



# SEA View

Volume XXXIX / No. 2

February 2009

## From the President

# Rough road ahead ... but change *is* coming

Sometimes trying to change things for the better seems to be like hitting your head against a brick wall. SEA members know the feeling on more than one level.

The entire nation is, of course, struggling with a damaged economy and many other challenges. Along with that, SEA members have our own set of issues relating to the state and our mission.



Mark Klipstein

Members are well aware of SEA's stymied efforts to negotiate an overdue contract that is equitable and just. Meanwhile, every day at work, many of you look around the shop and see private consultants

taking up cubicle space on a seemingly permanent basis. Or you see empty cubicles, where state positions have gone months or years without being refilled.

What public work is getting done, and of what quality? I am confident that SEA members as a group more than pull their weight, returning excellent value to the taxpayers. Just look back to the job we did when massive flooding hit the state last year. State leaders haven't seemed to recognize our true worth, with the exception that on occasion they pay us lip service.

But change does happen, and it often comes suddenly, as if a threshold has been surpassed and we've moved up into a new, more energetic level. So it was in January when your new board and officers renewed the Association's efforts to prepare for the next SEA Day and to take our issues and concerns to the Legislature.

Turn to Page 2

### SEA VIEW SCHEMATIC

**From the President:** *In a troubled economy, getting a fair deal at the bargaining table is harder, but not impossible. Also: bargaining update and demands formulation* ..... 1

**Legislative Update:** *A state senator takes notice of SEA concerns, proving that activism pays off. Also: Why does government spend so much for so little?*..... 3

**Group fights fraudulent Katrina outsourcing** ..... 4

**States face public employee pension fund troubles** .....5

#### Retirement and Health reports

SWIB meeting .....5

WCOA meeting .....6

SEA Board Report ..... 9

**?Puzzling Puzzler: Comic strip logic** ..... 13

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While we plotted out strategies that would extend across the coming year, an unsolicited call came in from a key state legislator. Would SEA be interested in an early meeting? You bet we were interested.

The meeting was held within a few days, and while we've received no promises or assurances of what will come next, I can tell you that we were encouraged and invigorated by the thoughtful and open exchange that transpired. See Tim Hanley's legislative column in this issue for more details.

It turns out the new Legislature has some concerns of its own that increasingly match those of SEA. More and more legislators are worried about state government outsourcing the public's work. More and more legislators are tipping to the reality that SEA has been treated unfairly at the bargaining table.

Furthermore, instead of just accepting dismissive explanations from the governor's office, or from the Office of State Employee Relations (OSER), or from managers, those legislators are beginning to turn more toward us to understand what's happening, and what should be done about it.

Of course we are living in tough times. That's the backdrop against which we're going to be operating for awhile, and it means there are no easy or quick solutions.

We'll have more to report on this as the situation develops. What's important to understand right now is that we have important friends and allies in the Legislature and elsewhere. Like SEA, these friends care about good government. They care about a state that runs itself not only in principled ways but on the basis of sound public policies that are cost-effective. They care about a state that treats workers with the respect and importance those workers have earned.

**BARGAINING UPDATE** The 2007-'09 bargaining team met on Jan. 9 to prepare for bargaining on Jan. 30, a few days in our future as I write this. It has been many months since SEA has bargained with OSER. We are prepared to bargain. We hope OSER comes to the table and is prepared as well.

Jason Tucker was appointed DFTF chairperson for the 2009-'11 bargaining team. As a reminder, the demand forms for this future bargaining contract were due Jan. 31. **We will be having a DFTF meeting Feb. 14 in Stevens Point.** Please come if you can. We will be reviewing all demands and prioritizing them at this meeting. Contact your local section representative for more details relating to times and locations.

Mel Sensenbrenner, our health and retirement consultant for many years, retired after the December 2008 board meeting. We appreciate his many years of service and wish him well in his retirement. Dan



***Of course we are living in tough times. That's the backdrop against which we're going to be operating for awhile and it means there are no easy or quick solutions.***



Joyce, who has been serving as co-consultant with Mel, has taken over the helm, but he, too, will be leaving that post in the near future. Bob Schaefer, who recently retired from the DNR, and who has served SEA for many years and is very familiar with the health and retirement issues, has been appointed to take over. We wish all three of them well.

And please get involved in the Association. You can make a difference.

