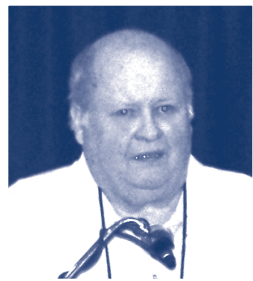


## President's Message



We have a major fight on our hands! The Legislature passed the governor's proposal to eliminate the Plans 1 Uniform COLA. We believe that action was an illegal taking of a granted benefit. But to prove that, we have to go to court.

Roughly half of the COLA represents money given to retirees as a result of gain-sharing events. A judge has issued an injunction against the state suspending the elimination of gain-sharing, so we believe the state should be paying the gain-sharing money given to retirees. Gain-sharing is triggered by extraordinary gains on the pension trust funds over a five-year period, and there won't be a triggering event any time soon. Active employees get gain-sharing money in a lump sum, but the Legislature said retirees would get it added to the COLA and paid over time. So the state has stopped making

its payments. We believe that's like stopping payments on your house or car. But to prove it we have to go to court.

The board unanimously voted at its meeting July 25, to pursue legal action to overturn the Legislature's action eliminating the Uniform COLA and the gain-sharing payments that retirees have coming. A strategy for legal action is in the process of being developed.

We will discuss these and other important issues at the convention. This is where chapters can have their voices heard on shaping policy that directs the organization. That is why participation is vital all the time, but especially when times are tough. And times are as tough as we have ever seen them, both at the state and federal levels.

Sincerely,

Howard N. Jorgenson  
President

## Executive Director's Report

The decision to fight the Legislature in the courts is the right one. Fighting back at least says that we can't be taken for granted or dismissed as irrelevant. At best, we can win and make it more difficult for them to walk over "little people" the next time.

Lawsuits are not easy. They are costly – both in time and money. They move like a glacier to the sea – without benefit of climate change. And our adversaries have all the taxpayers' money they need at their disposal to fight back. There are discoveries, subpoenas of documents, e-mail messages, phone logs, depositions, court dates, cancelled court dates and further delays.

Time is not our friend. Delays cost money. Worse, for every delay, there will be more Plan

1 members who will never see the outcome of the case.

As this is written, we are waiting for Greg Devereux, WFSE executive director, to set up a meeting with all organizations interested in pursuing litigation and the attorneys. Greg also, as AFSCME International Vice-President, will be talking with AFSCME attorneys about the case's viability, leading to possible financial assistance.

Last session one legislator said that "The problem is, retirees have no clout." Let's vow to make them regret those words.

Cassandra de la Rosa  
Executive Director

# RPEC



August 2011

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## RPEC EXECUTIVE BOARD

**Howard Jorgenson**, President  
**Betty Anderson**, Vice-President  
**Mary Marbles**, Secretary  
**Eva Jean Shamley**, Treasurer  
**Jane Perry**, District 1  
**Joe Brown**, District 2  
**Don McKay**, District 3  
**Tom Mitts**, District 4  
**Bob Talent**, District 5  
**Dorothy Meyer**, District 6  
**Mark O. Brown**, District 7  
**Sharon Price**, District 8  
**Bill Ziegler**, District 9  
**Robert Porterfield**, District 9

**1-800-562-6097**  
**www.rpecwa.org**

## RPEC Council Office Staff

**Cassandra de la Rosa**, Executive Director - [Cass@rpecwa.org](mailto:Cass@rpecwa.org)  
**Linda Olson**, Executive Assistant - [Linda@rpecwa.org](mailto:Linda@rpecwa.org)  
**Derek VanSpoor**, Info Tech App Spec. - [Derek@rpecwa.org](mailto:Derek@rpecwa.org)  
**Colette Jensen**, Membership Coord. - [Colette@rpecwa.org](mailto:Colette@rpecwa.org)  
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## Board Meeting Highlights

The RPEC executive board met July 25, 2011. Complete minutes will be sent to chapter presidents

**Financial report** – our revenues continue to exceed expectations and expenditures continue to be below budget. The audit report noted no problems.

