

## 2014 Annual Meeting Delivers!



A packed house listens to the gubernatorial candidates on Oct. 7th

From GSRA members turning out in large numbers, to all three gubernatorial candidates addressing the gathering, with perfect weather thrown in for good measure, the 2014 GSRA Annual Meeting delivered in every aspect. The two day meeting, held October 6<sup>th</sup> and 7<sup>th</sup> at the Anderson Conference Center in Macon, built on the model inaugurated at the 2013 Annual Meeting by opening Monday with registration, Local Chapter Officers Training, and a fun and informative bus tour of historic Macon, capped off by a Welcome Reception for all members, guests, and participants Monday evening. Tuesday brought a full day of events, with concurrent workshop sessions conducted during the morning, followed by lunch. Members then participated in the Plenary Session before the main attraction, presentations by all three candidates for governor. In what is now an important tradition of the Annual Meeting, members were treated to door prize drawings at different times throughout day two, culminating in drawings for the final door prizes as the meeting drew to a close. At its conclusion, over 450 GSRA members, guests, presenters and exhibitors had participated in the 2014 Annual Meeting!

With a definite feeling of fall in the air, GSRA members began to show up Monday morning, October 6<sup>th</sup>, at the Anderson Conference Center in Macon. In addition to registering, members were able to connect with former colleagues and friends throughout the day. In the afternoon, after GSRA President Claude Vickers convened the meeting, local chapter officers attended a training session, while over 150 GSRA members loaded up on three buses to take a tour of historic Macon. In addition to viewing historic Macon sights such as the Hay House, Sidney Lanier Cottage and St. Joseph's Catholic Church, members were treated to a scheduled stop at the Ocmulgee National Monument. Later that evening, members and other participants made their way to Edgar's Bistro, part of the Anderson Conference Center campus, where they were feted at the Welcome Reception, sponsored by Blue Cross Blue Shield of Georgia. Guests were treated to finger foods and beverages and entertained with excellent music provided by singer and guitarist Josh Carson.



Participants board tour buses Monday afternoon

Tuesday morning opened with members dividing their time among concurrent sessions. Despite having to cancel one of the four scheduled sessions due to the unfortunate

hospitalization of the presenter, the Annual Meeting still offered three informative topics, *SHBP – Preview of Changes for 2015*, *Social Security Administration Overview*, and *Investing Advice*, and GSRA members good-naturedly squeezed into the full venues for each. Before and in between sessions, members distributed their tickets for the door prizes of their choice in anticipation of the drawings later in the day. The concurrent sessions were followed by lunch for all in the auditorium, provided by UnitedHealthcare, where members had further opportunities for visiting and catching up.



Members cast their tickets for the door prizes of their choice

After lunch, GSRA President Claude Vickers opened the Plenary Session, where members voted on new officers and board members for 2015 and voted “yes” on modifying one of the GSRA by-laws to allow the Annual Meeting dates to be adjusted to anytime of the year in non-election years. This will allow GSRA to hold the meeting in locations, such as Savannah, during off-peak seasons to take advantage of lower prices for lodging and convention services. The officers for 2015 approved during the Plenary Session are: President Russell Hinton; President-Elect Kip Mann; Secretary Gelane Hamilton; Treasurer Beryl Renfroe; and

At-Large Board Members Kip Mann, John Keys and Beth Morgan. Current President Vickers then finished off the Plenary Session by drawing for a number of the many door prizes for which members had cast their tickets.

The main afternoon session was convened with a welcome from Macon/Bibb County Mayor Pro Tem Bert Bivens, III. Following that, each gubernatorial candidate, who had all been provided in advance with questions and topics of interest to GSRA members, addressed the crowd. Despite the advance prep, all three candidates appeared to believe the audience was heavily represented with teachers and, while Governor Deal did attempt to address the questions/topics he’d been provided, neither Senator Carter nor Dr. Hunt appeared to, only loosely addressing the GSRA topics and focusing instead on what their emphasis will be in office.

After the candidate presentations, drawings for the final door prizes were held, as the 2014 Annual Meeting drew to a close. Based on the outstanding attendance by GSRA members, comments heard during and after the meeting, and the evaluations received from participants, GSRA leadership feels the 2014 Annual Meeting was our best yet!