Respectfully,  
Mark Klipstein  
President

**Legislative Update** By Tim Hanley  
Second Vice President

## ***Making ourselves heard above the political chatter***

Hello all,

Thanks to the efforts of our members, SEA recently was contacted by Senator Jon Erpenbach's office to answer some questions and provide information. [Interestingly, the senator's office found information to contact us via the SEA website.]

We met with the senator's staff in early January, discussing member concerns that had reached their office. They were interested in how long we have been working without a new contract; who SEA members are; and the role our members played in the state's summer flood response. We also answered some questions regarding outsourcing of engineering services.

It was a positive meeting and as one result, the senator sent a letter to the governor. A copy of the letter is available from your section president, if you would like to read it.

This outcome is another sign that member activism on SEA Day and throughout the year can pay off. Just remember, when you contact your elected representatives, to do three things; provide some background regarding your concerns; frame why the issue is important to you; and offer potential solutions and actions you would like to see your representative take.

If we follow this approach it will help us get the best results. SEA wants to be a resource to our representatives, sharing with them the professional insights we have gained from the front lines.

When Gov. Doyle started his governorship, he faced a state deficit of \$3.2 billion left for him by previous administrations. He talked about balancing the budget. What have been the results? Well, that initial \$3.2 billion dollar budget deficit has grown to \$5.4 billion.

*Turn to Page 4*



The state also has increased its borrowing, the result of which is that taxpayers are all more in debt. In the area of transportation alone, Gov. Doyle has borrowed more than a billion dollars. We have fewer state employees to deliver government services and outsourcing has increased. Is it really any wonder we have a larger deficit?

Maybe the direction the governor has taken is wrong – just plain wrong! He has cut state staffing and introduced challenges for remaining state employees to deliver programs and services. This has continued even when state employees demonstrably are the most efficient resource for delivering state services.

All this talk of achieving smaller, more efficient government by cutting state employees is smoke and mirrors. The last 12-plus years, state employee positions have continued to be cut, yet budget deficits continue to grow, along with expensive outsourcing.

Maybe it is time that we talk honestly about government and define it by what it spends. We know in the area of state engineering services that SEA members are at least 18% more cost effective, so why continue to outsource? Please contact your representative and ask them why are we paying more and getting less. Ask that state engineering positions be filled. With a \$5.4 billion dollar deficit, state government must start acting cost-effectively.

**Respectfully,  
Tim Hanley  
2<sup>nd</sup> Vice President**

## Group fights fraudulent outsourcing in Katrina recovery

**It's** arguably bad whenever public works are contracted out to more expensive private consultants. In the case of the continuing recovery efforts in the aftermath of Hurricanes Katrina and Rita, there's special injury added to the insult. Eleven private contractors have, according to Congress, overcharged taxpayers and put Katrina survivors at risk in the three years since the disaster hit New Orleans and much of the Gulf Coast.

The good news: Public interest groups are doing something about it, campaigning to get consultants and contractors who have been overcharging or defrauding the government scratched from doing business with local governments. The Katrina Information Network (KIN) is pursuing its "just recovery" campaign – a grassroots corporate accountability effort with web tools that give everyone an opportunity to show their support for efficient use of public resources and their just application.

"Our goal is to give people around the country user friendly tools to demand that local and national politicians support and fund a fair and just recovery," said Dr. James White, chair of KIN's National Advisory Board. The campaign has already produced some results, including here in Wisconsin.

About a year ago, just before the second anniversary of Hurricane Katrina, Milwaukee County passed a resolution blocking lucrative contracts for corporations cited for Katrina- or Rita-related waste, fraud or mismanagement. As a result, construction giant CH2M Hill lost the ability to bid on nearly \$30 million dollars in previously held contracts.

Dr. White, a Milwaukee County supervisor, led the successful effort to pass the resolution, first of its kind. Atlantic City, N.J., and Erie, PA, have since followed. For more information check out KIN's web site at <http://www.katrinaaction.org>





## Retirement and Health Insurance Report

by Daniel J. Joyce and Bob Schaefer

SEA Retirement & Health Insurance Co-Representatives

### STATE OF WISCONSIN INVESTMENT BOARD MEETING – Jan. 14, 2009

Here are the items from the January 2009 SWIB meeting that I believe are of interest to membership. I can provide detailed information on any of these items to any member upon request.

