



From the President

Economic stimulus: with outsourcing, lay-offs?

President-Elect Obama is planning what is expected to be a huge federal outlay for infrastructure projects to help jump-start the ailing US economy. States were invited to submit their ideas for spending federal stimulus dollars on transportation and other public works projects that could be started quickly. Gov. Doyle sent the Obama staff a list including \$3.7 billion worth of Wisconsin projects.

While stimulus spending is in economics theory a sound idea to help regenerate the economy, we have to be careful that such monies aren't just thrown out there in a mad rush. After all, that's one of the problems that has evolved with the \$700 federal billion bail-out of financial sector firms: A rush job, with little ac-

countability, oversight, or follow-up.

Furthermore, Gov. Doyle sent in his huge project list even as he spoke of the need to take tough measures to balance the state's biennial budget. The measures getting kicked around in the halls of the Capitol include more program cuts and perhaps further staffing reductions. Indeed, the governor said that without the stimulus funds he is seeking, the state might have to cut another 10 percent of its staff – on top of a 10 percent cut already accomplished during his tenure.



Mark Klipstein

That's right: **One in five state worker positions.** Some stimulus!

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SEA VIEW SCHEMATIC

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Editor: Ron Legro



This is simply counterproductive and risky. First, the governor also has said that further staff cuts won't do much to trim state spending. Second, a multi-billion-dollar influx of sudden public works projects clearly would tax existing public staff charged with providing regulatory and managerial oversight – and many of those workers could well be SEA members.

Our Association and the public need to carefully watch how this proceeds, if we are to help protect the interests of all Wisconsin residents. Increased out-sourcing to private contractors may very well be inevitable under the stimulus funding, if only because the state can insist that it's already under-staffed and unable to do the job alone. And don't forget: These projects would be rushed into play to help the economy.

That suggests a need for even more oversight than usual, lest mistakes be made and the public safety threatened. Not to mention the old adage that haste makes waste. But there's no guarantee the state will practice even its usual oversight.

Sadly, the clues we have so far suggest that the state might be heading further down the wrong road. Quoted in the press, Gov. Doyle said Wisconsin's regulatory and approval process for construction projects might have to be “streamlined” if the federal government comes through with money to bolster the economy. Let's hope that's not code for short-stopping environmental reviews and foregoing other existing regulatory procedures.

CLUES SUGGEST THE STATE MIGHT BE HEADING FURTHER DOWN THE WRONG ROAD. GOV. DOYLE SAID WISCONSIN'S REGULATORY AND APPROVAL PROCESS FOR CONSTRUCTION PROJECTS MIGHT HAVE TO BE “STREAMLINED”

Contract update: Bargaining for the 2007-'09 contract may resume soon. Dates have been exchanged for the end of January. Attorney Willie Haus has been working on this the last few weeks and did not have much luck getting the Office of State Employee Relations back to the table. We also do not know if OSER actually will collectively bargain or if it will stand pat on its previous offers.

Meanwhile, it is already time to formulate our contract demands for the July 2009 to June 2011 contract. Although we still do not have an approved 2007-'09 contract, we must organize to be ready for the next session that will begin in July 2009. A meeting will be held in February for the Demands Formulation Committee to review demands received from December 2008 to January 2009. The group will form demands for use by the 2009-'11 SEA Bargaining Team.

See your SEA section president if you are interested in participating in the Demands Formulation meeting. Location and times will be announced in January. Please fill out the form that can be found at the SEA Internet site at <http://www.wisea.org>. A listing of various sections can be found at the site under the Contract Menu Selection.

The 2007-'09 Bargaining Team is making every effort to finish and have a contract ready by July 2009. If you do not know whether a past demand will be approved, please resubmit for the 2009-'11 demands. Any items approved in the 2007-'09 contract will not be used for the 2009-'11 contract demands.

If you are interested in being the Demands Formulation chairperson, or if you have questions about the position, please let me know. I will consider each individual, and appoint the chair at the January Board meeting.