Lucky winner of one of the many great door prizes

## Gubernatorial Candidates Address GSRA Members

Presentations by all three gubernatorial candidates (Governor Nathan Deal, Senator Jason Carter, and Dr. Andrew Hunt) highlighted GSRA’s Annual Meeting

Tuesday afternoon. In preparation for the presentations, the Annual Meeting Committee asked the candidates to respond to the following:

- adequate funding for the state sponsored retirement systems,
- cost of living adjustments for retirees of plans administered by the Employees Retirement System,
- anticipated changes for the State Health Benefit Plan, including those required by the Affordable Care Act,
- increased transparency in decision making for the SHBP, including support for an Advisory Board;
- recruitment and retention of active employees and teachers after years of budget cuts and increasing workloads; and
- perspective on tax reform.

GSRA appreciates the time and effort each candidate demonstrated to address our concerns.

### **Governor Nathan Deal (R)**

Governor Deal began his comments by stating that the Georgia economy and job creation are improving and, therefore, revenue is increasing and that allows appropriate funding for the retirement systems. He stated that \$140 million in increased contributions was provided for the retirement systems in FY 2015, and that in the upcoming FY 2016 budget increases of \$72 million for the Teachers Retirement and \$57 million for the Employees Retirement System are being included just to maintain the Annual Required Contribution (ARC) specified by the actuaries. Continuing to fund the ARC projections is important to Georgia so that the triple A bond rating can be maintained. He also proudly announced that the retirement systems' investment income (asset growth) was over 17% in FY 2014. Gov. Deal stated that he continues to oppose alternative investments for the Teachers Retirement System

In addressing COLAs for members of the Employees Retirement System, the Governor said that the Board of Trustees voted against awarding COLAs in 2015 based on an understanding of the funding status and the cost of a COLA award. He pointed out that the best way to provide for COLAs is to grow the Georgia economy and that such growth has occurred every year since he has been governor. The Governor also pointed out that there are three state retirees on the ERS board along with long-service state executives—the State Auditor, State Treasurer, and Commissioner of the Department of Administrative Services.

The Governor then addressed the question about the State Health Benefit Plan. He explained that the Department of Community Health accepted proposals from insurance vendors for the SHBP as a result of the old vendor contract expiring in 2013. The Department awarded the contract to one vendor; however, after hearing from members about the lack of choice in the contract, the Community Health Board immediately added copays for physician services at a cost to the health plan of \$114 million in CY 2014. The Department has added two additional vendors for 2015 to provide a range of options to include the HRA, HMO and an HDHP. The Governor pointed out that the changes have been made even though the Affordable Care Act requires additional costs of \$351 million for both the SHBP and Medicaid.



Governor Deal addresses the Annual Meeting

When talking about recruitment and retention of active employees and teachers, the Governor stated that one of Georgia's strengths is its workforce and that Georgia had been ranked as the best state in the country for workforce quality. He also pointed out that Georgia's unemployment rate is 2% less than when he came into office. Regardless of Georgia's rankings, he included merit based salary increases of \$40 million in the FY 2015 budget. In addition, \$12 million was included for targeted increases for high turnover and dangerous jobs, such as correctional officers. Another job where high turnover and heavy workloads are being experienced is the DFACS case worker where 175 positions were added in FY 2015 and an additional 100 will be added in the Amended FY 2015 budget.

Tax reform has been a hot topic for the last few years. The Governor addressed the topic by reporting that fifty percent of Georgia revenue comes from income tax, and to put that revenue in a speculative stream is risky. Until Georgia finds a solid basis for funding government,



including for sustaining our retirement systems, care must be taken. Any change should be taken cautiously although in the last few years, we have eliminated the married tax penalty and given credits for energy items. Georgia should increase its tax base by improving training in targeted job shortfalls, i.e., movie production, and information technology programing.

### **Jason Carter (D)**

Senator Jason Carter began his comments by stating that state employees and teachers have been treated as “part of the problem” rather than a “part of the solution.” These public servants have had to do more and more with less and less. He believes that going forward, we have the ability to build a government that we can be proud of. Georgia has great resources but is dead last in some categories. He believes that we can come together so that no one gets left out – Georgia has every ingredient that it needs and yet we are at the bottom—median income is dropping. Our state has no business at the bottom.

Education has had the worse contraction in state history. Carter said we need to take the education budget first and then move on to the rest of state government. We have fewer teachers than in five years ago—have slashed HOPE—property taxes are going up.

Carter continued that we need to recruit, retain, and support the best possible teachers and keep our promises. We need an economy that works for average people. Average median income is down \$6,500; regular people need dollars in their pockets to drive our economy. Small business and the public needs the same breaks as big business. We used to want a government that is small and effective—now we just want small government.



