

PROFESSIONAL VIEW
PEA'S NEWSLETTER FOR APRIL-JUNE, 2003

FROM THE PRESIDENT

CHANGES

The Professional Employees Association is changing. This year Mary Ann Miller decided not to run for reelection. Mary Ann has served PEA extremely well for over six years. She was our secretary for many years and the last two years she served as the City negotiation chair. Mary Ann has been an excellent member of the PEA executive committee. She is fair, well reasoned and an extremely hard worker. Mary Ann received the first Professional Employee Association employee-of-the-year award in 2001 in recognition of her efforts on behalf of the Association. The executive committee will sorely miss Mary Ann. This is my last year to serve on the executive committee. Steve Olson has indicated he may be retiring in the next two to three years. Steve started as the external affairs chair and, when that position was eliminated, he agreed to serve as vice-president. Steve has performed these duties exceptionally well. He is always current about newsworthy items that may affect our jobs, our retirement funds or our personal lives.

We will be losing several dedicated, long term executive committee members who will be hard to replace, but this also allows new members with new ideas and enthusiasm to take leadership roles. This is good for the Association. For example, Sheila Winderlich agreed to fill Mary Ann's position as the City negotiation chair this year. She will bring a new, fresh perspective to this position. I know there are many other employees with the energy, ideas and enthusiasm who are also waiting to take a leadership position in PEA. I encourage you to help your fellow employees and yourself by participating in the Association. Volunteer for a committee, serve as a steward or run for an executive committee position. You will not only have the satisfaction of doing something for others, but you will develop your own skills and knowledge.

HEALTH PARTNERS AND YOUR MONEY

Recently I reviewed a copy of the HealthPartners compliance review that was conducted by attorney general, Mike Hatch's office. I received the report from Corrie Glassing, an AFSCME members who serves on the Labor, Management Committee on Healthy Insurance (LMCHI). Corrie has attended some of the public hearings about Health Partners that have been offered by the attorney general. Corrie told me when she gave me the report that she hadn't completed reading the whole document, even though she has had it for over three weeks. She said every time she starts to read it she gets so angry she has to stop.

Let me share what upsets Corrie. The following excerpts are from a report that was presented on April 9, 2003 by the attorney general's staff.

Chapter 1 is entitled Travel and Entertainment. Section 1.2 Travel Policy: General. Since 1997,

HealthPartners' policy required employees:

1. To fly coach fare, not business or first class;
2. To stay at hotel chains with which it has negotiated a discount;
3. To rent cars only if other transportation is not practical;
4. To incur only reasonable and necessary travel expenses; and
5. To substantiate all travel-related expenses by providing the original receipt and including detailed information setting forth the business purpose for the expenditure.

Section 1.3 International Travel addresses how well HealthPartners followed their policy. From 1997 to 2001, HealthPartners paid for over 100 flights to over 30 different international destinations, with employees traveling to six continents - Europe, Australia, Asia, South America, Africa and North America. A sample of the expense reimbursements indicate that the executives often failed to submit documentation to justify the business purpose for such trips, and in some cases even failed to submit the invoices. For instance, HealthPartners paid approximately \$5,000 for its Chief Executive Officer (CEO) to take a week-long trip to Sao Paulo, Brazil in 1999. It can be questioned as to what trade could be conducted on behalf of an HMO that is licensed to provide health care only in Minnesota and Wisconsin.

In 2000, HealthPartners paid approximately \$9,000 for its CEO to go to Australia to find out: are we pricing consumers out of healthcare?

In 2001, HealthPartners paid approximately \$6,000 for its CEO to attend another retreat, this time in Santiago, Chile, another trade mission. In 2001, the CEO also traveled to Dublin, Ireland, at a cost of over \$6,000, with no business purpose ascribed to the trip other than it was for a conference.

Section 1.4 Travel: Board of Directors. Here's how they spent our money: For instance, in the winter of 1998, HealthPartners paid over \$35,000 for its CEO, ten board members and another employee to travel to the Hotel Del Coronado in California, a four-star island resort that claims to cater to Hollywood celebrities. The group took a \$2,200 cruise on an oceangoing yacht.

