

TRANSPORTATION EMPLOYEES ASSOCIATION OF MISSOURI
First Quarter
August 13, 2010

In attendance:

Archie Daily-State President
Gaila Campbell-State Secretary

Dave Taylor- State Treasure
Duke Wrisinger-State Retiree Representative

Chapter 1	1 Member	Chapter 2	2 Members
Chapter 3	Not represented	Chapter 4	Not represented
Chapter 5	3 Members	Chapter 6	Not represented
Chapter 7	1 Member	Chapter 8	2 Members
Chapter 9	1 Member	Chapter 10	2 Members
Retiree	1 Member	Guests	3

Meeting called to order by President Archie Daily 9:00 a.m. Archie welcomed everyone, and each individual introduced themselves, and the Chapter they represent.

Secretary's Report: Copies of the minutes were submitted for approval.

Treasurer's Report: Copies of the treasurer's report were submitted for approval. A motion was made, seconded and carried. Each Chapter submits a financial statement, and furnish a copy of their bank statement to the treasurer.

Chapter Reports:

Chapter 1: 198 members, \$2800.00 in Savings, and \$1732.00 in checking, \$23,000.00 in Needy Family Fund. We cooked for the "Take your kids to work" and raised \$300.00 for the Needy Family Fund. We are working with several families with health issues.

Chapter 2: We were saddened to here that Eldon Jones has been ill, and we send our best wishes during his recovery.

Chapter 3: Not present

Chapter 4: 1 Member

Chapter 5: Not present

Chapter 6: 2 members 104 members, \$266.00 in credit. Elections were held and Nicole Krieger was elected President, and Wendy Brooks is the treasurer.

Chapter 7: 332 members, \$2990.00in checking, \$1005.68 in Credit Union. and 3 retirements.

Chapter 8: 376 members, 2 retirees, \$10832.00in checking. Our Chapter helped Kris Sandgren with \$500.00 for his ride for the Fallen Worker Memorial.

Chapter 9: 1 Present, 224 members

Chapter 10: 2 present, 262 members, and \$6741.00 in checking. New officers election.

Legislative Report: Lobbyist Harry Hill was present to bring us information from the capitol. Retirement issues are still the big issue at the present, and the discussion of the Fallen Worker Memorial. The head of the Division of the Office of Administration Facilities Management, Jeff Schaffercotter, who Harry has been working with to on the Fallen Worker Memorial has been moved. The Capitol Commission has two meetings a year, in October or November, and we hope to be on the agenda then to receive information for the location, and design for the memorial. Harry introduces Kris Sandgren, and speaks about an article that was on the front page of the Jefferson City News Tribune. The article gave details about the Fallen Worker Memorial ride that Kris made, and Kris's dedication helped bring creditably to the memorial. Kris's helped the Memorial receive published articles, and network news coverage. Kris told about some of his adventures on the ride, which we enjoyed hearing about.

