

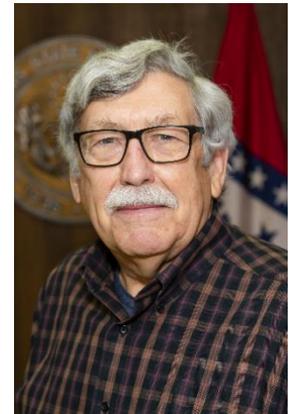
The Connection

Spring 2019 **NEWSLETTER**

<p>Mike Limbird President 5115 Country Club Little Rock, AR 72207 501-920-3667 cc5115@aol.com</p>	<p>John E. Watkins Sr. Vice-President 604 Country Drive Hope, AR 71801 870-777-2814 watkins-john@att.net</p>	<p>David Mayo Vice-President 21 Shawnee Forest Cv. Little Rock, AR 72212 501-224-5215 david.mayo@sbcglobal.net</p>	<p>Doyle Hughes Secretary/Treasurer 9112 Leatrice Dr. Little Rock, AR 72227 501-227-3819 etusnavy@aol.com</p>	<p>Jake Weston Member-Retirement Board 309 Wanda Lane Benton, AR 72015 501-776-1743 Term ending 6/30/2019</p>
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Message from the President

Mike Limbird



There is always some news that we would like to insure retirees know and the best way to get that information to all retirees is through the local retiree chapter meetings. Each District has a Retiree Chapter with set meeting dates, times, and locations. The northwest corner of the state has a Chapter made up of retirees who worked in that corner of the state for District 4 or District 9. This Newsletter has that information in the *Chapter Reports* section of the Newsletter; this information is also found on the Department's website (ardot.gov). Once on the website, the information can be found at Division/Retirement/Retirees. The website also has the four latest Newsletters, the By-Laws, and Membership Application. Please visit the site; if we can get additional useful information on the site, let one of the officers know and we'll see if it can be done. The Department has been very supportive in making this information available.

The basis of the Retiree Association is the District Chapters; the officers of those District Chapters often struggle to keep the individual Chapters viable. Statewide, we have more dues paying members than we have meeting attending members. Several of the Chapters have gone from monthly or bimonthly meetings to quarterly meetings and still may have low attendance at the meetings. The District 10 Chapter is struggling with this now. A Chapter is not very effective for the members if no one attends the Chapter meetings. Items will be brought to the attention of the Retirement Board through the Retirees' Representative more effectively if the concerns come through the Chapter/Chapters. Check with your Chapter officers to see what you can do to help maintain the attendance at Chapter meetings. This could include carpooling with a friend/s or starting a call around to remind folks of upcoming meetings.



Jake Weston: 10 YEARS OF DEDICATED SERVICE

After serving 10 years as the retired representative on the Arkansas State Employees' Retirement System Board, Jake Weston announced he will not be seeking re-election at the end of his current term, 6/30/2019. The Association of Retired ARDOT employees would like to thank Jake for his many years of dedicated service.

Any retired employee (including those that are Active Drop) are eligible to run for the retired representative on the ASHERS Board. Nomination cards will be sent out at the end of April.

ASHERS LEGISLATIVE UPDATE

Our retirement system is built to withstand the ups and downs of the stock and bond markets. Historically ASHERS has done well, but investments are just one part of the equation when looking at sustainability. A retirement system requires a balance between money coming in and money going out.

The basic formula for a retirement system is:

Contributions + Investments = Benefits + Expenses

Retiree Cost of Living Adjustment (COLA)

In 2015, as recommended by our actuary, the Board voted to adopt new mortality tables to reflect current life expectancy. In the 2017 Legislative Session, the annual COLA was changed from a flat 3% to a percentage change in the CPI-W and tied to inflation, but capped at 3%. **The COLA increase for July 2019 will be 1.77%.**

Following the most recent actuarial valuation, the Board voted to revise the COLA calculation. To offset the cost of health care, eligible retirees or their survivors receive an additional amount ranging from \$450 to \$1,500 annually, dependent on years of service. Previously, these amounts were added to the annual benefit when calculating the COLA for the next fiscal year. This practice increased payouts and resulted in an increase of unfunded liabilities.

Beginning in July 2019, the health care offset will no longer be included in the COLA calculation. To the individual, this change means a COLA reduction of, at most, \$45 a year (\$3.75 a month) in pre-tax dollars. However, the impact to the system is a projected reduction of unfunded liabilities by \$5.5 million; and a reduction of the funding period by a little over one year.