**Motions passed:**

- Transfer \$20,000 into the reserve account
- Allocating \$2,500 - \$3,000 for a cutting machine for postcards for newsletters
- Recommend adding an extra \$3,000 for Legislative Day in the 2012 budget.

**Legislative Committee Report** – There was no report, but candidate contributions were discussed. The board passed a motion that no contributions will be made until after the 2012 legislative session with the exception of a small contribution to Rep. Sharon Wylie (D-49), who is in a special election. She voted against the bill to eliminate the COLA.

**President's Report** – Motion passed unanimously to authorize the executive director, in conjunction with the executive committee, to pursue legal means to overturn the Legislature's decision to eliminate the Plans 1 Uniform COLA, including, but not limited to filing a separate lawsuit to restore the COLA and/or having the COLA added to the gain-sharing litigation now in progress. More information will be posted as it is available.

**Welcome new members** – Welcome to over 400 new members who joined since June 30, 2011. We're pleased to have you join us in the fight for secure pension and health care benefits. RPEC is a statewide organization divided into nine districts. Each district has an elected executive board member who represents members of that district on the Council board, and an assigned number of local chapters. Each chapter receives one dollar per month from dues money for each member. Chapters elect their own leaders and delegates to the convention. Out-of-state members are assigned to Chapter 99.

We communicate with members via a quarterly newsletter and the web site [www.rpecwa.org](http://www.rpecwa.org), or by phone at 360-352-8262 or 800-562-6097. If you have any questions about RPEC, your pension or how to reach your local chapter, please give us a call.

## President's Meeting a huge success

Our first-ever Presidents' Meeting, held June 18, at Central Washington University in Ellensburg, was a rousing success. Thirty-eight members attended representing 24 chapters. A tight agenda from 10:00 a.m. until 3:00 p.m. filled the day with information on the organization and issues. After opening remarks by president Howard Jorgenson, Cassandra de la Rosa presented information on the RPEC structure and the roles of the delegates to the convention, board and staff. George Masten talked about running an effective chapter and chapter meeting, plus gave an update on pension funding and the State Investment Board. Bev Hermanson, RPEC lobbyist, gave a run down on the legislative session. Colette Jensen updated us on membership happenings, and Karen Gilgoff, assistant director of the AFSCME Retiree Program, came in from Washington, D.C., to talk about the status of talks on the budget and how they affected Medicare, Medicaid and Social Security. A general Q & A closed the session.

There was time before the meeting and during lunch for members to get to know one another and share experiences. Feedback has been very positive and we look forward to doing this again.

## Special Event - Hobo Stew

2011 Convention Delegates do we have a deal for you and you'll be helping the less fortunate as well. The Membership and Legislative Committees are joining forces to provide a fun hospitality greeting for you!

You bring two cans of your favorite vegetable (per person), in return you will have a hot bowl of HOBOW STEW, a roll and a beverage. The second can of vegetables will be given to a Yakima Valley Food Bank and should there be left over HOBOW STEW it will be donated to a Hospitality Kitchen in Yakima.

Look for a sign in the lobby of the hotel for the room number to deliver the vegetables. These should be delivered no later than 10 a.m., Sunday, so we can begin serving by 11 a.m..

This should be a fun way to start off the 2011 RPEC convention! Come and say howdy to your friends and fill your appetite prior to settling down to cover lots of issues facing RPEC in the future! A \$5.00 donation per person joining us would be appreciated.

If you have a question, please contact Colette Jensen at the Office or Sharon Price at 253-984-6772.

## Governor told UMP Medicare claims need to be paid

Are you on Medicare and subscribe to the Uniform Medical Plan? The RPEC office has had a number of calls during the past two months from members whose claims have not been paid for months – some as far back as February. We have talked to the Health Care Authority several times and were assured that Regence was “working on it”, had hired extra staff and the backlog should be cleared. Well that has not happened and claims are still unpaid. So we sent a letter to the governor, insisting that she look into the matter. We said the following:

“Thus far this year retirees have endured the loss of the Uniform

COLA, having the explicit Medicare subsidy cut in 2012, and now their medical claims are delinquent.