- SWIB provided a press release, dated Jan. 9, 2009, on its website. The Core Fund ended the calendar year with a -26.2% return, and the Variable at -39.0%. These are preliminary figures. Based on these preliminary returns, ETF estimates that the Core Fund effective rate will range from 3 to 3.5%. The final effective rate will likely be announced in March. The press release can be found at [www.swib.state.wi.us](http://www.swib.state.wi.us). Click on “press releases” on the left margin of the page.
- Guidelines were provided for monitoring and evaluating the performance of external and internal funds managers.
- Executive Director Keith Bozarth gave a report. In 2008, SWIB took several measures to fully implement Act 212 (the “modernization” legislation that gives SWIB more flexibility in managing investments). The measures consisted primarily in adding new staff, establishing five new sector portfolios, changing SWIB’s investment guidelines, and migrating funds from external to internal management. Mr. Bozarth also provided an outline of a Core Fund Analysis that will be finalized at the February SWIB meeting.
- ISI charts were provided, which show that all developed economies, including the United States, are now in deep recession. Developing economies are also in recession. The only positive is that core inflation in the United States is falling back into the Fed’s comfort zone.
- A retrospective on 2008 investment initiatives was provided. These initiatives have been discussed in the past several newsletter articles and won’t be repeated here.
- A description of all the individual funds within SWIB’s portfolio was provided. The description includes date of inception, the fund manager’s name, whether the fund is internally or externally managed, and what the fund’s benchmark is.

#### States across US face pension trouble

Coast to coast, state governments are beginning to cut benefits for new employees, after a 14-month down-swing in which state pension funds lost a collective \$865 billion.

The Center for Retirement Research at Boston College said assets for 109 state funds declined 37 percent to \$1.46 trillion over the 14 months ended last Dec. 16.

Some states and local governments have written the Treasury Department seeking financial help in light of the losses and rising pension costs, Bloomberg News reported. Many state governments are themselves facing huge budget deficits.

The Boston College center did not specify which of the 218 US state funds it studied. State funds have enough money on hand to pay benefits for the foreseeable future, Alicia Munnell, the center’s director, told Bloomberg.



- SWIB's Chief Legal Counsel, Jane Hamblen, stated that the Attorney General's opinion on the authority granted SWIB by Act 212 was issued on Dec. 16. The opinion concludes that Act 212 confers upon SWIB the power to make investments that meet the standard of prudence under Wisconsin Statutes, even if those investments are not on the "legal list."
- A guest speaker, Joseph Scoby, global head of Alternative and Quantitative Investments, gave a presentation, ostensibly to explain what went wrong with the financial markets and how improved risk management can result in improved returns. The upshot of this presentation was a pitch to utilize hedge funds as a tool for reducing risk.

### **My Take on Hedge Funds**

Over the past year, SWIB has had several investment consultants extol the virtues of hedge funds. More recently, at a SWIB workshop in October, it was recommended that SWIB consider employing a consultant to review hedge fund alternatives.

This concerns me. A hedge fund is a pool of several private funds. Because they are private, such hedge funds are not regulated by the Securities and Exchange Commission. Hence there is no regulatory oversight. Very frequent short selling and market timing is how hedge funds make money. For the investor, there is little transparency in how the fund is managed.

If this raises some flags among members, it may be desirable for our incoming Insurance and Retirement Representative to meet with SWIB and discuss SEA concerns about hedge funds.

– Dan Joyce

## **WISCONSIN COALITION OF ANNUITANTS (WCOA) MEETING – Jan. 21, 2009**

The new President of WCOA, Jim Palmer, had the WCOA Board of Directors introduce themselves. A list of members will be provided as soon as it is revised and available.

Next, Daniel W. Schmidt was introduced as the new senior staff attorney for the Legislative Council for Joint Survey Retirement Systems. Mr. Schmidt is appointed to a few other committees but the legislative web site has not yet been updated. Additional information will be forthcoming. Mr. Schmidt is currently working on the Biannual Pension System Survey. He has had several inquiries from other states about the status of the report.

Mr. Schmidt was asked to provide lists of the legislative committee members. He indicated that the appointments have just been completed and that he will gladly provide the information.

