



***AMENDED AGENDA**

**REGULAR MEETING
OF THE BOARD OF COMMISSIONERS OF
ST. LOUIS COUNTY, MINNESOTA**

Tuesday, January 26, 2016, 9:30 A.M.

**Fayal Town Hall
4375 Shady Lane
Eveleth, Minnesota**

Directions: North on Highway 53 and take the Highway 37 exit, turn right at the top of the exit ramp. Take an immediate left onto Miller Trunk Road, proceed approximately 2.3 miles. Turn right onto Ely Lake Drive/CR-96 and take the first left onto Shady Lane, the Town Hall is on the left.

**STEVE RAUKAR, Chair
Seventh District**

**FRANK JEWELL, Vice-Chair
First District**

**PATRICK BOYLE
Second District**

**CHRIS DAHLBERG
Third District**

**TOM RUKAVINA
Fourth District**

**PETE STAUBER
Fifth District**

**KEITH NELSON
Sixth District**

County Auditor
Donald Dicklich

County Administrator
Kevin Gray

County Attorney
Mark Rubin

Clerk of the Board
Phil Chapman

The St. Louis County Board of Commissioners welcomes you to this meeting. This agenda contains a brief description of each item to be considered. The Board encourages your participation. If you wish to speak on an item contained in the agenda, you will be allowed to address the Board when a motion is on the floor. If you wish to speak on a matter that does not appear on the agenda, you may do so during the public comment period at the beginning of the meeting. Except as otherwise provided by the Standing Rules of the County Board, no action shall be taken on any item not appearing in the agenda.

When addressing the Board, please sign in at the podium and state your name and address for the record. Please address the Board as a whole through the Chair. Comments to individual Commissioners or staff are not permitted. The St. Louis County Board promotes adherence to civility in conducting the business of the County. Civility will provide increased opportunities for civil discourse in order to find positive resolutions to the issue before the Board. Tools of civility include: pay attention, listen, be inclusive, do not gossip, show respect, be agreeable, apologize, give constructive criticism and take responsibility [County Board Resolution No. 560, adopted on September 9, 2003]. Speakers will be limited to five (5) minutes.

****In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify Property Management 72 hours prior to the meeting at (218)725-5085.****

All supporting documentation is available for public review in the County Auditor's Office, 100 North 5th Avenue West - Room No. 214, St. Louis County Courthouse, Duluth, MN, during regular business hours 8:00 A.M. - 4:30 P.M., Monday through Friday. Agenda is also available on our website at <http://www.stlouiscountymn.gov/GOVERNMENT/BoardofCommissioners.aspx>

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9:30 A.M. Moment of Silence
 Pledge of Allegiance
 Roll Call

“Words of Wisdom” – Commissioner Boyle, Second District

AT THIS TIME CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD ON ITEMS NOT ON THE AGENDA. [Speakers will be limited to 5 minutes each.]

FOR ITEMS LISTED ON THE BOARD AGENDA OR COMMITTEE OF THE WHOLE AGENDA, CITIZENS WILL BE ALLOWED TO ADDRESS THE BOARD AT THE TIME A MOTION IS ON THE FLOOR.

CONSENT AGENDA

Approval of business submitted on the consent agenda.

REGULAR AGENDA

Central Management & Intergovernmental Committee – Commissioner Jewell, Chair

1. Reappoint Sherry Rodriguez as St. Louis County Veterans Service Officer for a four-year term beginning January 28, 2016 and ending January 28, 2020. **{16-36} [Without recommendation.]**

- *2. Resolution in support of current and former Teamsters union members in their fight to retain their Central States Pension Fund benefits. **{16-54} [Has not been to committee; requires 5/7 consent of the Board for consideration.]**

ADJOURNED:

County Veterans Service Officer Reappointment

BY COMMISSIONER _____

RESOLVED, That the St. Louis County Board reappoints Sherry Rodriguez as the St. Louis County Veterans Service Officer for a four year period beginning January 28, 2016 and ending January 28, 2020 at her current biweekly compensation rate of \$2,725.60 (Pay Plan A1, Grade 18, Step 08), with all benefits at her current level and as provided in the St. Louis County Management Compensation Plan;

RESOLVED FURTHER, That before entering upon these duties, Ms. Rodriguez will take and subscribe to the oath required of public officials under Minn. Stat. §197.60, Subd. 5.