In the winter of 2001, ten board members and three employees of HealthPartners returned to the Hotel Del Coronado at a cost of over \$32,000.

In the winter of 1999, HealthPartners spent over \$35,000 to send its CEO, nine board members, and another employee to the four-star Westin La Paloma Resort and Spa in Tucson, Arizona, which promotes itself as one of the nation's best golf resorts. The list of these type of trips goes on and on for page after page.

FROM THE PRESIDENT (con.)

If you are interested in obtaining a copy of this report entitled Travel and Entertainment or copies of two other reports that were prepared, Consulting and Executive Compensation, you may check the website at www.ag.state.mn.us. You may also call Ms. Rebecca Feyder of the Attorney General's office at (651) 297-4035

SCHOOL BOARD MEMBER CHOSEN AS PEA EMPLOYEE OF THE YEAR

A surprised Jaber Alsiddiqui was presented the 2002 Professional Employees Association employee-of-the-year award at the June 19th general membership meeting. Jaber expressed his disbelief at winning the award and was humble in his acceptance comments. However, Jaber's coworkers and those of us on the executive committee know what a pleasant, intelligent and strong leadership style Jaber brings to his work and the School District negotiation chair position. Jaber was presented his plaque by the 2001 award winner, Mary Ann Miller. Both Mary Ann and Jaber and all future winners will have their names attached to a permanent plaque that will be kept in the PEA office.

I hope you each have an enjoyable and healthy Summer.

Steve Roy

PEA MEETINGS IN 2003

PEA Executive Committee Meetings

The PEA Executive Committee will meet Monday evenings on the first Monday of the month through June, 2003.

Executive Committee Meetings for the remainder of 2003 will be scheduled after the General Membership meeting in June.

PEA General Membership Meetings

Wednesday, Dec. 3, 2003 (at Mancini's)

PEA EMPLOYEE OF THE YEAR FOR 2002

Jaber Alsiddiqui, City Negotiation Chair, was presented with this award at the June General Membership Meeting. For generously giving of his time on behalf of his fellow PEA members with the highest degree of integrity. For taking on a leadership role in Negotiations with the School District. For always being prepared and focused on what needs to be done. For seeking relevant information and for his thoughtful and fair insight when asked to weigh in on controversy which is inherent in every organization. For being thoughtful of individual members' needs without losing sight of the fact that we are an association that represents the collective, yet sometimes divergent interests of over 350 professional colleagues. We are fortunate to have someone of Jaber's character and caliber in a leadership role in PEA.

**VICE-PRESIDENT'S UPDATE ON CURRENT DEVELOPMENTS AT THE LABOR MANAGEMENT COMMITTEE ON HEALTH INSURANCE (LMCHI)
Submitted by Steve Olson, Vice President**

The first thing I want to emphasize is a change in what will be the default health care plan for 2004. In 2003 we went from one plan to four and the LMCHI decided to keep the "Plus Plan" as the default, since it was the current plan for everyone. The problem was over 500 members never turned in a selection form during open enrollment and they were automatically enrolled in the most expensive plan. The committee felt it is important to have members become more involved with their health care decisions. **This year the default plan will be the "Deductible Plan"**. This plan has all the clinics and doctors that are available in the "Plus Plan" and the premium is less, but the out-of-pocket expenses are higher. Members can still choose from any of the four plans, but they have to turn in an enrollment form and make their intentions known. So my advice is to become knowledgeable on what each plan offers, look at your current usage and make an educated choice. **NO CHOICE MEANS YOU WILL BE ENROLLED IN THE DEDUCTIBLE PLAN.**

The committee is waiting for HealthPartner's notification on increases for next years premiums. When HealthPartners was chosen as our provided last year, they agreed to limit the premium increase for 2004 to a maximum of 20%. The four plans will remain as options with the possibility of some minor changes to the "Plus Plan". The current out-of-pocket maximum may change from \$400 per person: \$400 per family to be comparable with the "Classic Choice Plan" and "Primary Clinic Choice Plan" limits of \$500 per person: \$1,000 per family. We should have this information in the next month and a final decision on the premiums and plans will be made by August 19th. I will try to keep the Executive Board and the membership up to date on any developments.

