

Working nearly 500 days without a contract

Newsletter of the STATE ENGINEERING ASSOCIATION

SEA View



Volume XXXVIII / No. 11 • November 2008

**From the
President**

A new year ahead

I would like to thank the Wisconsin Rapids planning committee for great work on the 38th annual meeting of our association, held in Wausau on Oct. 11. Committee members including Nichole Lysne, Deb Webb-Franseen, Timothy Hanley, Tom Peronto and Michael O'Meara put together a great meeting in an excellent downtown location. The session was informative and afterward the beautiful fall weather presented every reason to take a walk around town or visit Rib Mountain State Park.

I encourage SEA members to consider attending the 2009 annual meeting, which will be held in Eau Claire. These gatherings give members an opportunity to find out more about the association, meet your representatives and other members, see other areas of the state and just have a good time.



Mark Klipstein

At this year's meeting I started my second term as your president. I would like to thank association members for giving me the opportunity, and entrusting me to once again lead this fine organization. I would like to also congratulate the officers that will be joining me: Leroy Stublaski, First Vice President; Timothy Hanley, Second Vice President; Reiny Yahnke, Secretary; John Bolka, Treasurer. We look forward to working with holdover officers the next two years.

Turn to page 2

SEA VIEW SCHEMATIC

From the President: <i>A new beginning</i>	1
Help SEA win a new contract	2
Legislative Update: <i>Members and the political process; also, more on state budget crisis</i>	2
Public-sector engineers leave for big bucks	3
Wisconsin Coalition of Annuitants meeting	4
Retirement/health insurance annual report	5
Public employee payrolls at risk	4
Retirement FAQs: Variable fund	6
SEA Board Report	6
OSER letters mislead	8
? Puzzling Puzzler: Got your number	10

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The labor-management meeting scheduled for the end of October was abruptly canceled by management for lack of interest. I can assure you that there was not any lack of interest on behalf of myself and Tim Hanley, who also planned on attending. We were prepared to discuss many issues that management needs to address. We will continue to pursue meetings in the future.

I attended a committee meeting in early October that concerned continuing education for renewal of professional licenses, something the Wisconsin Department of Regulation and Licensing is moving to require. This committee will give the department recommendations that may be in place for the 2010-'12 contract renewal period. Our board will get a chance to review this within the next couple of months.

No new bargaining dates have been set up as of this writing. The new bargaining team will be comprised mostly of existing members. We look forward to getting back to the table to collectively bargain. Unfortunately, the state has not been willing to do this. Please go to the SEA website if you haven't already, and read last month's SEA View Broadside for more on the bargaining situation.

And please get involved in the association. You can make the difference.

Respectfully,
Mark Klipstein

Don't be a SECC-tarian

Dear SEA Member:

One thing you can do to help SEA get a contract is to make your charitable donations in a way that gives recognition to SEA, as an alternative to the State Employees Combined Campaign (SECC).

You can use your local SECC form provided by the State. Cross out "SECC" and mail the form directly to your local United Way office with a note requesting SEA be recognized for the donation. An example request note and marked-up form are on the SEA website. Go to <http://www.wisea.org> and choose SECC Alternative.

Of course, you won't be able to use payroll deduction, so ignore that portion of the form.

The SECC campaign dates are Oct. 13-Nov. 28, but if you have payroll deductions through the end of 2008 and feel you can't afford to make a donation until sometime in 2009, you can send a donation later to your local United Way office.

Thank you for your support.
The SEA Board

Legislative Update

By **Tim Hanley**
Second Vice President

Finally, the big election

Hello, all. Thank you for your vote of confidence in the last SEA election. I look forward to serving you the next two years as your 2nd Vice President.

I don't have to tell you all that the political season is in full swing, but I want to remind you that you play an important role in every election – local, state, and national. That role is your vote.



Please take time to look carefully at all the candidates and issues before you vote, in this and every election. Take time to examine the issues and go deeper than the bumper-sticker politics that seems to have infiltrated our political system. Many times the campaigns and their short, bumper-sticker catch phrases do not represent the actual policies or facts of the matter.