BOARD LETTER NO. 16 - 54

CENTRAL MANAGEMENT AND INTERGOVERNMENTAL COMMITTEE

BOARD AGENDA NO. 2

DATE: January 26, 2016 **RE:** Resolution in Support of Current and Retired Teamsters Union Members in their Fight to Retain Central States Pension Fund Benefits

FROM: Kevin Z. Gray
County Administrator

ACTION REQUESTED:

The St. Louis County Board is requested to approve a resolution in support of current and retired Teamsters union members in their fight to retain their Central States Pension Fund benefits.

BACKGROUND:

Commissioner Nelson has been approached by retired Teamsters union members on behalf of current and retired members who face reductions in their monthly pensions managed by the Central States Pension Fund. The retirees are among more than 400,000 across 38 states who received letters in October notifying them that their pension fund is in trouble and their monthly checks will be reduced – some up to 60%.

Opponents of the cuts have noted the pension fund has about \$17.8 billion and could afford to pay out full benefits for another decade, providing more than enough time to find a more equitable solution than pension cuts, according to U.S. Representative Rick Nolan who is working to reverse the decision. Representative Nolan is among several lawmakers opposing the cuts, who have introduced the *Keep Our Pension Promises Act, H.R. 2844*. The measure would repeal the provision in the 2014 federal budget – the Kline-Miller Multiemployer Pension Reform Act - that enabled the cuts to occur without intervention by the federal Pension Benefit Guarantee Corp.

Supporter say the bill would protect the pensions of not just the Teamsters under the Central States Pension plan, but also some 1.5 million workers in about 200 different multiemployer pension plans that are also underfunded.

RECOMMENDATION:

Should Commissioners wish to support the efforts of current and retired Teamsters union members in their battle to retain their Central States Pension Fund benefits, and help ensure that other multiemployer pension plans are adequately funded for retirees, a resolution is attached to accomplish this support.

**Resolution in Support of Current and Retired Teamsters Union Members in their
Fight to Retain Central States Pension Fund Benefits.**

BY COMMISSIONER _____

WHEREAS, The St. Louis County Board has been requested to support current and retired Teamsters union members in their fight to retain their Central States Pension Fund benefits; and

WHEREAS, These retirees are among more than 400,000 across 38 states who received letters in October notifying them that their pension fund is in trouble and their monthly checks will be reduced – some by up to 60%.

WHEREAS, Hundreds of current and retired Teamsters union members have lived and worked in St. Louis County for much of their lives, and do not deserve now in their 60s and 70s to have the pensions promised to them, and paid for with their hard-earned wages, reduced without recourse; and

WHEREAS, Several lawmakers opposing the cuts have introduced the *Keep Our Pension Promises Act, H.R. 2844*, which would repeal the provision in the 2014 federal budget – the Kline-Miller Multiemployer Pension Reform Act - that enabled the cuts to occur without the intervention of the Federal Pension Benefit Guarantee Corp; and

WHEREAS, This bill could protect the pensions of not just the Teamsters under the Central States Pension plan, but also some 1.5 million workers in about 200 different multiemployer pension plans that are also underfunded;