We ask that you address this matter with the director of the Health Care Authority to determine whether Regence is indeed doing everything possible to clear the backlog and what penalty should be assessed against them for poor performance.”

If you have claims that have not been paid in a reasonable amount of time, call the Health Care Authority at 1-800-200-1004, and tell them you want to file a written complaint.

## 2012 Legislative Priorities

The standing Legislative Committee met August 3, 2011, and voted to submit this draft to the Convention Legislative Committee. The Convention Legislative Committee will review or modify this list before submitting it to the delegates.

### RPEC PROPOSED 2012 LEGISLATIVE PRIORITIES

(Submitted by the RPEC State Legislative Committee to the 2011 State Convention)

#### TOP TIER PRIORITIES

- Reinstatement of the PERS I COLA and full funding of employer contribution rates
- Oppose effort to create a new state retirement plan
- Protect Social Security and Medicare

#### STATE PRIORITIES

##### Retirement

- Join with other retiree organizations and fight for the reinstatement of PERS I COLA
- State Actuary has recommended full funding of employer contribution rates and RPEC will continue to support
- Oppose any new retirement plan for public employees
- Continue efforts to strengthen PERS governance structure

#### Health Care

- Work toward PEBB coverage for PERS II members age 55 or older with 10 years' service credit & separate from service
- Support limited open enrollment period for K-12 & PERS retirees who did not take PEBB coverage

#### Administratively

- Support PEBB dental insurance as a stand-alone benefit

#### Disability and Long-term Care

- Pursue affordable long-term care insurance for retirees

#### FEDERAL PRIORITIES

##### Social Security and Medicare

- Continue fight to protect social security from privatization
- Protect social security funding
- Protect social security benefit levels
- Protect Medicare financing, eligibility criteria, benefit levels and insure access

#### RPEC ADMINISTRATIVE ACTION

- Establish a Fast Action Team of RPEC member-volunteers to advance RPEC's legislative agenda and support lobbying activities

(August 3, 2011 final as adopted by State Legislative Committee)

# Convention information

The convention will be at the Yakima Convention Center, Sept. 18-19, 2011.

## Abbreviated Agenda

The agenda is still being put together, but these are the pertinent items. Meeting locations will be sent to committee members and posted in the lobby.

### Sunday, September 18

#### Morning

9:00 – 9:30 Registration Committee  
9:30 – 10:00 P.E.O.P.L.E. Committee  
9:00 – 12:00 Membership Committee  
11:00 – 12:00 Election Committee  
11:00 – 1:00 Sergeant-At-Arms Committee  
10:30 – 12:30 Resolutions  
12:00 – 12:30 Constitution Committee  
11:00 – 12:00 Legislative Committee  
10:00 – 12:00 Membership Q & A Forum Table – Lobby

#### Afternoon and evening

1:00 – Convention convenes  
4:00 – Nomination of officers  
5:30 – No host social  
6:30 – Banquet

### Monday – September 19

9:00 – Convention convenes  
10:30 – Election of officers  
1:30 – Election of district board members

## Resolutions

Chapters submitted ten resolutions by the August 4 deadline. Full text is available on the web site, [www.rpecwa.org](http://www.rpecwa.org). Late resolutions may be submitted the first day of the convention. Chapters are required to bring copies for all delegates, and delegates vote on whether to accept the resolution for consideration.

**Resolution 1 – submitted by Ch 2 – Return PERS 1 and TRS 1 COLA**  
Resolved to direct RPEC to use necessary resources to return COLAs to the PERS 1 and TRS 1 retirees now and forever.

**Resolution 2 – submitted by Ch 2 – Education program for state employees and retirees**

Resolved that the RPEC of Washington develop a multimedia retirement planning curriculum to be presented at events sponsored by that organization, and to be available to active employee organizations for their consideration and use.

**Resolution 3 – submitted by Ch 2 – Social Security Protection**

Resolved that the RPEC of Washington take the necessary steps to insure that its current and future membership are informed regarding this issue, and that it use its political resources to act to continue this program in its present form or with improvements.