Below are some sites on the Internet that are good sources of information on things political happening in Wisconsin. Take some time and check them out:

- The Wheeler Report – <http://www.thewheelerreport.com>
- Wisconsin Politics – <http://www.wispolitics.com>
- Wisconsin Democracy Campaign – <http://www.wisdc.org>

STATE BUDGET CHALLENGES: The next Wisconsin State budget process is going to be difficult. It is critical that you all reach out to your local state representation – senator and assemblyperson. Make contact and make sure you know where they stand on issues important to SEA: Cost-effective government, reversing the evermore costly trend of outsourcing engineering work, the need for transparency in government, the need for good decision making and stewardship of tax dollars in the interest of the people and not the ruling political class.

If you feel strongly about some of your local state candidates you may want to offer to help them out with a literature drop, a donation or making some phone calls for them, in this or future elections..

We must all continue to remind our representatives that we have been working without a contract now for over 15 months. Ask that they contact OSER and find out when substantive bargaining talks will be resuming. By “substantive” talks I mean more than simply meeting for the sake of meeting – but meeting to **bargain in good faith**.

As the Wisconsin state budget process unfolds I will be coordinating with your section presidents so we can participate.

Respectfully,
Tim Hanley

Public-sector engineers leaving for six figures

Does this sound familiar? According to an Illinois DOT employee who participates in an on-line transportation newsgroup, you may be underpaid! The employee wrote:

“\$100k a year really isn't that much anymore for a licensed professional engineering manager in an urban area. They have left IDOT Region 1 (Chicago region) in droves because of the low pay compared to the private sector and (and some public sector agencies) that actually give decent raises. The District has had to turn around and hire engineering consultants at market rate plus overhead to fill in the gaps.”



WANTED: Your comments, calendar items

What's going on in your area? Are members in your section doing great things, either at work or off hours? What's going on in your neck of state government? SEA View readers want to know. **Share your ideas, opinions and suggestions. SEA View will print guest columns from members as space allows.** We're also interested in your feedback and suggestions. How are we doing? Got a take on an issue of interest to members in general? Email sea_wis@yahoo.com.



Retirement and Health Insurance Report

by Melvin B. Sensenbrenner *SEA Retirement & Health Insurance Representative*
and Daniel J. Joyce *SEA Retirement & Health Insurance Co-Representative*

Wisconsin Coalition of Annuitants meeting – Oct. 15, 2008

Keith Bozarth, executive director of the State of Wisconsin Investment Board, discussed the global financial problems and how they are affecting the Wisconsin Retirement System. Here are the important highlights of his presentation:

- Take a long term view, because the market historically always has corrections/downturns. While the core fund for the calendar year to date (September 30, 2008) is -14.9%, over the past ten years it averages out to be 6.2%.
- SWIB is not a “toxic asset” investor. However, toxic assets have been greatly affecting the stock market.
- If the end-of-year performance of the core fund is -16% or less, annuitants will see negative dividends (i.e. a decrease in monthly annuity checks). This would be the first time in the history of the WRS.
- SWIB is not a market timer.
- There can be prolonged periods when stock investors will not be rewarded. Since 1926, there have been three such periods, lasting 16, 17, and 11 years.
- How did we get here? The U.S. is a big borrower of cheap money. The U.S. is heavily dependent on foreign sovereignties loaning us money. There has been a dramatic increase in borrowing and excessive leveraging.
- The smoothing process of the market recognition account is a rolling five-year process. Therefore, the past gains are not yet recognized.
- An important feature of the WRS is that participants share the market risks. SWIB has done a great job investing because of this feature, not in spite of this feature. Risk is rewarded.
- It is important for annuitants to understand that, even if dividends go negative, the monthly annuity amount will never fall below the initial annuity at the time of retirement.
- SWIB and ETF will be jointly preparing a letter to retirees discussing the possibility of a negative dividend. They are also working on an ETF web update which will deliver the same message. [Note: The web update has already happened.]