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

Respectfully,
Mark Klipstein



Holiday cheer; then it's time to focus on busy 2009

Hello all,

Merry Christmas and Happy New Year to you all! I wish you all safe travels over the Holiday Season.

Legislative Update

By Tim Hanley
Second Vice President

Now that the national election is completed, there is much talk about stimulus packages for the economy and more federal spending. Our state has put forth a big list of projects for consideration.

As state engineers I think it is important that we make sure any stimulus money is spent in the interest of the taxpayers. Spending should be cost effective, necessary and meet the necessary engineering standards. The governor has talked about shortening the process and some regulation, but we need to be careful there. That is what Congress did with the banking industry and look where it left us.

The last thing the public wants is wasteful, unregulated government spending. What the public does want is someone looking out for them. That is what State Engineering Association members do for the public – we look out for them. This is why, contrary to what the governor wants to do with his hatchet, the public needs and wants an effective, sufficiently staffed state employee presence.

This is the message we need to all carry to the legislature and governor. How can we do this?

Over this holiday break if you happen to see one of your elected representatives, stop and talk with them about the need for a strong state employee presence to carry out the mission of state agencies and serve the public. SEA issued a Dec. 15 press release regarding the stimulus talks that could provide you with some talking points; see the SEA website for copies. You could also pen a short letter to your local newspaper and let them know the value state employees provide.

**THIS BARGAINING
UNIT HAS WORKED
500+ DAYS
WITHOUT A NEW
CONTRACT**



In January SEA will be making efforts to connect with some of the key legislative committee leaders, providing them information as they begin thinking about the next state budget. We will also be tracking the state budget process. If hearings are held around the state, as they have in the past, we will be calling on SEA sections to provide input.

We are also beginning the planning efforts for SEA Day (SEAD) 2009.

It is going to be a busy year, so get some rest over this holiday season.





YOUR WORK LIFE: AN OPEN BOOK

Part One: That does not compute

Hard-working state employees might be forgiven for sometimes feeling like they live at the office. But they won't be forgiven if they start taking the thought seriously.

Special report

Several recent incidents in which public employees got into trouble after using their government workplace computers for personal purposes emphasize the all-too-easy blurring of lines that lead to melding one's private and work lives. If you occasionally surf a news site or go hunting for yesterday's Dilbert cartoon while at the office, you might be safe from reprimand.

But shopping on line, grabbing entertainment videos and similar exploits arguably violate the state's limitations on personal use of state property, and may very well get you into trouble. A first offense could merely trigger a warning or – as has happened to more than one unfortunate worker – end your public career, depending on how severe the incident is perceived.

Moreover, you should assume your on-line activities are recorded by IT staff, meaning it's entirely possible your usage history one day could be made public under open records laws. Under those laws, your web browsing history, emails and documents you create for any purpose with any program are subject to possible disclosure.

In an era of public employee down-sizing and increasing workplace scrutiny, it may be wise not to take unnecessary chances. If you do need to bang out a sensitive personal email once in awhile, it's best to do it on break, via your own cell phone, a PDA or a "netbook" ultra-portable PC that belongs to you. Just remember that plugging any information device you own into the state's computer network brings you right back to the original problem. It's your computer, sure, but it's the state's network.

So before you start typing or surfing, ask yourself how you'd feel if one day you had to read your on line work in your local newspaper.

Part Two: Your privacy (somewhat) assured

Special language in labor agreements notwithstanding, Wisconsin public records laws do not automatically exempt all personnel records of state employees from disclosure to third parties, including news organizations, who request the records.

Personnel records are not automatically subject to release. Under 2003 amendments to the public records law, certain personnel information may not be released in response to a public records request. That includes records containing::





- * Home address, home e-mail address, home telephone number, or social security number, unless the employee has authorized access to the information;
- * Information relating to the current investigation of a possible criminal offense or employment misconduct prior to disposition of the investigation;
- * Information relating to an employee's employment examination, except the score; or
- * Information used by the employer for purposes of staff management planning, such as performance evaluations, judgments, recommendations concerning future salary adjustments or other wage treatments, promotions, job assignments, letters of reference, or other comments or ratings of employees.