**Resolution 4 – submitted by Ch 2 – College Education**

Resolved that the RPEC of Washington encourage its membership to contribute to our institutions of higher education, that it develop further scholarship opportunities for families of its membership, and that it use its political resources to encourage the legislature to adequately finance higher public education.

**Resolution 5 – submitted by Ch 2 – Create a volunteer ombudsperson function within the Washington State Insurance Commissioner's Office**

Resolved that the RPEC convention approve a proposal to create a volunteer ombudsperson function within the Washington State Insurance Commissioner's Office, like SHIBA or SHIBA-like capabilities statewide, to assist HCA subscribers with denials and assist HCA subscribers through the coming major health care changes that affect all the retired public employee HCA subscribers and assess any negative impacts to retired public employee subscribers within Washington State, etc.

**Resolution 6 – submitted by Ch 3 – In support of establishing a UNION LEGACY PLAN through the Washington State RPEC**

Resolved that the Washington State RPEC set up a committee to organize a UNION LEGACY PLAN. The UNION LEGACY PLAN will be a voluntary program to facilitate members in making arrangements to bequeath a portion of their estate to the state or federal government; and, Resolved that the Washington RPEC will provide will preparation services to aid in setting up legacy plans, and provide an incentive/reward for participation; and, Resolved that the Washington RPEC's Will Preparation Service provide annual estimates to document the approximate amount of funds bequeathed through the UNION LEGACY PLAN for use for informing government officials of funds potentially at stake.

**Resolution 7 – submitted by Ch 3 – In support of investigating the feasibility of establishing a UNION PUBLIC BANK chartered in Washington State**

Resolved that the Washington State RPEC set up a committee to investigate the feasibility of establishing a UNION Public Bank modeled after the proposed Washington Investment Trust (WIT),

but chartered in the State of Washington, primarily funded with UNION money and a UNION label; and, Resolved that in 10 months a summary report on "The Feasibility of Establishing a UNION Public Bank chartered in Washing State" will be produced, the report will be made available for Washington State RPEC membership to download from the RPEC website at least one month prior to next year's RPEC convention in Washington State, at which time members will then determine whether to proceed.

**Resolution 8 – submitted by Ch 12 – Proposed convention scheduling change**

Resolved that the RPEC of WA reinstate our communication lifeline, our information format and the fellowship which is the glue that keeps an organization whole and revert back to 2 and 3 day conventions effective immediately.

**Resolution 9 – submitted by Ch 4 – To restore Plan 1 COLA benefits**  
Resolved that RPEC recommends that the following actions be taken:

1. Contact all Plan 1 unions, associations, individuals or stakeholders to alert them of proposed actions and costs of legal challenge, and determine if there is possible cost sharing for a class action.
2. Request a formal legal opinion from counsel regarding all issues preparatory to a legal challenge. In addition, a clear summary of the COLA and Gain-Sharing issues should be prepared for distribution to all Plan 1 employees or retirees.
3. Prepare a budget estimate outlining legal and court costs.
4. Prepare a time line and milestones for the legal challenge.
5. Develop a communication system to advise ALL Plan 1 retirees and stakeholders of the status of the legal challenge, and if necessary, solicit funds to support the legal challenge.
6. Request the Board to commission a legal action committee consisting of stakeholder representatives to work at Board direction to repeal 2021 and to reinstate the COLA.

**Resolution 10 – submitted by Ch 35 – On establishing a proactive role in protecting the pension system from further losses**

Resolved that the RPECWA will establish a proactive role in protecting the PERS system for its members by analyzing those aspects of PERS that can be changed by legislation and by determining the basic benefits that must not be lost to our members; and Resolved that RPEC must join with other public retirement organizations and unions to present a unified voice for all public system retirees.

#### Constitutional Amendments

There is only one amendment to the constitution submitted. The constitution does not allow late amendments, so this is it. Full text is available on the website, [www.rpecwa.org](http://www.rpecwa.org).