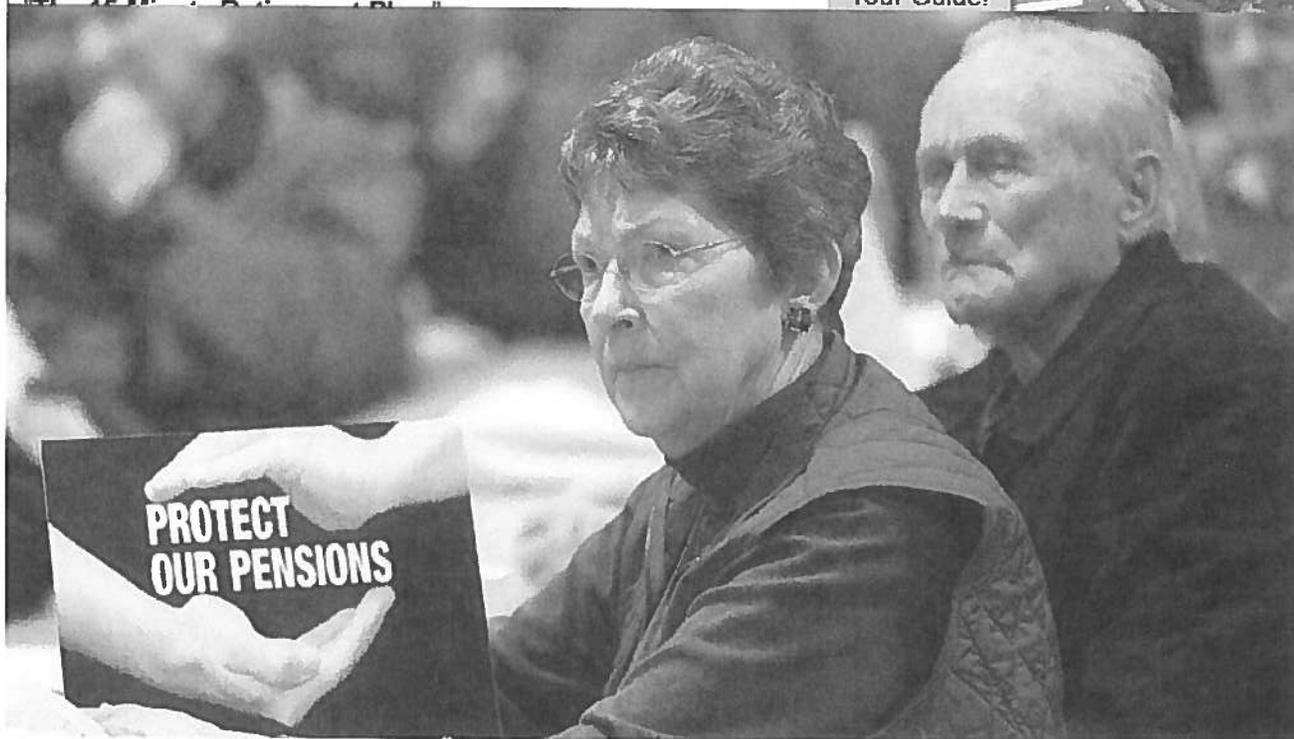
THEREFORE, BE IT RESOLVED, That the St. Louis County Board of Commissioners hereby supports the efforts of current and retired Teamsters union members in their battle to retain their Central States Pension Fund benefits, and wishes to help ensure that other multiemployer pension plans are adequately funded for retirees through passage of the *Keep Our Pension Promises Act, H.R. 2844*, which would repeal the provision in the 2014 federal budget, the Kline-Miller Multiemployer Pension Reform Act, that allowed pension reductions without federal oversight.

RESOLVED FURTHER, That St. Louis County's federal legislative delegation shall be provided this resolution as encouragement in the fight to protect the pensions of retired workers throughout the state of Minnesota and the nation.

4 Ways to Avoid Running Out of Money in Retirement

If you have a \$500,000 portfolio, download the guide by *Forbes* columnist Ken Fisher's firm. It's called

[Click Here to Download Your Guide!](#)



Faye Topliff holds a "Protect Our Pensions" sign while listening to a speaker at Thursday's meeting. Topliff's husband Bob worked at UPS for more than 30 years. Steve Kuchera / skuchera@duluthnews.com

Retirees: Feds failed to protect pension fund

By John Myers on Jan 21, 2016 at 6:07 p.m.

More than 300 current and former Teamsters union members who face reductions in their monthly pensions crowded into the community room at Holy Family Catholic Church in Duluth to fight back against the cuts.

The retirees are among 1,500 in the Twin Ports, tens of thousands across Minnesota and Wisconsin and more than 400,000 across 38 states who received letters in October notifying them that their pension fund is in trouble and that their checks will be reduced – in some cases up to 60 percent.

Trustees of the Chicago-based Central States Pension Fund say the cuts are needed to keep some money flowing to all retirees. With the majority of trucking companies now nonunion and fewer active union members left to pay into the pension fund, Central States officials say the fund will be insolvent by 2027.

But opponents to the cuts counter that the pension fund was well-stocked with money out of union members' pockets yet was mismanaged by trustees, poorly invested by Wall Street financiers and ignored by federal regulators who should have been guarding the money.

"What we need to do is cut the head off the snake," said retiree Frank Hanson of Hermantown, who wants pension fund trustees held accountable.

Hanson, 77, a member of Teamsters Local No. 346 before retiring in 2001 who worked more than 30 years driving trucks for Ready Mix Concrete, said the pension cut will be hard to swallow. Hanson's former employer, like hundreds of other companies, paid into the Central States fund as part of their employees' compensation.