As to other employment records, the custodian of employee records must weigh the public's interest in disclosure against the public's interest in nondisclosure, including the public's interest in individual privacy and reputation.

That still leaves room for lots of disclosure. State and local government salary information has increasingly attracted public scrutiny, for example.

Employee bargaining units including SEA have sought additional privacy standards for their members. However, news organizations and watch-dog groups are constantly pushing the envelope on what information is public or private, and they are sometimes willing to go to court to win a ruling favoring their more expansive view of the matter.

The new technologies and geopolitical realities mean our society increasingly is moving toward a high-surveillance posture. Your life more and more is an open book to employers, creditors, lenders and others. Many prospective employers now regularly run credit checks on job applicants. Depending on the work you do, you may also need to undergo drug testing or be finger-printed.

Short of moving to a distant commune and living off the grid, experts suggest we're likely to see more of all this, not less. One small comfort is that it is happening everywhere in society, public and private sectors alike. So be careful, and don't hesitate to tell your elected officials how you feel about laws that involve workplace privacy.



THE CASE OF THE CENSORED HOUR

It's happened to more than one state worker, and it happened recently to a SEA member. The employee was assigned to on-call duty one fall day, and later he of course claimed the hours on his time sheet.

But the state refused to pay him for one hour of the work. The reason? Those infernal machines, again.

You see, our compatriot put in his 24 hours of on-call duty on the annual day when daylight savings time begins. The clocks fell back an hour during his shift, so he ended up working on call for 25 actual, real hours.

Unfortunately, the state's computers simply don't accept that there can ever be more than 24 hours in a full day. And so our fellow member was docked that one extra hour that he really did have to work on call.

Happily, our colleague questioned the inability to charge 25 hours and a manual adjustment was made on his behalf.

No word on whether, when Daylight Savings Time ends in the spring, the state's payroll program thinks there are only 23 hours in a day.



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 – Dec. 17, 2008

Sari King of Employee Trust Funds (ETF) provided a Core Fund Dividend Projection. Here are the important highlights of her presentation:

- Dividends are based on year-to-date investment returns, but also include the 2004-'07 investment gains and losses that are carried forward in the “market recognition account” (MRA).
- Investment gains equal to the assumed rate of 7.8% are recognized. The difference between the actual gains or losses and the assumed rate is spread equally over five years. This is referred to as the “smoothing” feature of the MRA.
- 0.5% per year is reserved for mortality improvement and other actuarial adjustments and is not available for dividends.
- Dividends are paid if the annuity reserve surplus provides at least a 0.5% dividend. Conversely, annuities are reduced if the annuity reserve shortfall would require at least a 0.5% adjustment.
- By law, a core annuity cannot be reduced below the original value.

Sari King also provided an update on the videos available on the ETF website. There are now 25. ETF continues to update its website on a regular basis. Refer to it often.

Sari King stated that ETF will recommend to the Legislature that the variable fund be closed to new WRS participants, but those that are already in the variable may continue to contribute to it. This recommendation will require a statutory revision. The earliest that this could become effective would be Jan. 1, 2010.

Sandy Drew, State of Wisconsin Investment Board, provided a SWIB update. Most of what Sandy provided is already discussed in my notes from the Dec. 10, 2008, SWIB meeting below and will therefore not be repeated in this article. Here are two new items:

- The first round of nine new positions have been filled. The second round of 10.75 positions that have been approved are awaiting final Department of Administration approval. This is a good thing, because internal management of funds is less expensive than external management.
- Implementation of the Modernization Bill continues. This bill, discussed in previous newsletter articles, allows fund managers some limited authority to react quickly to changing market developments to control risk.



Sandy provided information in response to my inquiry on the cost of funds management (refer to my notes on the December 10, 2008 SWIB meeting):

1. The SWIB budget, approved by the Legislature, allows a funds management rate of 3.25 cents/\$100 assets. [This compares very favorably to the equity fund average expense ratio of \$1.30 /\$100.]
2. The CEM report (discussed in a previous newsletter article) shows that SWIB's management costs were slightly lower than management costs for peer large public pension funds.
3. Nevertheless, SWIB does recognize that internal fund management is less expensive than external management; and this was the impetus for creating the new positions (discussed above).