**PEA GENERAL MEMBERSHIP MEETING
JOSEPH'S
JUNE 19, 2003**

MEMBERS PRESENT: Jaber Alsiddiqui, Jamel Anderson, Kieu Athams, Frank Berg, Kathleen Conger, Lisa Falk, Joan Gens, Paula Henry, Susan Henry, Brian Karschnia, Mike Kassan, Karen Koepp, Mary Ann Miller, Beverly Peterson, Denny Peterson, Paula Peterson, Steve Roy, Steve Olson, Doris Wahl, Casey Walters, Dave Weisberg, Sheila Winderlich, Jim Zdon, Mark Vandershaaf, Marsha Panos, Rhonda Gillquist, Linda Valen, Dave Sundmark, Susan McMahan, Karl Strohmeier, Tim Becker, Bruce Berg, Jim Boche, Susan Myran, Phyllis Kendig, Susan Butler, Page DeLong, Pattie Krezowski, Karen Smith, Chim-Ming Yin, Roger Anderson, George Simon, Mike Wilde. Guests: Terry Haltner and Joanne Lempke from Risk Management and Tom Hilson from ICMA-RC.

POST EMPLOYMENT HEALTH FUND: Mike Wilde's introduction of Terry Halter, Labor Relations, outlined Terry's history as past President of CCEU (Classified Confidential Employees Union), his training as a actuary and more recently his assistance with the problems facing unions during "Compete St. Paul" campaign under Mayor Coleman. During Terry's employment with Labor Relations he has earned the trust of union officials as someone who listens and does creative problem solving. The University of Minnesota has developed a case study file on some of Terry's solutions during bad economic times. Terry spoke briefly about how the unions had approached the City a couple of years ago requesting them to look into the possibility of a post employment health plan. The City worked through the Labor Management Committee on Health Insurance to select a vendor. The vendor who was chosen was ICMA. The unions were all offered the option of investing in this fund during the last round of contract negotiations. Only a few, including PEA, took advantage of that offer. Tom Hilson, a representative of ICMA, gave a brief overview of the plan. His main points were that this plan offers many tax advantages and was founded by public employees for public employees as a not-for-profit venture. Over 560,000 public employees are currently participating in this plan that pays for health insurance premiums and other out-of-pocket medical expenses. Most of the funds deposited come from a flat dollar amount (like our severance package based on sick leave accumulated) or as a percentage of salary on a regular basis (like deferred comp). Monies deposited into this account are automatically put into a money market fund and then the participant has the option of moving the money into various funds much like deferred compensation. The City is not responsible for reimbursements. Zenith in Edna is currently the administrative company that handles reimbursement for our fund. They have 900 employees and have a toll free number, live representatives to help you and a web site. There is an administrative fee charged for management of the account based on the amount of money in the account. The minimum is \$35 annually which is charge at \$8.75 quarterly. There is no age requirement to participate. For PEA members must have accumulated at least 700 hours (640 hours for the rest of 2003) of sick leave to qualify for any severance dollars. Tom handed out a packet of information about the various fund options to members present.

HEALTH INSURANCE FOR 2004: Steve Olson, who sits

on the LCMHI reported that PEA might be able to negotiate having a portion of unused insurance dollars next year if people choose the "deductible" insurance plan. *During the October enrollment, if employees do not send in an enrollment application, they will automatically be placed in the "deductible plan".* !!!!! Last year over 500 people City wide never made a choice so therefore for 2003 95% of city employees are in the original plan, 4% are in the extended network plan, and only 1% are in the out of network plan. On August 19th, LCMHI will make it's choice of plans to be offered to City Employees. We have been guaranteed a maximum of 20% for increase in cost from Health Partners. School District employees are faced with a possible 50% increase in the cost of insurance next year.

ADOPTION OF THE MINUTES FOR THE DECEMBER 2002 GENERAL MEMBERSHIP MEETING: The minutes were adopted as presented.