The Legislative agenda which is in two parts that affect retirement are the defined contribution or defined benefits. In January 2011 the benefits change for new hires. The retirement system will be a contributory system, 4 % of salary with 10 year vesting rather than the 5 year vesting like it is now. The changes are not a employee friendly system. During regular session we helped head off for a period of time, but Senate passed the changes and although the House Committee resisted. Harry worked a lot with the Retirement Committee chairman. The retirement system has been put together over the years, and the decisions that were made abruptly, and were decisions made to fast, but the session ended without coming to a vote. We were optimistic the we would be able to work on changes to the system before it came to a vote, but the Governor called a special session, and when there is a special session the rules change. The Governor and one senator wanted the changes, , the House resisted. The House had a much more employee friendly proposal. The House had a employee retirement incentive plan, which could be as much as \$1000.00 per year of service if you retired in during the 60-90 day window of this year. The idea was to get people who were eligible to retire as they were more expensive employees, higher payroll, to reduce the costs. There is one condition that MoDot would have to vote to be in that because when they had this type of retirement before it was the Commission who ultimately had to decide rather than legislators, because of the independent status. That part was in the House version, as was a 10 year vesting, but both items fell beside the wayside, because they went back to the Senate version. It looked like for a while it was going to be a stalemate between the House and the Senate, but the Governor pushed and the changes were made. Harry was hoping there would be an additional year to work on the plan. The new retirement plan will make it harder to attract qualified employees to MoDot. The main thing we must remember the system is in trouble, and retirement plans all over the country are also struggling. Mosher is making major contributions to their retirement fund as well. Mpers, and MoDot next year employer contribution is 40% compared to 14% to Mosher's. The 40 % translates to 167 million dollars that would be from road funds that would be in the retirement system. It is difficult to argue against when the system needs to be changed. It was a tough choice, but when it comes to people making the laws we have to do something different. MoDot needs more money to build roads, and repair roads. There are always conversations about raising gas tax to get more money, but if the voters know MoDot is paying \$167 million to prop up a retirement system, the gas tax increase would be difficult to pass. There was another proposal for the General Assembly last year in the past session to reduce 2 holidays, but we had a hand in helping stall that benefit that would have been taken away, but the decision was never brought to a vote. The Senate had pushed the decisions made, but the House has resisted, we have had a lot of help but due to the term limits there's

going to be changes in the House. Retirement Systems were designed to be initially supported in large part by investments, but the investments haven't been returning for several years due to the economy. There is no specifically to blame it is just the state of the economy, and it may not get any better for awhile. Existing workers have been protected, but new hires will have to pay more.

Questions: Do you see changes coming back to change our the existing retirement? No, attorneys have researched this previous case law, this benefit is a contract with exiting employees, and it can not be done. There are legislators who would like to do that, but I don't think they can, existing case law has said they can not. I think it is something to be concerned about, but I don't think it will happen.

I have heard that MoDot payroll for employees is 10%below private industry, and prevailing wages, and our retirement is a 4% raise? Senator Crowell says if you consider the benefits that we are competitive with both. I have not heard anything about that 10% below private industry standards, but is something to watch for. I know that pay raises are a difficult item to talk about, as there has not been any for a long time. We went all out in 2008 to raise deferred compensation contribution, and we got it. It was a major hurdle, and T.E.A.M. was largely responsible for getting it passed, but we lost it. We not only lost the \$10.00 raise we got, but we lost the \$25.00 existing, and resulted in the loss of the total \$35.00. Working with the legislators is a challenge due to our money situation.

Is there no chance in the near future in getting our deferred compensation back? I think it will come back, but mentioned in a version of the retirement system this year that new employees will be automatically enrolled in the Deferred Comp program in order to get more people to participate. In order not to take the Deferred Comp. Plan, new hires would have to opt out, but this makes me think they want to go back to the program when times improve, but I do not think that it will be this year. At the present time there is no money for the plan.

What about changing the multiplier on our retirement? I have not heard anything, there was some talk about it. We had a hand in changing the multiplier some years ago . In 1994 we changed the multiplier from 1.5 to 1.67. **Duke Wrisinger** responded that we got it one year and the county commissions tagged retirement onto the plan, and Gov. Carnahan promised a veto session. Duke was the only MoDot employee there, and Gov. Carnahan would sign it the next year as long as nobody tagged on additional agenda, and the next year we finally got the 1.6 %.

Harry: I think there will be changes in the new retirement law, and it will be gradual. We worked and got a number of changes to the old plan, but it is a gradual process how the plans works, or does not work, and changes will be made. At present if you ask legislators, they will say no, but changes made and do evolve, and improve.

When is the next Legislative session, and as the Association what are our issues? Next session will begin in January 2011, the first Wednesday, after the first Monday. Our issues will be determined, and we will get together in December to discuss our agenda.