Sandy also responded to my inquiry as to whether SWIB contracts with Goldman Sachs or Morgan Stanley, which firms have been advising investors to purchase credit default swaps to, in effect, bet on Wisconsin defaulting on debts. Although SWIB does use these two firms, Sandy stated that SWIB has never been in the market for tax-free bonds and therefore does not purchase state bonds.

Lastly, Sandy reiterated that SWIB stands ready to meet with the various organizations (such as SEA).

– Dan Joyce

Notes from Dec. 11-12, 2008, ETF Retirement Board meeting

SWIB Under Increased Scrutiny

Since the plummeting market value of SWIB's investments has become a major news item, WRS participants (primarily annuitants) have been contacting SWIB and are asking some hard questions. Here is just a small sampling:

- Who performs audits of SWIB trading and how often is this done? Can the public access these audits? If not, why not?
- Regarding SWIB governance, who audits the behavior of fund managers such that double-dealing and conflicts of interest are eliminated from trading decisions?
- Can SWIB liquidate positions on short notice to avoid catastrophic losses? If not, why not, since this is multi-billion dollar risk?
- Does the board contract with Goldman Sachs or Morgan Stanley? These firms have been advising investors to purchase credit default swaps to bet against 11 states' debts, including Wisconsin. Click on the link for the story: <http://www.jsonline.com/business/35544199.html>
- What are the expense ratios for the individual funds? What are the appropriate benchmarks for these ratios? [Refer to my Dec. 10 SWIB meeting report in this newsletter for more details.]

Letters to ETF and Legislators

A number of annuitants have written to their legislators and ETF expressing concern over the impending negative dividend that will be reflected on their monthly annuity checks effective in May 2009. Not surprisingly, these are retirees that are heavily invested in the variable fund, which has performed much more poorly than the core fund. Also not surprisingly, there was a similar outpouring of grief and dismay during the 1991 recession. The Wisconsin Legislature reacted then by putting a freeze on the variable fund participation. When the economy turned around, the Legislature opened up the variable again.



Actuarial Update on Projected Contribution Rates

It now appears as though 2009 will have an increase in the contribution rate. This is the percentage of gross salary that the employer (DNR, DOT, Dept. of Commerce, etc.) must pay in order for the WRS to remain self-funded. If there are no offsetting gains, the projected contribution rate for 2009 will be 11.7 %, up from the current 10.9%. Furthermore, contribution rates are projected to increase significantly for each of the next five years. Even at the new rate, Wisconsin is below the median for its peer public pension systems.

SWIB Executive Director Keith Bozarth Provided His Retirement Board Update

Here are some of the prominent items:

- At end of 2007, over \$4.7 billion in investment gains were recognized for future years; in contrast, for 2008 there will be at least \$19.8 billion in investment losses to be recognized for future years.
- Investment gains (or losses) exceeding (or dropping below) the assumed 7.8% actuarial rate, are spread equally over five years. [This, of course, refers to the core fund; there is no “smoothing for the variable.”]
- Based on the Nov. 30 return, there will be a -2.9% dividend for annuitants [Again, this refers to the core fund. Annuitants invested in the variable will get larger negative dividends.]
- If the year-end rate of return dropped to -40%, the dividend would be -5.3%.
- Market values have declined by 30% or more, year to date, for many public pension systems.

SWIB Investment Performance, as of Nov. 30, 2008

	Calendar YTD	Five Years	Ten Years
Core Fund	-28.3%	2.8%	3.7%
Core Benchmark	-27.3%	2.8%	3.4%
Variable Fund	-40.9%	-1.3%	0.6%
Var. Benchmark	-40.7%	-0.8%	0.0%

Communications Update/Matt Stohr, ETF

ETF has been adding new information to its website on a weekly basis as a result of inquiries from WRS actives contemplating retirement. [Some site pages that I considered to be particularly helpful are the brochure *Non-Annuitants – Thinking About Canceling Variable Participation?*, and the video *Calculating Core Effective Rates*. ETF has also added, and continues to add, more questions and answers to its FAQ site.]