PUBLIC WORKERS AT ECONOMIC RISK

Economic blogger Megan McArdle at The Atlantic magazine recently wrote about how the money markets nearly fell apart in September. She pointed out that if that ever happens, public employees may take a hit:

“...Money markets also hold federal and local government securities. What happens when [the State of] Maryland doesn't have the cash in its coffers to make payroll, and the money market no longer exists? What happens is they send the employees home and tell them to come back when they get more cash. To the extent that you think a large and well paid civil service is a good thing, this should distress you.”



Sandy Drew (SWIB) stated that SWIB is willing to meet with the various organizations (such as SEA).

Next WCOA meeting is Nov. 19. --Dan Joyce

SEA RETIREMENT AND HEALTH INSURANCE ANNUAL REPORT

Here's a summary of 2008 developments in retirement and health insurance programs. Check current SEA View newsletter articles for up-to-date data on SWIB investments and other developments.

- 1. The State of Wisconsin Investment Board (SWIB) began 2008 challenged by the declining stock market. As of Dec. 31, 2007, SWIB's performance was:

Core Fund	+8.8%
Variable Fund	+5.6%

- 2. SWIB now has new portfolio manager for index funds; moved \$1-2 billion internally; will increase that to \$9-10 billion by 2009; reducing contracting out for index fund management, reducing costs.
- 3. Employee Trust Funds (ETF) provided the retirement dividend for calendar year 2007 at the March 18, 2008 Retirement Board Meeting:

Core Fund Dividend 2007	+6.6% (starting May 1, 2008)
Variable Fund Dividend 2007	0.0%

(Require +2.0% minimum for dividend; variable reserve at +1.3% year end 2008)

Core Fund	25 year average dividend	+5.4%
CPI	25 year average dividend	+3.1%
Variable Fund	25 year average dividend	+5.9%

- 4. In March 2008, Dan Joyce joined Mel Sensenbrenner to help and learn the health and retirement watchdog activities that SEA has developed since 1980 with encouragement from Blair Testin, the Retirement Research Director for the Wisconsin Legislature, and SEA's Bob Schaefer.
- 5. The Wisconsin Retirement System has survived down markets in 1983, 1986, 1991, 1995 and 2001; and now, in 2008, SWIB is being challenged again.

SWIB was under-weighted in financial stocks, and has moved \$3.4 billion from external to internal management provided by the Investment Modernization law (Act 212), which reduces overhead.

Preliminary Performance as of Sept. 30, 2008:

Core Fund:	-14.9%;	Variable Fund:	-21.5%
Core Fund:	\$68.282B;	Variable Fund:	5.322B; Total: \$73.604B

– Melvin B. Sensenbrenner and Dan Joyce



RETIREMENT FAQS

by DAN JOYCE

This column answers frequent questions that members have about their retirement. Submit your question to the SEA office or to:

view_sea@yahoo.com

Q: I'm in the Wisconsin Retirement System variable fund and I'm concerned about its performance given the recent turmoil in the stock market. Can I move my investments out of the variable and into the core fund, and will that be a safer place for my money?

A: The variable fund portfolio is comprised of 100% stocks, whereas the core fund has a mixture of stocks, bonds, and somewhat fixed assets. Another way of describing the core fund is to say its assets are more diversified. Right now (that is, over the past year) stock performance across all sectors has been poor, because of the global market downturn. Therefore, a fund that is 100% stocks has been performing poorer than a fund that is diversified.

Yes, you can move your WRS investments out of the variable and into the core fund. But do keep in mind two important points. First, a person can only invest up to 50% of his/her WRS retirement money in the variable. The rest has to be in the core fund. The core fund is presently 58% invested in stocks.

So if you have chosen to maximize your variable fund investments, your actual stocks exposure is $(.5 + .5(.58) =) .79$, or 79%. Small consolation, given the current stock market. But if you are invested in, say 25% variable, then your stocks exposure is $(.25 + .75(.58) =) .685$ or 68.5%. Not quite as bad. The other point is that you would lose lots of money if you flat-out cashed out of the variable now when stock share prices are so low. That would be analogous to selling your home for a tenth of its original value because you think its value will further diminish.

The market has had severe downturns in the past, and has rebounded. The market has also had prolonged downturns, but over the long haul, has rewarded investors. When the market rebounds this time, and when share prices reach the value they were when you first got into the variable, that is the time to decide whether you have the stomach for another market downturn.