Senator Carter during his presentation

We need strong ethics and honest government; we need to avoid paying out public dollars in penalties. He believes that we can make government effective as well as small. We need to focus on recruitment and training employees. We need to keep our promise for the teacher advanced certification bonus.

Sen. Carter said he understands the impact of State Health Benefit Plan changes on active and retired members. There was no discussion in advance and that is not the way that he would lead. The center piece is respect, communication and understanding that we must keep our promises. Carter will not have a repeat of last year for the SHBP.

The Senator noted that he understands retirees’ criticism and concern about pension funding. He pledged to never act without prior discussion. He will not be playing politics with our pension. Our partnership is important and transparency is important.

### **Dr. Andrew Hunt (L)**

Dr. Hunt began his comments by stating that he is a member of the Liberation party. He further commented, “I believe in self-motivation and a smaller constitutionally based government.”

He understands that not receiving a retirement benefit adjustment since 2009 is problematic, and that retirees can’t keep on living without adjustments with cost continuing to go up. While retirement systems may not be funded as well as we would like, Georgia is better funded than many other states. As governor Dr. Hunt will look into plans to improve funding, how to better invest funds to increase return and to assure that the promises are met.

There is a major issue with the federal government wanting to control our medical plans. The tenth amendment provided for state control and the state should be in control of the medical plan – not the federal government. Other states are initiating good plans, i.e. Colorado is implementing a direct patient care plan.

We have to take care of our educational system; we have the highest unemployment rate in the nation; we need a business person in charge. I will work for you and other underserved groups as governor.



Dr. Hunt presents his views

GSRA deeply appreciates the candidates choosing to attend our annual meeting as well as the time and effort each candidate demonstrated to address our concerns. However, it must be noted that all three candidates addressed the audience as if it was composed primarily of teachers. In fact, Governor Deal went so far as to stress he would never harm teachers by – among other things – using TRS pension funds

for risky investments while all in the group were painfully aware that he had recently done just that with our ERS pension fund. Also, while the Governor mostly addressed the questions/topics provided him by GSRA, neither Senator Carter nor Dr. Hunt did, addressing instead what their emphasis in office would be. As examples, GSRA was very disappointed that none of the candidates chose to address concerns of ERS and TRS members about the lack of transparency of the department and board of Community Health decision making and GSRA's proposed legislation to improve that. None of the candidates provided any encouragement regarding future ERS COLAs.



## GSRA Announces Plans to Hire Professional Lobbyist

During its 2014 Annual Meeting Plenary Session and Chapter Officer Training, GSRA members learned about plans to hire a professional lobbyist (“Legislative Affairs representative”) to represent us beginning with the 2015 Session of the General Assembly.

GSRA's already-established volunteer efforts would continue, but be strengthened through this new relationship. Continuing would be monitoring legislation and periodically visiting the Capitol, working to promote local Chapter activities aimed at keeping legislators informed of GSRA concerns, and attending GSRA's Legislative Day –*but these voluntary efforts would be greatly strengthened by a known, daily presence at the Session and during the legislative interim periods.*

“GSRA will have better, continuous information and ‘intelligence’ on what’s going on, who’s doing what in areas of interest to GSRA, and the kind of legislative awareness we need to better communicate

with political leaders much more effectively,” noted John Keys, chair of the Selection Committee for GSRA. “They’ll be an already-known presence there, so they’ll be able to hit the ground running for us.”

According to GSRA Legislative Committee Chair Chuck Freedman, GSRA's legislative presence at the State Capitol would have the following duties:

- Represent the association on a daily basis, monitor legislation of interest, alert our Legislative Chairman on developments requiring ongoing information, and warn him when alerts for member action are needed.
- Provide ongoing guidance on strategies to achieve GSRA legislative goals, notice of key legislative meetings, and recommendations when GSRA legislative contact is needed with legislators and key leadership.

- Work with other organizations to form joint alliances and action to generate 'strength in numbers' during the Session on key legislative bills or proposals.
- Report to GSRA during interim periods regarding ongoing matters of interest, and meet with GSRA members at the Annual Meeting, Legislative Day, and Chapter meetings (when possible).

The Selection Committee solicited advice on appropriate "sized" firms to solicit proposals, narrowed the solicitations to five well-established small- to medium-sized legislative firms, and sent an RFP to them on October 15, with a response date set for November 3.

Selection will be done by the end of November, and GSRA looks forward to working with the firm selected to serve us as partners in advancing our interests with GSRA Chapters, the Board, and individual GSRA members!