Variable Fund Participant Education & Options for Phase out of Fund/Sari King

This was a description of the various options that ETF is considering for phasing out the variable. Since this discussion was of a very preliminary nature, I’ll not provide details at this time, unless requested.

– Dan Joyce

STATE OF WISCONSIN INVESTMENT BOARD MEETING – Dec. 10, 2008

SWIB Performance

As of Oct. 31, 2008, the market value of the core trust fund was \$58.2 billion; the market value of the variable trust fund was \$4.2 billion.

SWIB continues to move in the direction of more internal asset management. As of 12/31/07, 21% of assets were internally managed. As of 10/31/08, 28% are internally managed.



Here is a summary of returns (%) over increasing time spans, with benchmarks in parentheses:

	Calendar YTD Thru 10/31/08	One Year Thru 10/31/08	Three Years Thru 10/31/08	Five Years Thru 10/31/08	Ten Years Thru 10/31/08
Core	-26.2 (-25.1)	-28.5 (-26.9)	-1.1 (-0.7)	3.7 (3.7)	4.4 (4.0)
Variable	-36.1(-36.2)	-39.7 (-39.5)	-6.0 (-5.5)	0.6 (1.0)	1.9 (1.2)

A description of the various SWIB portfolios and their respective benchmarks was provided [I can provide this information to anyone having an interest].

ISI charts were provided and, once again, paint a dismal outlook on the global economy. The US has been in a recession since last December. Developed economies outside of the US are now deep into a recession. China’s growth is now rapidly decelerating. The ISI forecast shows negative GDP through the second quarter of ’09. It provided a gloomy outlook, with anemic growth (GDP) projected through the first quarter of 2010.

Legal Report

Jane Hamblin, chief legal counsel, reported that SWIB received \$43,047 in November in distributions from securities fraud class action settlements.

Quarterly Report to Joint Committee on Finance

SWIB Executive Director Keith Bozarth provided a copy of a quarterly report to the Joint Committee on Finance, a report required under state statutes. The report lists all expenses that were charged to SWIB-managed funds. The report includes expenses incurred during the quarter ending Sept. 30, 2008.

Total quarterly charges to funds were \$52,204,817. This appears to be a very large number. What surprises me is that management fees make up most of the total quarterly charges. Here is an example. The Boston Company charged a management fee of \$1,765,874 **for the quarter** for the Equity Emerging Market fund. Another example: Barclays Global Investors charges a **quarterly** management fee of \$4,664,579 for the Qualitative/Enhanced & Index Fund.

I will ask Keith Bozarth to provide a breakdown of management fees as a percentage of market value for each fund.

2009 Asset Allocation Rebalancing Recommendations

Since the late 1980s, SWIB has conducted annual asset allocation exercises leading to policy and funding recommendations at the beginning of each year. Based on the latest modeling results, the SWIB Investment Committee, in concert with a consultant, is recommending the Core Fund reduce the current US equity target by 3% and the fixed income by 1%, transferring 1% each to private equity and real estate, and 2% to multi-asset strategies. These recommendations will be made to the Trust Fund Board. As for the Variable Fund, it is recommended that the 70% / 30%, US / non-US equities mixture be maintained.

Investment Guidelines Changes

A draft of the proposed revisions to the Investment Policy, Objectives, and Guidelines was presented. SWIB will request approval by the Trustees. I can provide a copy of the revisions upon request.

Executive Director’s Report [Just two items that I consider of interest to SEA included here. Full report available upon request.]

- SWIB is now posting preliminary returns on their web site due to the high interest level.
- Informal discussions are in progress with a number of other public pension systems concerning regulatory and corporate governance legislation that will likely be debated in the next Congress.



