discipline w/o just cause. Moved to Step 4.  
A-461 (filed 3/7/07) – PSC – Desire to work at home. Denied at Step 3.  
A-462 (filed 4/2/07) – DOT NER – Denied safety sunglasses. Filed at Step 2. Decided in our favor.  
A-463 (new) – DOT D2 – Standby pay after a holiday. Moved to Step 4.  
A-464 (new) – Details not available at this time  
A-465 (new) – Transfers - Details not available at this time  
A-466 (new) - Details not available at this time

A motion by Leroy Stublaski and second by Monte Ewing was made to move A463 to Step 4. The motion passed.

President Mugan, First Vice-President Stublaski and Attorney Haus had a meeting on resolving the large number of outstanding grievances. A list of our grievances and the records that OSER had were developed for comparison. One of the outcomes of this session was the need for members that have grievances to make sure that the SEA Office and First Vice President receive a copy of any decisions. Also members need to follow the timelines found in Article IV of the contract in order to avoid problems with meeting scheduled dates specified in the contract. Timelines are very important for the employee but not the employer. Any extension that is requested by Management shall be in writing and a copy sent to the SEA Office.

**Communication Report:** *By Ron Legro*

Ron discussed some of the issues that he has been trying to smooth out. There was a great deal of discussion about what information should be placed on the web site and should we have an employee accessible portion of the web site and a general information part for the web site. Ron will look at these issues in the next few months.

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**By-laws Changes**

No new By-law changes were made since Duane was not present for the discussion.

**Miscellaneous Items and Updates:**

SEA is receiving regular updates from DOT on ACT 89 issues. SEA has been reviewing these documents for clarity and compliance. SEA will be studying the documents further before taking any official action.

SEA is participating in a national study regarding contracting out of work to consultants.

President Mugan received a letter from DOT management requesting a SEA/Management meeting. After some discussion about the purpose of the meeting, it was agreed SEA should participate. President Mugan will respond to the letter.

**Section Reports:**

*Madison* — Three new entry engineers were hired

*Southeast* — The Zoo Freeway Team was being moved down town from the current location and they were wondering if they would be treated the same as the Marquette Interchange Team. We will know more when the move is complete.

*Green Bay* — Members are concerned about the CADD survey and the resultant impacts. There was one entry Civil Engineer hired. The status on bargaining is a constant issue especially since the current contract expired.

*Wisconsin Rapids* — — Members are concerned about the CADD survey and the resultant impacts.

*La Crosse* – No report.

*Eau Claire* – Three new entry engineers were hired.

*Rhineland* – No report.

*Superior* — No report.

*Central Office/PSC* — No report.

*DNR* —The prescription eyeglass saga continues, but is near implementation.

*State Agencies* — No new developments except for the issues regarding potential grievances.

**Financial & Membership Reports: By John Bolka**

John moved to accept the May, 2007 Membership Report. Khader Abu al-eis seconded. Motion carried w/o opposition.

John submitted the May, 2007 Treasurer’s Report for review and moved for approval John Lund seconded. Motion carried w/o opposition.

John submitted the Board Meeting Vouchers and moved for approval to pay them. Khader Abu al-eis seconded. The motion carried w/o opposition.

06-184 => 06-198	\$1677.15
M-098 => M-109	<u>\$2600.00</u>
	\$4277.15

John mentioned that the audit packets would be sent out soon. The fiscal year of SEA ends on July 31 and Section Treasurers are expected to be ready to complete the audit reports in a timely fashion and return them for the full audit review. Part of the packet of information will include information about improved book keeping.

**New Business:**

Annual Meeting details were discussed. The Board meeting will be held on Saturday morning before the formal Annual membership meeting. The meeting will be in La Crosse. Check out the details on the SEA web site. The meeting will be October 12 and 13.

The meeting was adjourned at 2:15 pm.

The next Board Meeting will be August 11, 2007, at East Towne Suites in Madison.



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**PUZZLING PUZZLER: *Got ya covered!***

A man who valued creative thinking and mathematics skills offered his son \$1,000 if the son could accomplish a special task. He gave his son ten envelopes and a thousand dollars, all in one-dollar bills.

He told his son, "Place the money in the envelopes in such a manner that no matter what number of dollars I ask for, you can give me one or more of the envelopes, containing the exact amount I asked for without having to open any of the envelopes. If you can do this, you will keep the \$1,000."

When the father later asked for a certain, odd, sum of money, the son was able to give him envelopes containing the exact amount. How did the son distribute the money among the ten envelopes?

*Email your answer to our contest address: [puzzlesea@yahoo.com](mailto:puzzlesea@yahoo.com). The answer and name of the first person who came up with the correct answer will be in next month's SEA View.*

**Last issue:** Visiting Washington Island off Door County, you spot a new road under construction. The largest road grader you've ever seen is plowing a path. There are no bridges or tunnels to the island and you realize that even the biggest ferry boat or barge could not have transported a road grader this large from the mainland. Since the island is without a deep-water harbor for a freighter to dock, you ask the driver how the road grader came to the island.

"That's always been my question," the driver says. "It was already here when I arrived last spring. I do remember the DOT project manager mentioning that it wasn't delivered in parts because there was no time for assembly. There's no road grader factory on the island, of course. Also, no one has an airplane or helicopter around here big enough to lift it in, and obviously the water's way too deep to simply drive it here from the mainland."

Eventually, based on all the facts, you realize that there's only one likely explanation. Please explain to the rest of us how the road grader could have been delivered to the island.

**ANSWER:** They drove the road grader in over winter, when the lake waters between the mainland and island were frozen over.

*Congratulations to the first person to correctly answer the question, Eric Perea of the Department of Transportation. Eric obviously knows how to get around.*

***Moving?***

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

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