**Proposed Amendment 1**, submitted by Chapter 27, would allow vested members of a Washington retirement system to become dues-paying members who would be allowed to attend the convention and vote. A vested member is an employee who has worked long enough to have earned the right to a retirement benefit – five years in Plans 1 and 2, ten years in Plans 3. Currently, only retired members of a Washington retirement system, their spouses or designated beneficiaries may join RPEC.

# Convention information

## Convention Committees

These are the tentative convention committees, subject to change as people chosen for committees decline or are added.

### Registration:

John O'Brien, Ch 12, Co-Chair, Helen John, Ch 16, Co-Chair  
Maria Limtiaco, Ch 28 Anita Eakers, Ch 35  
Sarah Guthrie, Ch 15 Cordelia Bussler, Ch 16  
Bessie Sines, Ch 16

### Sergeant-At-Arms:

Dan Morgan, Ch 1, Co-Chair, Dale Clark, Ch 1, Co-Chair  
Clarence Marbles, Ch 28 Robert Hilgenberg, Ch 6  
Blanche Goodfellow, Ch 27 Carla Burke, Ch 13  
Sally Davis, Ch 3 Leo Rubow, Ch 21  
Aurelia Turner, Ch 28 John Hampton, Jr., Ch 28

### Constitution:

Zona Gail Spaeth, Ch 13, Chair  
Wanda Riley, Ch 2 Mike Warren, Ch 3

### Resolutions:

Charles Gelsleichter, Ch 46, Co-Chair, Gwen Rench, Ch 3, Co-Chair  
Jean Kelly, Ch 2 Nell Snodgrass, Ch 4  
Barbara Nordin, Ch 3 Elmer Swanson, Ch 13  
James McDonald, Ch 7 John Jackson, Ch 19

### Legislative:

Mark Brown, Ch 2, Chair  
Diana Parkison, Ch 2 Alice Bullock, Ch 27  
Eugene Lux, Ch 3 Wendy Morgan, Ch 35  
Barrie Hull, Ch 7 Avril Meehan, Ch 46

### Rules:

Jon Gust, Ch 17, Chair  
Nancy Heley, Ch 2 Henry Stockman, Ch 10

### Elections:

Barbie Montermini, Ch 2, Chair  
Michael O'Hanlon, Ch 3 Robert Kibling, Ch 14  
John Chromy, Ch 35 Doris Becker, Ch 16  
Charles Dellinger, Ch 38 Judith Munn, Ch 22  
Ja Dee Priest, Ch 13 Lawrence Erikson, Ch 27  
Andy Ransley, Ch 8

### P.E.O.P.L.E.:

Bev Hermanson, Ch 2, Chair  
Doreen Parker, Ch 18 Thomas Payton, Ch 9  
Sharon Price, Ch 12 Lola Larson, Ch 12  
Margie Stauffer, Ch 2 James Portch, Ch 37  
Marion VanderHyde, Ch 3

## FOOD information

Breakfast – The hotel now serves breakfast every day, so Sunday breakfast will be available, on your own.

Sunday noon – Hobo Stew or on your own.

### Convention meals:

A committee of members headed by Sharon Price (Ch 12) selected the convention meals. Special needs requests should have been sent to Linda with your registration. This is the LAST CALL for special meal requests due to medical or religious needs. We will have to charge you for any special needs meals requested at the convention, since the hotel will charge us for both the regular and the special needs meals.

### Sunday Banquet:

Parmesan Breast of Chicken Athenian – Crunchy breaded chicken breast on a bed of curly noodles and artichoke hearts, green salad, rolls, cheesecake and beverage.

### Monday Breakfast:

Traditional All American Breakfast – Scrambled eggs, link sausage and crisp bacon strips, roasted breakfast potatoes, fresh seasonal fruit, assorted breakfast breads, assorted juices and beverages.

### Monday Lunch:

Sandwich Buffet – 2 kinds of rolls, beef, ham, turkey, tomato, lettuce, cheese, onion, mayo, mustard, etc., and potato salad, (no dessert).

## Report on 2010 Resolutions

### Resolution 2 – Referred to Executive Board

Resolved that on and after January 1, 2011, the Chief Lobbyist of the Retired Public Employees Council shall be its Executive Director, and the Executive Director position shall be fulltime.