Harry commented when Special Session is called they are limited on the issues that can be brought up, and this year the Ford Motor subsidy, and our retirement issues, were the issues. By law you are not allowed to take up anything else.

President Archie Daily: T.E.A.M. was very involved with the Credit Union changes, and the move from the MoDot buildings. The CU employees are no longer MoDot employees, as in the past. The CU was to be out by October 2010, but on Transportation Days we visited with Senators, and Representatives and got the move postponed until December 2012. We encourage

MoDot employees to log in to our website and stay informed on their benefits, and the status of upcoming agenda, and events. We have a voice in the decisions that are being made. We are authorized to use MoDot computers before work, at lunch, or after work to see what is going on. Ask questions, the phone number for T.E.A.M. President is on the website.

**Guest Speakers: Susie Dahl Executive Director of Mpers
Sue Cox Vice Chair for Retirement Board**

Susie Dahl: The topics to be discussed are the changes in the direction of retirement, and discuss the results of session. The retirement board expressed the commission set down, and talk, and get the committee to come to a consensus that the things that were going forward might need to be changed to make the retirement plan more sustainable. The new changes were put through in a hurry. Susie is an employee advocate, and she cares about our retirement, and the benefits that are provided. The benefits the retirement system provide are very important to our members, and to cut this system without a lot of thought, and planning is worrisome. Our retirement plan is 47% funded, and that is not where we need or want to be. There were changes that needed to be done, but there was not a lot of conversation, and dialog before these changes were made. The benefits we have impact so many lives, if it were not for the benefits we provide, a lot of our people would not have a secure retirement, and they would be living on Social Security. I don't know if the right decision were made, but someone put a bill out, and the changes were made.

We are a defined benefit, and that means the benefit you will receive after you work a certain amount of years is defined. The three highest years of pay times the multiplier, depending on the plan you are in, is 1.7 times years of credit so the benefits you receive are defined by state statutes. Since 1976 we have been a non-contributory benefit plan. In 1955 when the plan was created we were contributory, and employees did contribute. The employee put in 4%, and the employer put in 4%, and we remained on the contributory system until 1976. In 1976 we went four years without a state pay raise, and legislators did not think they could give a state pay raise, but they passed a law to take away the employee contribution. They made us not contribute, and we gave back the 41 million dollars in contribution in the early 1980's. In 2011 we go back to being a non for new employee. "Change is inevitable, except from a vending machine!"

The new age eligibility will be 67 years of age with 10 years service. In 1955 when the plan was started it was 65 years of age. I discussed with Senator Crowell the physically demanding jobs our people have, and I don't know if our people will be able to work until they are 67. We have returned to the 1955 plan with longer vesting, longer eligibility, and employees contribution, for the exception the multiplier is high than in 1955. There is talk that there will be plans next year for defined contribution, and the 457 is an example of the defined benefit plan. The Brokers of the world have an interest in the defined contribution plan, because they sell retail product. A lot of the brokers want the plan to go their direction because the fees on the contribution side is much higher, and people make more money on the defined contribution side. There is a big push all over the country to get people across the country on the defined contribution side, not just with MoDot. Retirement directors from all 50 states are battling defined contribution. Susie suggest the T.E.A.M. help fight off these defined contribution plans. In Susie's opinion, not the board, is that we take care of retirement security of non contributory to contributory plans. If you have any prior state service you don't go into the new plan. Example: a person worked as a seasonal 5 years ago, and now they are hired into a full time position, they would not go into the new plan, and have to contribute. The only ones that go into the new plan is new hires that have no prior service. The new plan is service plus age, to equal 90 years with a minimum age of 55 to retire. The present plan is 80 and out. People who come in mid career will have to work longer. The new hires will have an individual account with the new plan, and at the end of the year they are credited with interest earned, on the old plan you do not have an individual account. If the new

employee leaves before they vest (10 Yrs.) the employee get their contribution back with 4% interest. The 4% interest comes from the employer contribution, we get money from the employers which come in the form of a employer contribution fund, investments, and earnings on investments. Our actuary is based at thirty years out so there will be money available for retirement. When the new plan was drafted the costs of the benefits went down.