-- Dan Joyce

STATE OF WISCONSIN INVESTMENT BOARD MEETING – Nov. 12-13, 2008

SWIB Performance

	Aug. 31, 2008	Sept. 30, 2008*	Oct. 31, 2008**	Nov. 30, 2008***
Core Fund:	-7.4%	-15.1%*	-26.2%	-28.3%
Variable Fund:	-9.4%	-21.5%*	-36.1%	-40.9%
Core Fund:	73.739B	67.288B*	58.178B	56.956B
Variable Fund:	5.874B	5.205B*	4.230B	4.027B
Total:	79.613B	72.493B*	62.408B	60.983B

*corrected

** revised values, refer to Dec. 10th SWIB meeting notes for final values

*** preliminary

The Investment Board is not making any changes in its long term investment strategy. The board has listed all the market peaks between August 1929 and August 2000, and all low market points between June 1932 and September 2002; and the recovery dates to the period high between December 1944 and March 2006.

SWIB will also maintain its asset allocation targets for the Core Fund for 2008 as follows:

- Fixed income 30% of assets
- Domestic stocks 32%
- International stocks 26%
- Real Estate 5%
- Private Equity/Private Debt 5%
- Multi Asset 2%

Total: 100%

Chief Legal Counsel Jane Hamblin reported the class action payments received for September and October, which were \$171,830.

The meeting on Nov. 13 with Keith Bozarth and Dave Stella was to inform participants of the WRS performance of the Core and Variable Funds as of Oct. 31, 2008 and to provide what ETF has estimated the projected returns may be at the end of 2008.

Dave Stella made varying projections for 2008: effective rates for active employees and varying dividend rates for annuitants based on estimates of market returns (varying from -16% up to -30% in the Core Fund). Note the chart below:



POTENTIAL CORE FUND RETURNS AND RANGE OF PROJECTED ANNUITY ADJUSTMENTS

Possible 2008 SWIB Investment Returns	Approximate Core Fund Effective Rate	Approximate Core Fund Annuity Adjustments
-16 to -20%	5.5 to 4.5%	-0.5 to -1.5%
-21 to -25%	4.5 to 3.5%	-1.5 to -2.5%
-26 to -30%	3.5 to 2.5%	-2.5 to -3.5%

Keith Bozarth’s handout dated Nov. 4, 2008 provided the history of stock market recoveries and why SWIB has a long term strategy for investments.

History of Stock Market Recoveries

Low Point	Date recovery back to previous high	Number of yrs. & months	% Recovery to Previous High
June 1932	Dec. 1944	11 ½ yrs.	197.1%
May 1947	Dec. 1949	1 ½ yrs.	15.2%
Dec. 1957	July 1958	7 months	13.1%
June 1962	April 1963	10 months	17.1%
Sept. 1966	March 1967	6 months	17.0%
June 1970	Dec. 1971	1 ½ yrs.	33.4%
Sept. 1974	Dec. 1976	2 ¼ yrs.	48.9%
July 1982	Oct. 1982	3 months	22.0%
Nov. 1987	April 1989	1 ½ yrs.	23.0%
Oct. 1990	Feb. 1991	4 months	19.9%
Sept. 2002	March 2006	3 ½ yrs.	41.3%

SWIB’s current high point: \$91.473 billion (October 2007). We haven’t reached our low point yet.

Long Term View of S&P index investments from 1988 through 2007 with the following results:

- \$1,000 continually invested for 20 years would equal \$9,000.
- \$1,000 minus 10 best days returns during 20 yrs. equals \$6,000.
- \$1,000 minus 20 best days returns during 20 yrs. equals \$4,100.
- \$1,000 minus 30 best days returns during 20 yrs. equals \$3,000.
- \$1,000 minus 40 best days returns during 20 yrs. equals \$2,200.

Based on the above chart, Bozarth believes we can’t afford not to stay in the markets for the duration because of the value gained in only two or three high market return days with no way to predict those days.

– Melvin B. Sensenbrenner



GROUP INSURANCE BOARD MEETING – Nov. 11, 2008

The Group Insurance Board Meeting was very short with little discussion.