Action: The president appointed a Staff Structure Committee to examine staff roles. The executive director is full-time as of August 1, 2011.

### Late Resolution – Motion to concur passed

Resolved that this convention adopt RPEC Lobby Day 2011 to be held during the third week of January 2011. Further resolved that the RPEC Legislative Standing Committee work with the RPEC board and RPEC staff to ensure that this Lobby Day take place each year.

Action: Lobby Day (aka Legislative Day) took place January 31, 2011 and the 2012 date is pending.

### Late Resolution – Motion to concur passed

Resolved that RPEC support capping these default (interest) rates at no more than twice the median rates of current home loans, and Further Resolved that a copy of this resolution be sent to the President and to the Washington State Congressional Delegation.

Action: Copy of resolution was sent.

### Late resolution – Motion to concur passed

Resolved that RPEC support simplifying the tax code classifying all income equally, and Further Resolved that a copy of this resolution be sent to the President and the Washington State Congressional Delegation.

Action: Copy of resolution was sent.

## Membership Update

In June, RPEC sent out recruitment packets to 30,000 PERS and SERS retirees across the state who had retired since January 1, 2000. Packets were not sent to retirees in Thurston, King and Spokane Counties as they have had two mailings in the past two years. As of August 9th, we have 440 new members from this mailing.

The first step to the RPEC Membership Development Plan for 2010-2011 is recruitment. Since January, we have recruited almost 1,000 new members but we have lost 475; 327 through death and 148 voluntary drops. Our goal was to increase membership by 700 in order to reach 10,000 by July 2011. We have not accomplished that goal, but hope the next quarterly mailing to new retirees will push us over the top.

The second part of the plan is retention. In order to address the problem of member drop requests and failure to pay dues, we have done the following:

- Conducted revitalization meetings for Chapters 20, 23 and 41. Chapter 20 has elected new officers and has elected delegates for convention. Chapter 23 has had 2 meetings and Betty Anderson (Membership Committee Chair) and Dorothy Meyer (District Board Member) are looking at the possibility of forming a Forks Chapter. Cassandra and Betty met with Chapter 41 members and as a result are looking at demographics to come up with suggestions on how to proceed with reactivation of the chapter.
- District meetings were held in Districts 1, 2, 3, 6 and 8, with Districts 4 and 9 in planning stages.

The District Meetings have been very constructive and have generated comments such as: "These meetings are so informative and having the council officers and staff present show they really do care about us."

There have been concerns expressed that there will not be a membership meeting/workshop at the convention due to the shortened time. In response to that concern, the State Membership Committee will be conducting a **Membership Question and Answer Forum** on Sunday, September 18th from 10:00 am to noon. There will be a table in the lobby and membership committee members will be there to answer questions regarding membership recruitment and retention. Suggestions are always welcome.

To increase awareness of RPEC, we have participated in a Social Security Forum Panel at the Evergreen State College, sponsored by the Alliance of Retired Americans; attended the WASARA Board Meeting; helped serve hotdogs at the North Central Washington Central Labor Council Labor Rally in Wenatchee; Spokane (chapter 13) and Tri Cities (chapter 21) hosted tables at DRS seminars; and 15 RPEC members volunteered to host a table at the Washington State Labor Council Convention in SeaTac.

Gail Spaeth joined Spokane City Councilman Bob Apple on a Q/A broadcast on a local TV station to discuss the importance of strengthening Social Security for all generations. In September, we will attend Solidarity Day at the Pt. Defiance Zoo and we have been invited to attend the Council 2 President's meeting in October.

Many thanks to Chapter 24 members, Dorothy Meyer, Deb Axelson and Bob and Evelyn Trenckman for helping to stuff 675 new member packets for new members from the June mailing.

### Contact information:

Retired Public Employees Council of Washington  
3230 14<sup>th</sup> Avenue NW Suite B  
Olympia, WA 98502

360-352-8262 or 1-800-562-6097  
www.rpecwa.org