There are several options for getting out of the variable. The ETF website describes all of the available options.

Lastly, SWIB and ETF have been taking a close look at the reward-to-risk ratio of the variable over five and ten year time frames; and it is not looking good. It is very likely that the variable fund will be closed out within a year. When that happens, there will be yet another set of options for getting out of the variable.

October 11, 2008 Board Meeting Summary

Meeting held at Jefferson Street Inn, Wausau

By Duane Hubeler, Secretary

Attendance:

Executive Board: Tom Mugan – President, Leroy Stublaski – First Vice President, Gretchen Wheat – Second Vice President, Duane Hubeler – Secretary, John Bolka - Treasurer

Board Members:

Tom Peronto, Wisconsin Rapids President
Carolynn Gellings, Southeast President

David Solberg, Eau Claire President
Larry Legro, State Agencies President



Tony Allard, Green Bay President
Sandy Anderson, Central Office President
Jeremy Tomesh, La Crosse President
John Lund, Rhinelander Section

Bob Schaefer, DNR Madison President
Brian Mattson, Superior President
Khader Abu al-eis, Madison President

Specialists:

Willie Haus, Attorney
Dan Joyce, Health & Retirement Specialist
Mel Sensenbrenner, Health & Retirement Specialist

Sandy Henke, SEA Office
Ron Legro, Communications Specialist

Meeting Begins:

Tom Mugan called meeting to order at 7:45 am. Introductions were made. Special thanks were extended to Nichole Lysne, Tim Hanley, Mike O'Meara and Joe Behlen for their efforts in planning this year's annual meeting.

Approvals:

The September 13, 2008 Board Meeting minutes were reviewed. Schaefer moved to accept the minutes with one change to the stipend increases. Solberg seconded. Motion carried. The Correspondence Report was reviewed. Tom Mugan accepted the Correspondence Report.

Bargaining: *By Willie Haus*

There is still no movement to report.

Legislative Report: *By Gretchen Wheat*

DOA reported a 5.3 % increase in Worker's Comp claims over the past year. DOT saw a big spike, largely due to the harsh winter weather. A recent state audit found fault with government outsourcing across all branches of government. Gretchen also reported that the Department of Regulation and Licensing has begun the long process of writing rules to implement the statute change regarding continuing education for Professional Engineers and Architects.

Grievance Report: *By Leroy Stublaski*

Note: A-xxx indicates an Association grievance

- A-307 (filed 5/3/99) – DOT D2 – Denied work time to take PE exam. Arbitration pending.
- A-351 (filed 7/19/01) – DOT D4 – RLS exam reimbursement. Consolidated with A-307.
- A-352 (filed 6/25/01) – DOT D3 – 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.
- 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 D1 - 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-410 (filed 6/29/04) – DNR Water – Granting of Restoration Rights. 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.
- 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) – DOT D4 - PE Exam and Licensing Fee Reimbursement. Consolidated with A-307.
- A-436 (filed 11-18-05) – DOT D2 - 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-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-463 (filed 4/18/07) – DOT NER – PE for CE-Adv positions. Filed at Step 4.
- A-464 (filed 6/5/07) – UW - Termination without just cause. Filed at Step 4.
- A-469 (filed 8/20/07) – DOT NER – Mileage reimbursement rates. Filed at Step 2.
- A-472 (filed 12/04/07) – DOT NCR – Denied standby pay for 25-hour shift. Moved to Step 4.
- A-473 (filed 1/8/08) – DOT NCR – Denied 2 hours call-back time. Moved to Step 4.
- A-474 (filed 1/16/08) – DOT NCR – Denied 2 hours call-back time. Moved to Step 4.
- A-475 (filed 2/7/08) – DOT SE – Involuntary reassignment. Moved to Step 4.
- A-476 (filed 2/28/08) – DOT NCR – Denied benefits after car accident. Moved to Step 4.
- A-477 (filed 4/29/08) – DOT NCR - Denied 2 hours call-back time. Moved to Step 4.
- A-478 (filed 9//08) – DHS – Mileage turndown rate. Moved to Step 3.