Sue Cox: Vice Chair for Retirement Board

Our focus as employees should be to sustain, and not try to get new things. Become actively involved in the medical insurance issues. Do not wait for people to come to the website, and read what we do, we have to be active, and assertive on issues. Medical insurance, and retirement go hand and hand. Our medical insurance is overseen differently that our retirement. Retirement benefits are in the laws, we have a retirement board that has people and employees who have a say in it. Our medical insurance is not in a law, and our Commission, and MoDot management are involved. MoDot employees were selected for a Focus group, and the people that were chosen to go to these Focus groups and some didn't even know what a co-payment is. The Focus group needed to be selected differently for better understanding of the issues being decided. We must actively participate in this type of selection if employees are not informed about the issues and they are making decisions for us.

Sue stresses the importance of holding the Retirement board accountable, and should be held accountable like the medical board. One of our members voiced concerns about people who want to retire, but do not know if they will be able to afford our medical insurance.

Just a reminder that there is a difference in what the Legislature can do. We can take issues to the Commission, who then take the issues to the legislature.

There are two openings on the Retirement Board. House Representative Charlie Schlotach, and Senator John Greishmier are termed limited, and their term is over at the end of the calendar year. There will be two new candidates appointed to the board, and that is a great example of passive vs. active. Sue says we should be active about who should be on the board. Contact Sue for your input, or Archie, and write letters. People who are respected, and a candidate that are concerned about our needs, and people who understand they are responsible to us as they are sitting on the board, and overseeing our benefits.

November 6, after the election we will start our agenda. With the turn over in the election we have a good opportunity to help the candidates learn what our issues are, the sooner the better. We need to find out the people in our area that we can talk to about the candidates. Harry will be our contact person for information about which candidates that are employee friendly, or management friendly, and he can tell us how they have voted in the past. Also, Susie's office can help us with a summary sheet. Harry and Sue will work together on acquiring information about the candidates for us, and leading us in the right direction.

T.E.A.M appreciates the efforts that Susie, and Sue devote to helping keep us informed, we will pass this important information on to our co-worker, and retirees.

Old Business: Credit Union discussions, holidays, and benefits.

New Business: November 6, 2010 next T.E.A.M meeting at the Truman Hotel. Thanks to the members that called senators, and representative to voice our concerns about the Credit Unions being removed from the MoDot buildings. Duke Wrisinger testified before the Commission about the change in the CU, but Duke said it was a done deal. The reasoning was as long as the CU remains in MoDot, the Commission will not let them expand their membership beyond what it is today.

Dee Dee Powell, Todd Tyler, and Debbie Lioubinski, from District 7 will draft questions for the legislative candidates to see what their views are, and for us to see if they are the candidates that will help with the topics we are concerned.

Kris Sandgren from District 8 was present to give us detail about his ride from Anacortes, Washington to Jefferson City for the Fallen Worker Memorial. Kris thanked the Association for all their support. District 8 had a Kris Sandgren Appreciation Day for his dedication to help bring the Memorial to a reality. Numerous donations were made that day, and added to the fund.

Duke Wrisinger suggested we give the Credit Union employees honorary T.E.A.M. memberships, if they are already members. Duke researched the by laws, and Article 3 gives us the leverage to extend the memberships to the employees to show good faith for their efforts. Todd Tyler made a motion to accept, and motion was seconded. A lists of Credit Union employees will be given to Dave Taylor.

Jim and Theo Feeney will walk 90 miles on the Katy Trail for donations for the Fallen Worker Memorial. We appreciate their dedication for the Memorial.

The location for the memorial is still be researched.

Paperwork for tax deductible donation for the memorial is being researched, and we will discuss the results on November at our next meeting.

Adjourn