Next, Keith Bozarth, executive director of SWIB, proceeded to provide a retrospective view of 2008. There was a small handout. Mr. Bozarth covered the following items:

- A "Bubble Cycle – Unprecedented Events in 2008"
  - Paradigm: Largest debt bubble ever
  - Fear: Largest de-leveraging ever
  - Capitulation: Risk and sentiment gauges reach new all-time highs
  - Despair: Multiple suicides
  - Lehman Brothers: Largest bankruptcy ever, other investment banks dissolve
  - Bernard Madoff scandal: Largest fraud ever
  - TARP et al: Largest rescue ever (TARP is the \$700 billion financial bailout enacted last fall)



- Losses: Largest wealth destruction ever – value of assets actually declined worldwide.

- There have been many “bear” markets. The Oct. 9, 2007 to Nov. 20, 2008 period is currently listed as third deepest behind 1932 and 1937. However, not all the numbers have been included at this time. There may yet be some additional corrections during the next few months.

1.

- Equity Returns – United States
  - S&P 500 -37.0%
  - Russell 1000 -37.6%
  - Russell 2000 -33.8%
- International
  - MSCI Developed (ex US) -43.6%
  - MSCI Emerging Markets - 53.3%
  -
- SWIB’s Investment Performance

<b>SWIB’s Investment Performance</b>			
	Calendar YTD	Five Years	Ten Years
Core Fund	-26.2%	2.6%	3.8%
Benchmark	-24.9%	2.7%	3.4%
Variable Fund	-39.0%	1.6%	0.4%
Benchmark	-39.0%	-1.2%	-0.2%

- Some bright spots for SWIB
  - Assets moved from external to internal management went from 79% external to 62% internal. That saved several million dollars.
  - Large cap internal equities exceeded benchmark by 2.8% or \$165 million EVA.
  - All active sector portfolios exceeded benchmarks.
  - Internal government/credit returned 6.2% vs. 5.7% for benchmark. There was a strong rally at the end of the year.
  - Avoided the so called “toxic” securities.
- Some low points for SWIB
  - Equity markets in general
  - Emerging markets – bonds (-27.3%) & equities (-53%)
  - International developed equities (-44.5%)
  - The real estate portion of the fund had a tough year but was still ahead in performance because of the past several years of exceptional earnings.
- Difficult to predict when turnaround will occur. Hopefully in 2009 but it could take longer.
  - Bear markets have been followed by Bull market recovery and usually, in one 5 day trading period have recovered as much as 30% of the previous loss. Tables of Bear Markets and Bull Market Recoveries were provided as part of the presentation.
- There were several questions posed by the directors.
  - Early on, the fund was primarily in bonds in order to avoid market fluctuation. During the 1970s to 1980s the fund began to move to more equities (about 60%) to provide a better retirement. However, there is greater risk doing that and



- SWIB is currently looking at the risk aspects. The name was changed from Fixed to Core to better reflect actual operations. Fixed carried a stigma of little or no investment gains; but also incorrectly implied that the fund could not lose.
- Volatility is a concern with the fund. Directors mentioned that there is a concern about Hedge Funds. Day trading and other recent stock market activities have added to the volatility of the market. The VIX is used by some to measure volatility.
    - From Wikipedia: “VIX is the [ticker symbol](#) for the Chicago Board Options Exchange Volatility Index, a popular measure of the [implied volatility](#) of [S&P 500](#) index [options](#). A high value corresponds to a more volatile market and therefore more costly options, which can be used to defray risk from volatility.<sup>[1]</sup> If investors see high risks of a change in prices, they require a greater premium to insure against such a change by selling options. Often referred to as the *fear index*, it represents one measure of the market's expectation of [volatility](#) over the next 30 day period.”
  - See Dan Joyce’s concerns regarding hedge funds in the SWIB minutes.
  - Mr. Bozarth reported that SWIB has been participating in a group called the Council of Institute Investors and that the group along with another will be discussing investment regulation because of some of the concerns brought about by the recent bear market.
  - The status of the Variable Fund has not been decided since it requires legislative approval. About 3,000 persons joined the Variable Fund last year.
  - One rule of thumb used is, Contributions + Income = Benefits + Expenses. Expenses tend to be a small part of the overall cost of operating the investment program. If contributions or income decrease for any reason, then benefits and expenses must also decrease.

The remainder of the meeting was focused on the changes to the by-laws of the Wisconsin Coalition of Annuitants. After several questions were asked, the committee that is working on the changes will provide another revision for consideration.