BUSINESS AGENT'S REPORT: (Mike Wilde)
When Mike returned to us as Business Agent he handled four grievances in the first five months. Three out of four were resolved and one is still pending. Eleven PEA members were notified on possible layoffs. Nine of these people were laid off and recently two more have gotten notices. Without union representation, seniority rights would not be protected. The prohibition against bumping across union lines has protected many PEA members as many SPSO members were previously members of PEA but it doesn't hold true that many PEA members were formerly AFSCME members. During these layoffs the City was trying to force people to retire which would mean no reinstatement rights of no unemployment payments and reduced PERA benefits. Mike worked with several members to protect their rights. SPSO and other unions followed our example.

Negotiations with the School District illustrated the value of having accountants on the negotiations team. They have some inside knowledge of the financial situation. Health insurance issues may mean that members in the school district might take home LESS money next year.

Civil Service is under attack everywhere. Georgia and Florida are prime examples of what could happen on our own doorstep. Mike urged the union to become more politically active. The "right to work" advocated by Tom Delay, a very powerful member of the House of Representatives would result in lower paychecks and benefits for public employees. Mike gave example of how states with "right to work" have lower per capita income, more poverty and less productivity. On the state level, Dick Day wanted to freeze public employees wages for two years. AFSCME and MAPE have been very involved during this last round of budget shortfalls to protect public employees from taking the blunt of the budget cuts.

PEA GENERAL MEMBERSHIP MEETING, JUNE 19, 2003 (con.)

COMMITTEE REPORTS

Treasurer: Jaber Alsiddiqui presented the report for Dave Peterson. The Audit for 2002 was done by Jill LaCasse. All expenses were properly documented and the books were balanced. Although our checks have a place for two signature (only one is required), there was one check that was issued with only one signature. The quarterly report for Jan-March 2003 was income (\$18,537) and expenses (\$14,805) with a current fund balance of \$72, 774.

City Negotiations: Mary Ann Miller reported that she is not running for reelection. Sheila Winderlich (Libraries) has agreed to run for Negotiations Chair. The negotiations committee badly need some of our accountants to help during the negotiations process. Often were are talking about small percentages here and there during negotiations and the help of an accountant to figure out the "total package" would be invaluable. A new committee will be forming in January 2004. City Accountants are asked to step up the plate. We also need people who can think creatively and "out of the box" to come up with solutions during these hard economic times. Our meetings with St Paul Works during the negotiations process helped us in negotiating a better settlement on wages and insurance. Often unions have issues that are unique to their group. This year the unions used an unprecedented approach by uniting on the issues of wages and insurance benefits and negotiating as a group with the City on just these two issues.

School District Negotiations: Jaber Alsiddiqui reported that the committee of 10 people have already met three times. There current focus is gathering information, surveying members and strategizing. The School District's fiscal year runs from July 2003-June 2004 so the budget is pretty much set for the next year. However, they are expected a 5-15 million dollar budget cut for the 2004/5 budget year. Of that budget , 85% is salaries. The question is whether or not to try to settle a contract before the teachers settle theirs. Two PEA members in the school district have received layoff notices. Ironically, there are employees who recently received Employee Appreciation Awards.

PEA WEBSITE: Steve Roy reported that the subcommittee on the website has submitted a report and recommendation to the Executive Committee. The Executive Committee still has some questions that were not answered so John Larson, the website committee chair, will be invited to attend the next Executive Committee meeting. We will definitely be getting a website, but we want to be sure it is a quality one that will be updated as necessary so members will find in convenient, useful and accurate.

PEA EMPLOYEE OF THE YEAR FOR 2002: Mary Ann Miller, 2001 recipient of this award, made the presentation. Because of Business Agent turnover and Mary Ann being heavily involved in negotiations, this award did not get presented in December as planned. This year's recipient was Jaber Alsiddiqui. For a full description of the presentation see the article above in this newsletter. A plaque has also been purchased for the PEA office that will have the names of the past and future PEA employees of the year. Jaber made a very modest speech in acceptance of the award.