"It's going to affect my life big-time if this happens. Social Security doesn't pay the bills on its own," he said. "The pension is how I get by."

Sally Solots of Duluth said she gets only \$230.97 of her husband Arthur's Central States pension. Arthur, who drove truck for 30 years for Century Motor Freight, died on the job in 1991. Sally was supposed to get \$1,000 per month, half his pension, but that was quickly cut, she said.

"If they cut it again. I don't know what I'll do," she said. "It's terrible. I can't believe they can do this to me."

The proposed cuts are greater for retirees under age 70, and no cuts are proposed for those now over age 80. Many UPS retirees won't see any cuts because the company bought out of the Central States plans years ago, predicting problems.

Retirees at Thursday's meeting signed petitions calling for Central States Pension Fund trustees to resign, and they vowed to vote "no" if the cuts are put for a vote in July as planned.

They also backed a proposal by organizers calling for a Congressional investigation into why the U.S. Treasury Department, U.S. Labor Department and the Internal Revenue Service – all of which have been overseeing the fund for more than 30 years – allowed the situation to deteriorate.

A similar show of opposition is planned for Monday at Coffman Union in Minneapolis when 500 retirees and union members are expected at a meeting called by the "special master" appointed by the Treasury Department to oversee the pension cut proposal and prospective vote by union members, retired and active.

Retiree activists are organizing across all 38 states, supporters said.

"We've got something going here that's solid. We've got a good coalition" to battle against the cuts, said Sherman Liimatainen of Cloquet, a former officer in Local 346. Liimatainen has been among the leaders trying to decipher what went wrong with the pension, who was responsible and what options retirees have.

"We need an investigation and an explanation of what went wrong," he said. "And we need to let people know there are other options. ... It's a myth that this (cutting pensions) is the only way out of the problem."

The Teamsters Central States Pension Fund has been mired in controversy for decades, going back as far as infamous former Teamsters chief Jimmy Hoffa who disappeared without a trace in 1975, believed to be the victim of mob violence. After allegations of wrongdoing and shady investments, federal regulators in 1982 stepped in to oversee a newly appointed board of trustees.

But the fund's investments – which critics now say we're overly risky and possibly illegal – were hard-hit by the 2008 stock market crash that triggered the Great Recession. The fund lost more than 30 percent of its assets and regulators say Central States is now paying out \$3.46 in benefits for every \$1 it takes in, paying \$2 billion a year more than it receives.

Opponents to the cut note that the fund has some \$17.8 billion in assets and could pay out full benefits for another decade or so. That's more than enough time to find a

more equitable solution than pension cuts, said U.S. Rep. Rick Nolan, D-Crosby, who spoke at Thursday's meeting.

Nolan said Teamsters accepted less money in their paychecks every week they worked in exchange for the promise of a pension when they retired. He vowed to stop the cut and then work to bolster the pension fund to pay in full.

"This is no entitlement. This is no gift," Nolan said, saying the money was part of the hard-earned wages of truck drivers. "To ask people in their 60s and 70s and 80s for you to take half of what you put in ... is shameless. It's un-American."

Nolan voted "no" in December 2014 when Congress quietly passed legislation – called the Kline-Miller Multiemployer Pension Reform Act that was amended onto a larger budget bill signed by the president – that allows the cuts to occur without intervention by the federal Pension Benefit Guaranty Corporation, which itself is in dire straits.

With the law in place enabling the cuts, Chicago-based Central States first mailed letters to 403,000 members in 38 states in October notifying each how much their checks would be reduced.

The process is being overseen by the Treasury Department which appointed Kenneth R. Feinberg special master to marshal the process as outlined by the legislation. Participants and retirees also will get the chance to vote on the rescue plan. The Treasury Department has until May 6 to approve or deny the pension changes and, if approved, 30 days to administer a vote on the proposed benefit reductions.

Nolan is among several lawmakers opposing the cuts who have introduced the Keep Our Pension Promises Act, H.R. 2844. The measure would repeal the provision in the 2014 budget deal. It would instead shore up the federally funded but beleaguered Pension Benefit Guaranty Corp. by closing two tax loopholes used almost entirely by wealthy estates to reduce their tax burdens, according to a news release from Nolan.

"I'm cautiously optimistic that this can be fixed," Nolan said of the pension problem.

Supporters say the bill would protect the pensions, not just of Teamsters under the Central States plan, but also some 1.5 million workers in about 200 different multi-employer pension plans that are underfunded.

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