Lastly, the annual WCOA meeting will be scheduled for sometime in mid to late May. The actual day is being confirmed and more information will be provided in the next newsletter. All retired persons are members of WCOA. This year’s topics promise to be very interesting.

The next WCOA meeting is scheduled for Feb. 18, 2009.

– Bob Schaefer

**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](mailto:sea_wis@yahoo.com)



## January 10, 2009 Board Meeting Summary

Meeting held at La Quinta Inn & Suites, Madison

By Reiny Yahnke, Secretary

### **Attendance:**

**Executive Board:** Mark Klipstein – President, Leroy Stublaski – First Vice President, Tim Hanley – Second Vice President, Reiny Yahnke – Secretary, John Bolka - Treasurer

### **Board Members:**

Tom Peronto, Wisconsin Rapids President  
Larry Legro, State Agencies President  
Tony Allard, Green Bay President  
Carl Bujanowski, Central Office  
Jeremy Tomesh, La Crosse Section  
Carolynn Gellings, Southeast President

Dave Solberg, Eau Claire President  
Michael Wendt, Rhinelander President  
Brian Mattson, Superior President  
Jamie Grainger, Madison  
Steve Dunn, DNR Madison President

### **Specialists:**

Willie Haus, Attorney  
Dan Joyce, Health & Retirement

Sandy Henke, SEA Office  
Ron Legro, Communications Specialist

**Guest:** none

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### **Meeting Begins:**

Mark Klipstein called meeting to order at 8:38 am. Introductions were made.

### **Approvals:**

The December 13, 2009 Board Meeting minutes were reviewed. Leroy Stublaski moved to accept the minutes with changes. Tony Allard seconded. Motion carried. The Correspondence Report was reviewed. Mark Klipstein accepted the Correspondence Report.

**President's Minute:** Mark shared a thank you from Inger Doll. Completed demands forms should be sent to the SEA office. Reminded everyone about proper email and Internet use. Discussed the Wisconsin Society of Professional Engineers' Continuing Education Committee, which will formalize their recommendations in February.

### **Election and Legislative Report:** *By Tim Hanley*

State legislature opened Jan. 5 Democratic senators have made an open records request regarding contracting out. Senator Erpenbach's office contacted SEA regarding our lack of contract and will be sending a letter to Gov. Doyle on our behalf. Tim will follow up with Senator Erpenbach regarding the newly required building inspections. The insert for the SEA brochure needs to be updated.

### **Legal:** *By Willie Haus*

Discussed the possible organization of academic staff within the University System and the effect this will have on SEA. Larry Legro will be the contact person for SEA on this matter.

Discussed pros and cons of registering a lobbyist on behalf of the association.

**Bargaining:** *By Willie Haus*

A bargaining meeting has been scheduled for Jan. 30. Mark Klipstein appointed Jason Tucker the DFTF Chairperson for 2009-2011 contract. The tentative date for the DFTF meeting has been set for Feb. 14 at 8:30 in Stevens Point.

Motion by John Bolka to pay for expenses incurred by the DFTF meeting, second by Tim Hanley. Motion passed by voice vote.

Motion by John Bolka to purchase a laptop and printer, not to exceed \$1,500, for the DFTF chairperson. Second by Tim Hanley. Motion passed by voice note.

**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. Favorable decision reached on 1/5/09.
- 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) - DHA – Turndown Mileage Rage. Moved to Step 4  
A-479 (filed 11/25/08) – DOT NER – Demotion without just cause. Favorable decision reached on 1/6/09.  
A-481 (filed 12/28/08) – DOT NW – Employer failed to properly fill position. Moved to Step 3.

Discussed members having time sheets changed without their knowledge by management.

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

The ACT 89 report is in final edit. The January Newsletter deadline is Jan. 18. Forward any stories or pictures to Ron for the newsletters. Discussed SEA's position on the stimulus money and projects. Send calendar items such as section activities and meetings to Bob Spoerl for the website calendar. A press release and letters were sent to Gov. Doyle and Sec. Busalacchi regarding the anticipated stimulus projects. Business cards will be created for the President and 2<sup>nd</sup> Vice President.