ELECTION OF OFFICERS: The only incumbent not running for office was Mary Ann Miller, City Negotiations Chair. Sheila Winderlich had been nominated by the Nomination Committee and her name was added to the ballot. No nominations for any of the positions came from the floor. All candidates were nominated by white ballot. Our officers for June 2003-June 2004 are: Steve Roy, President; Steve Olson, Vice-President; Dave Peterson, Treasurer; Brian Krawiecki, Secretary; Karin Anderson, Personnel Chair; Jaber Alsiddiqui, School District Negotiations Chair; and Sheila Winderlich, City Negotiations Chair. Congratulations to all.

OLD BUSINESS: None

NEW BUSINESS: Steve Roy spoke about our connection with the St Paul Works Alliance as a valuable connection to the other City unions. As the meetings are every other Tuesday, Steve has been alternating with the SPSO representative. They share notes on the meetings. Steve praised Mike Wilde's work with our members who received layoff notices. Steve also mentioned that PEA is proud to have two of it's members received the Karl Neid Award, Fong Lor and recently Kay Wittgenstein. Steve shared with us part of Mike Hatch's report on expenses for Health Partners executives....lovely resorts vacations and international trips for family and friends....Just a little something to get our dander up !!!!!!!!!!!!! Especially with the rising cost of insurance. Mike Wilde shared information about how people with Type II diabetes were recently asked for a co-payment on each individual insulin dose.

ADJOURNMENT: The meeting was adjourned at 8:55 P.M.

THOUGHTS FROM A STEWARD

If you thought that PEA employees were the only ones having problems, look at your trees as well. Extra deep frost has caused much damage to trees and perennials. The wet summer we had last year has contributed to many fungal leaf diseases that are now infecting crabapples, ash, oak, maple and many other varieties of trees and shrubs. Cold temperatures after trees began to come out of dormancy have also damaged many plants and trees.

As members of PEA we are also going to go through some rough weather changes. We need to not only roll with the changes, but we also need to stick together and look at long term effects on new as well as older employees. I have seen first hand, through my father-in-law, how looking only at pay increases and not retirement benefits has hurt him in his retirement.

Dave Sundmark
Steward
Parks and Recreation

FROM THE LABOR ARCHIVES Submitted by Dave Peterson, Treasurer

The Social Security Act was signed by FDR on 8/14/35. Taxes were collected for the first time in January 1937 and the first one-time, lump-sum payments were made that same month. Employers and employees became subject to a tax of one percent of wages on up to \$3,000 a year. Lump-sum payments were first made payable to eligible workers, their survivors or their estates. Regular ongoing monthly benefits started in January 1940.

The first person to get Social Security benefits was a fellow named Ernest Ackerman, who got a payment for 17 cents in January 1937. This was a one-time, lump-sum pay-out--which was the only form of benefits paid during the start-up period January 1937 through December 1939. On January 31, 1940, the first monthly retirement check was issued to Ida May Fuller of Ludlow, Vermont, in the amount of \$22.54. Miss Fuller, a Legal Secretary, retired in November 1939. She started collecting in January 1940 at age 65 and lived to be 100 years old, dying in 1975.

Ida May Fuller worked for three years under the Social Security program. The taxes on her salary during those three years was a total of \$24.75. Her initial monthly check was \$22.54. During her lifetime she collected a total of \$22,888.92 in Social Security benefits.

August 17, 1936 An unemployed worker--Neils B. Ruud--in Madison, Wisconsin, received the first unemployment benefit check paid under a State law. The amount was \$15.00.

The times are changing, the times have changed, but "there is nothing new under the sun"

A FOND FAREWELL Submitted by Mary Ann Miller

After six years of serving on the Executive Committee, first as Secretary and then as City Negotiations Chair, I have decided not to run for reelection this year. I have really enjoyed these years of service to the union. It has been my pleasure to work with many dedicated union members. I will miss everyone and our monthly meetings but it is time for me to start thinking about my next career. I am hoping to retire sometime in the next two years and I will be looking into employment opportunities that will hopefully keep me challenged after I leave City employment. I do, of course, want to leave some time for family and friends, vacationing, gardening, crafts and cooking. Now that I think about it....when will I find time to work??