One item discussed by Legal Counsel Bob Weber was the Surviving Insured Dependent Rule. Coverage could be recovered if the student were out of school for health reasons and returned as a full time student again.

The revised rule wording approved by the Group Insurance Board has been drafted and submitted for legislative approval.

Also, the Group Insurance Board did not approve the plan for payroll deductions for legal services provided by Gateway Ventures, Inc. because it does not meet the Board's loss ratio requirement.

– Melvin B. Sensenbrenner

ETF ANNUITANT ROUND TABLE MEETING – Nov. 4, 2008

John Kranz reported on the ETF budget request, which includes documentation of Ennis Knupp & Assoc. Governance Study provided to the ETF Board in June 2008. It recommends clarification of statutory ambiguities regarding ETF Board and Department authority to contract for goods and services.

ETF has a desire to increase service levels of participants to at least the median of peer public pension systems.

ETF cannot provide adequate service to increasing retirements in the baby-boom generation because of the strangle-hold on ETF department budget and staffing, causing the department to miss service goals.

ETF is also requesting a capital budget to obtain a new headquarters facility because it has outgrown the capacity of the current facility.

Keith Bozarth and Dave Stella reported on the investment markets and what they might mean for the WRS. The actual data will be presented in other SEA View articles in this issue.

Dave Stella mentioned that the ETF Retirement Board will be discussing whether the Variable Fund should be continued or not.

Sari King presented updates on the following:

- . Benefit payment system
- . Workload statistics
- . Video library
- . Call Center Hours (reduced)
- . Your original annuity payment by direct deposit.

The next Round Table meeting is scheduled for February 24, 2009.

– Melvin B. Sensenbrenner



December 13, 2008 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
Sandy Anderson, Central Office President
Jeremy Tomesh, La Crosse Section

Kathleen Currie, Eau Claire Vice President
Michael Wendt, Rhinelander President
Brian Mattson, Superior President
Jamie Grainger, Madison
Bob Schaefer, DNR Madison President

Specialists:

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

Sandy Henke, SEA Office
Ron Legro, Communications Specialist

Guests: none

Meeting Begins:

Mark Klipstein called meeting to order at 8:40 am. Introductions were made.

Approvals:

The October 11, 2008 Board Meeting minutes were reviewed. Schaefer moved to accept the minutes. Anderson seconded. Motion carried. The Correspondence Report was reviewed. Mark Klipstein accepted the Correspondence Report.

President's Minute: Mark acknowledged the retirements of Bob Schaefer and Sandy Anderson from State Service and Inger and Mel from their positions with SEA. Their service and dedication to the Association is truly appreciated. Mark noted the mileage reimbursement in January will be 0.55 cents per mile. The Association has received the requested contracting report from OSER. Discussed the PE employment requirement for CE-Adv WisDOT engineers and continuing education requirements for PEs. Mark is soliciting comments from members on the continuing education language drafted by the Wisconsin Society of Professional Engineers.

Election and Legislative Report: *By Tim Hanley*

Tim presented a schedule, topics list, and attendance goal for SEAD planning.

Bargaining: *By Willie Haus*

Mark appointed George Michelson to the position of compensation chair. Willie reported on the status of bargaining and anticipates a bargaining meeting after the holidays. The bargaining team will remain the same for the remainder of negotiations for the 07-09 contract. Interest in the DFTF Chairperson position for the 2009-2011 is being solicited. The demands form will be updated on the SEA website for Section Presidents to forward to members.

**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) - DHA – Turndown Mileage Rage. Moved to Step 4
A-479 (filed 11/25/08) – DOT NER – Demotion without just cause. Moved to Step 3.
A-480 (filed 11/10/08) – UW Madison – Denied use of PDT. Filed at Step 1. Favorable decision on 11/24/08

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

A news release regarding the anticipated Federal Stimulus money is being drafted. The December newsletter articles need to be submitted by December 20th. An update on the ACT 89 report was presented.