**Health and Retirement Report:** *By Dan Joyce*

SWIB published the performance of the Core fund (-26%) and Variable fund (-39%). The Core fund beat the performance of the S&P 500 Index (-37%). The predicted reduction of the retirement annuities is approximately 2.5-3 percent. Dan reported by ETF budget request for the 2009-'11 biennium, which contains a increase of position requests. Dan Joyce indicated he would like to phase himself out of the Health and Retirement position over the next month.

Motion by Leroy Stublaski to appoint Bob Schaefer as Health and Retirement consultant. Seconded by Carl Bujanowski. Motion passed by voice vote.

**Section Reports:**

*Madison* — No Report

*Southeast* — The quarterly staff outreach meeting will be held on 1-13-09. A local board meeting will be held the Monday prior to and a local section meeting will held the evening of the 13<sup>th</sup>. The section has lost two members to death the past month.

*Green Bay* — Last October the Health and Safety Team solicited the Region for Floor Captains and Deputy Captains. After not getting any volunteers, NE Region management has appointed staff to perform these duties. They are responsible for assisting the Health and Safety Team as necessary. There seems to be an increasing number of consultant performance issues in the NE Region. The selection process seems to be a main component of this problem.

*Wisconsin Rapids* — A labor management meeting was held on 12/23/08. A local section meeting will be held on 1/20/09.

*La Crosse* – The office is soliciting participation on Entertainment Committee. SEA's position on this issue has not changed.



*Eau Claire* – The Annual Meeting date has been set for Nov. 7. Plans for the Annual Meeting continue to be worked on and finalized. A local section meeting was held on 12/18/08.

*Rhineland* – Interest and concern over bargaining and lack of contract.

*Madison* — Interest and concern over bargaining and lack of contract.

*Superior* — No report.

*Central Office/PSC* — Elections will be held on Jan. 13 for the positions of President and Vice President. A local section meeting will be held in early February.

*DNR* — Discussed the possibility of becoming a board appointed agency. Fleet vehicles numbers are being reduced in regional offices and are often difficult to schedule.

*State Agencies* — Discussed open records request regarding mileage reimbursement rate. Results of a nuclear event session/training with FEMA were discussed.

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

John moved to accept the December 2008 Membership Report. Leroy Stublaski seconded. Motion carried.

John moved to pay the \$50 dues for our Wisconsin Coalition of Retirement membership. Mike Wendt seconded. Motion carried.

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

M-49 => M64	\$2400.00
08-116 =>08-122	
08-124 => 08-127	
08-129, 131, 133, 135 & 136	<u>\$1865.09</u>
	\$4265.09

Motion by Tim Hanley for the Association to pay expenses for Larry Legro and Jason Tucker to attend the AFT Economic Summit meeting on Jan. 24. Second by Carolynn Gellings. Motion carried.

**New Business:**

Tentative upcoming board meetings: March 21, April 18, May 16, June 20, Aug 15, Sept 19, Nov 7, Dec 19

**Meeting adjourned at 2:27pm**

***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.



## PUZZLING PUZZLER: *Comic strip logic*

1. Devil is a wolf, not a dog.
2. The only animals Prince Valiant loves are dogs and horses.
3. An animal not loved by Prince Valiant is not from the planet Mongo.
4. The only animals the Phantom loves are Hero, his horse, and Devil.
5. The Phantom loves an animal from the planet Mongo.

Enlighten us, please, after studying the above statements and reaching your pet conclusion.

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

### **Last issue:**

You have received three gift boxes of fruit for the holidays. One box contains pears, one contains grapefruit, and one contains a mixture of both. Each box is labeled accordingly. However, due to a packing error, it becomes known that none of the boxes are labeled correctly. How do you accurately re-label the boxes if you are only allowed to remove and examine just one piece of fruit from just one of the boxes?

SOLUTION: Take a piece of fruit from the box marked "pears and grapefruit." Suppose the fruit you take is a pear. Then that box must be the box containing just pears. Therefore, the box marked "grapefruit" can't be the box containing just pears, and it can't be the box containing just grapefruit either -- so it must be the box containing pears and grapefruit. The remaining box is therefore the box containing just grapefruit.

If the fruit you take out is a grapefruit, the solution is derived in a similar fashion: the box marked "pears and grapefruit" is the box containing just grapefruit; the box marked "pears" is the box containing both pears and grapefruit; and the box marked "grapefruit" is the one containing just pears.

Congratulations to **Joel Alsum** of the DOT in Madison for being the first to provide the correct answer. Everyone else: Start eating more fruit.