A hearing was held on A-478 on 10/6/08. We are awaiting the outcome.

Communication Report: *By*

Ron Legro

Ron discussed the special broadside edition of the newsletter. Our Act 89 consultant, Professor Emeritus Ed Beimborn, is making good progress on his study, although he could use some non-DOT examples. A DOT manager recently admitted that employee awards can go to non-state employees.

Health and Retirement

Report: *By Mel Sensenbrenner*

The poor performance of the stock market is reflected in the

DON'T BELIEVE IT

Queried by SEA members, citizens and legislators concerning lengthy delays in reaching a new bargaining agreement, the Office of State Employment Relations has been responding with letters in which the agency essentially blames SEA's alleged unwillingness to schedule additional meetings.

However, that explanation neatly sidesteps the real issue, namely that the state's negotiating team has refused to budge from its decrees on substantive issues, and has wasted precious bargaining time. SEA has told the state it is quite willing to schedule more meetings, if the state agrees to sit down and bargain fairly and in good faith.

For the complete story on how the state has instead chosen to “bargain,” turn to the October SEA View special Broadside on the broken labor agreement process, available on the SEA website.



recent performance of funds used to finance the Wisconsin Retirement System, with larger losses seen in the variable fund. The IRS has begun auditing large pension funds.

Miscellaneous Items/Updates

The SECC strategy summary from the newsletter was handed out. The strategy is complicated by the different forms used in every district.

The availability of a personal vehicle is now a condition of employment according to DNR appointment letters.

A unit clarification may be filed on the construction rep and facility designer classifications.

OSER is charging us \$104 as a fee for locating open records related to who is actually being charged open record fees. There were also some bargaining-related open records requests.

A motion was passed to have the SEA Board pay the fee to supply an interpreter for a hearing impaired member.

Section Reports:

Madison — A motion was passed to pay \$300 for an expert witness related to a grievance filed by Khader.

Southeast — The annual section meeting was held on September 25. DNR and DOT regional directors and Attorney Haus attended. The district gave an employee recognition award to an outside consultant.

Green Bay — A section meeting was held on October 2. Over 50 members attended. Willie Haus was a guest speaker.

Wisconsin Rapids — Monday is T-shirt day in the office. More thanks to the committee that planned the annual meeting.

La Crosse — Members placed a T-shirt order with the Rapids section. Members are waiting patiently for the bargaining progress.

Eau Claire — The lack of progress in bargaining is affecting employee's willingness to volunteer for various office social functions.

Rhineland — A member was told to remove "WORKING WITHOUT A CONTRACT FOR X DAYS" language from correspondence.

Superior — No report.

Central Office/PSC — No report.

DNR — A union/management meeting was held to discuss the outside employment policy. The policy was rescinded. SEA appreciated management's effort.

State Agencies — They are progressing with a 30 cent add-on issue for building inspectors at Commerce. Larry presented Sandy Henke with a thank you gift.

Financial & Membership Reports: *By John Bolka*

John moved to accept the fiscal year 2007 Report. Bob Schaefer seconded. Motion carried.



John submitted the Board Meeting Vouchers and moved for approval to pay them. Tony Allard seconded. Motion carried.

08-44 => 08-82, (a total of 19)	\$1603.13
M-24 => M-34	<u>\$2200.00</u>
	\$3803.13

New Business:

The meeting was adjourned at 9:32 am. The next Board Meeting will be on December 13, 2008, in Madison at La Quinta Inn.

PUZZLING PUZZLER: *We've got your number*



What number comes next in the sequence below?

3 6 24 192 3072 98304

Provide the number, and a math proof demonstrating why it must be the next one in the series.

Send your answer to puzzlesea@yahoo.com. First member to provide the correct answer is our official winner and, aside from fame and glory, receives a 100% guaranteed No-Prize.

Having trouble? Hey, we're all stressed this time of year, so here's a huge hint. The next number is one of these:

- | | | | | |
|-----------------|-----------------|-----------------|-----------------|------------------|
| 738283 | 3928384 | 6291456 | 8293837 | 29382838 |
| 39288273 | 52819938 | 72837489 | 81938478 | 102938438 |

Good luck.

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.