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

Changes to health care coverage for secondary education students are being developed to allow continuation of coverage if a break in enrollment is due to health issues. Retirement fund losses continued through November. Newsletter article will further describe SWIB's long-term investment strategy. Dan discussed the excessive management fees SWIB is paying. The retirement fund contribution rates are likely to increase the next several years. ETF predicts an increase of 10.9% to 11.7% for 2009.

Section Reports:

Madison — No Report

Southeast — SEA members wore black and did not participate in Snack Day held on Dec. 3. Preliminary design for the Zoo Interchange project will be 100% performed by private consultants.

Green Bay — Deputy Secretary Ruben Anthony visited the region along with Kevin Chesnik and Paul Trombino on 12-10-2008. 12 of the 13 represented attendees were from SEA. Bargaining is a top concern with a close second being consultants need to share in pain of the economy. AON Risk Services document raised some concerns with safety issue on the upcoming USH 41 majors project (also on IH 94 corridor). The Green Bay office recently interviewed 22 civil engineers for seven openings in the PDS section. No offers are being allowed at this time due to the budget concerns.

Wisconsin Rapids — Local section elections were recently held. Members are actively wearing their "Attack Waste" t-shirts. Maintenance employees are being required to keep a daily itinerary.

La Crosse — Member was denied the opportunity to interview for a transfer to Eau Claire. A report of no standby-pay will be investigated.

Eau Claire — A holiday party/section meeting is being planned for December 18th. Continuing to plan the annual meeting which will be held at the Metropolis in Eau Claire.

Rhineland — Maintenance personnel are being forced to work five 8hr days.

Superior — Bargaining remains an interest and concern with members.

Central Office/PSC — Sandy's retirement will create a vacancy for local section president.

DNR — Steve Dunn will be the new section president pending Bob's retirement. DNR is experiencing a large wave of pending retirements.

State Agencies — Member recently left state employment for a position within FDA because of the current work conditions. Transfer openings are not being posted on WISCRS.

Financial & Membership Reports: *By John Bolka*

John moved to accept the September, October, and November 2008 Membership Report. Schaefer seconded. Motion carried.



John moved to accept the September, October, and November 2008 Treasurers' Report. Sandy Anderson seconded. Motion carried.

John moved to accept the 2009 Proposed Budget with changes. Tony Allard seconded. Motion carried.

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

M-36=> M-50	\$2250.00
08-98 => 08-111 & 08-113	<u>\$2173.45</u>
	\$4423.45

John submitted voucher 08-112 for \$4.87 and moved for approval to pay it. Tim Hanley seconded. Motion carried.

John submitted voucher 08-114 for \$87.75 and moved for approval to pay it. Bob Schaefer seconded. Motion carried.

New Business:

Tony Allard presented a graph on wage history within the Green Bay office. He is planning to share with newer employees.

Tentative date for the 2009 annual meeting is November 7th.

Meeting adjourned at 3:15pm



PUZZLING PUZZLER: *Fruitful endeavors*

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?

Email your answer to our contest address: 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: What number comes next in this sequence? 3 6 24 192 3072 98304
Provide the number, and a math proof demonstrating why it must be the next one in the series.

Solution: 6291456

Here's how the sequence unfolds:



$$3 \times 2 = 6$$

$$6 \times 4 = 24$$

$$24 \times 8 = 192$$

$$192 \times 16 = 3072$$

$$3072 \times 32 = 98304$$

$$98304 \times 64 = 6291456$$

Congratulations to Gerard Baier at DOT for being the first to provide the correct answer.

It's evident SEA is jam-packed with mathematical expertise. Many of you came up with the right answer. A number of you provided the answer sooner than Gerard, but either neglected to provide the required math proof or otherwise were ruled ineligible. Here at Puzzling Puzzler we are nothing if not fair and honest, as Alex Trebek can attest. Also, we provide healthy excitement, as entrant Weiping Wu at DATCP acknowledged: "I enjoyed this which makes me young again!" By the way, in a series of animated messages Weiping also provided the most sophisticated and accurate mathematical proof of the answer, so he is this month's honorary runner-up. Happy to oblige.

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

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.