## VOTE NO ON AMENDMENT "A" TO CAP INCOME TAX RATE

Despite GSRA's efforts to block it, the General Assembly approved a proposed constitutional amendment to prohibit the state from increasing income tax rates above the present 6%. Income tax hikes are not contemplated now any more than they have been in the past. However, should the state -- which has one of the very lowest taxes per capita in the nation -- have dire need for increased revenues in the future, this amendment would hamstring the General Assembly from taking the needed action. GSRA members should also consider that should income tax rates be increased in the future, we probably would be minimally or not affected because the increase would most likely be for incomes in excess of what most GSRA members receive in pensions. NET incomes below \$35,000 (that's \$70,000 for 2 person age-qualified households) for all Georgia retirees ages 62 - 64 are tax exempt. The exemption increases to \$65,000 per person for seniors (\$130,000 for qualified households) age 65 and above. Therefore, very few members above age 62 will have to pay any future income tax increases.

However, and this is why GSRA is taking a position, if the amendment passes and the future requires increased tax revenues, the revenues will have to be generated by legislatively increasing some other kind of tax -- most likely sales tax -- which retirees DO pay. This is because repealing the income tax cap constitutional amendment would be most difficult to do at all and could not be done in the current legislative session; a resolution would have to be passed by a two-thirds majority in each house and then approved the following general election (November of ONLY even-numbered years) by the electorate. Even then, a bill would have to be introduced and passed for the income tax change to be implemented, and that would not occur until the following year at the earliest. So, the most probable first increased revenue target for the current legislative session would be, or at least include -- as previous "tax reform" panels have recommended -- to repeal current exemptions on groceries, prescription drugs and medical services. These actions would disproportionately impact seniors, adding hundreds of dollars per year to our already strained budgets.

Accordingly, GSRA opposes this proposed amendment and urges you to vote NO when you cast your ballot.

## Letter from Claude Vickers



The Georgia State Retiree Association's 2014 Annual Meeting is over. From my point of view, the two day program was well designed and was a complete success thanks to a number of our fellow GSRA members. Our local chapter officers received some excellent training and information on managing their chapters. From all reports, the tour of Macon was enjoyed by those who took advantage of it. The three gubernatorial candidates were on time and provided those in the room with information on which to make a decision when they enter the polling booth. The exhibitors provided excellent information to our attendees.

Initially, I worried that we might not have enough attendees to make a positive impression on the candidates. As I stood on the podium and looked at a "packed" house, I was impressed and I know the candidates were also. There were no empty seats. I cannot tell you how much I appreciate all of those that attended. I encourage all of the ones who attended to share their views with their local chapters. As I told Governor Deal, we had gathered about four hundred and fifty people from all corners of the state to

hear his comments and they were taking notes to carry back to their local chapters, friends and neighbors.

I have had the opportunity during my career to work with some of the best, most dedicated and capable people imaginable. Your GSRA Board Members are no exception. Allan Hill and Kip Mann led the planning of the conference and distributed portions of the responsibilities for the conference to their cohorts and got out of their way and let them perform. They were not disappointed; everything went smoothly as planned. All of GSRA and me especially owe a debt of gratitude to all of those who served on the Annual Meeting Committee and who worked to make the meeting the success that it was. A player in the execution of all the planning was Donna Buffum. She made everything work and look easy.

Now, I'm in the final days of my tenure as your President and I'm looking forward to being Past President. I encourage you to give all of your support to Russell Hinton who is following me as your President. He is one of those very capable people I've worked with through the years who always did things the right way and for the right reason. He is capable, dedicated and committed to the goals of the Georgia State Retirees Association. I am committing my full support to him and to the Board.

### **Save this Important Date!** **February 4, 2015**

**GSRA Day at the Capitol and  
Legislative Reception  
Empire Room, Floyd Building**

Mark your calendar today and make plans to attend and participate in GSRA's next big event, GSRA Day February 4, 2015 starting at the Capitol in the morning and ending at the Empire Room of the Floyd Building in the evening. GSRA made progress on our initiatives and legislative goals during the last General Assembly, but we need YOU to make these goals a reality in 2015. GSRA Day at the Capitol is an opportune time to talk with your legislators and to convey to them our concerns and goals. Look for the official announcement along with registration and lodging specifics the first week in December and expect periodic Action Watches and Action Alerts throughout the Session.



# 2014 Annual Meeting Illustrated





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**Welcome SHBP RETIREES**

**We're back!**  
We are honored and look forward to serving you in 2015!




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