Contribution Rates

Our current rates, 6% for the employee and 12.9% for the Department, have been in effect since 1977 and 1981, respectively. Meanwhile, the life expectancy of a 65-year-old retiree has increased from 16.4 years to 19.6 years. This means on average that retirees will receive an additional 38 or more monthly payments which were not considered when current contribution rates were adopted.

Beginning in July 2019, contribution rates for employees will increase to 7% over a two-year period in 0.5 percent increments. Contribution rates for the Department will increase to 14.9%. Based on the most recent pay schedule, bi-weekly, pre-tax contributions for employees are estimated to increase from \$3.70 for a Grade 1 (Quartile 1) position to \$22.66 for a Grade 20 (Quartile 4) position in July 2019 with a similar increase in July 2020. These changes will result in an additional \$4.6 million in funding; reduction of the current "infinite" funding period to an approximate 32-year funding period; and a reduction of unfunded liabilities by \$23 million over 5 years and \$68 million over 10 years.

These changes were made by the Board of Trustees and approved by the Legislature to help preserve the pension benefits every employee and retiree count on for the future.

Key Terms

An unfunded liability is the amount by which future obligations exceed the current value of funds available

Think of it like a mortgage for your home; you take out a 30-year loan because you cannot make a lump sum payment for your house, but a review of your income and outstanding debts indicates that over time you will have a stream of income that will allow you to pay off the loan.

The funding period is the length of time an employee and the Department contribute to the system, that when combined with the return of investments, ensures the system has enough money to pay an employee's lifelong retirement benefit.

The goal for the system is to have a funding period of 30 years or less. ASHERS funding period as of June 30, 2018, was infinite.



David Mayo elected State Vice-President

Former State Aid Division Head, David Mayo was elected by the Executive Committee at its March 6, 2019 meeting Vice-President of the Association of Retired ARDOT Employees. The Association asks everyone to consider serving as a state or chapter officer.



2018 Annual Retirees' Association Meeting





**Mark your calendars for the
2019 Annual State Retirees' Association Meeting**

**October 24, 2019, 11:00 am
Bishop Park, Bryant, Arkansas**

Don't miss out on food, fun, fellowship, door prizes and valuable information!!!

We urge you to fill out the Membership Application Form below. You can turn it in to your local Chapter Secretary/Treasurer or mail application and \$15.00 annual dues to: **Doyle Hughes, Secretary/Treasurer, 9112 Leatrice Dr., Little Rock, AR 72227.** Make your check payable to: **AHTD Retirees Association.**

2019 MEMBERSHIP APPLICATION FORM

Retiree Name _____ \$15 Fee Enclosed
Spouse Name _____ \$10 Fee Enclosed
Phone Number _____ Year You Retired _____ Division/
District No. _____
Address _____ Zip Code _____
Street or Route & Box No. City State
E-Mail Address _____
Signed _____

Please send form to Doyle Hughes, 9112 Leatrice Drive, Little Rock, AR 72227

Address and Beneficiary Changes

Attention all retirees, if you move, please notify RoShunda Colclough at the Arkansas State Highway Employees' Retirement Office at (501) 569-2532. Besides keeping your address and phone number current, you also need to keep your beneficiaries current. You should contact the Group Insurance Office at (501) 569-2417 for beneficiary updates on your group health or life insurance. Since 2001, the Retirement System provides an additional lump-sum benefit of \$7,500 payable to your beneficiary at the retiree's death. If you have any questions about this benefit or the beneficiary for this benefit, please call (501) 569-2532.



2019 Statewide Officers: From left to right, John Watkins –Sr. Vice President; Mike Limbird – President; and Doyle Hughes –Secretary/Treasurer. (Not Pictured – David Mayo- Vice-President)



AHTD Retirees' Association Facebook Page

The ARDOT Retirees' Association has a Facebook page that was set up and is maintained by Bettye Johnson. Our Facebook page is being enjoyed by many across the State. If you haven't checked it out, please do so at www.facebook.com and search for "AHTD Retirees Association." You may see some folks you haven't seen in a while. Please send any pictures and info to Bettye Johnson at bcj41@cablelynx.com.

Chapter Reports

District 1

Roy Morris-Pres. / Jimmy Smith-Vice Pres. / Terry Morris – Secretary-Treasurer
Meets: 2nd Thursday in March, June, Sept. & Dec. at Mikes in Colt, AR.

June 2018 – The District One Chapter of the AHTD Retirees Association met on June 14, 2018 at Catfish Island in Caldwell, AR with 20 members and 6 guests present. Our guests were the State Officers, Robyn Smith, ASHERS Executive Secretary, and Ronda Walthall, Insurance Administrator. It was announced that the State meeting will be October 25th in Bryant Arkansas. All are encouraged to attend. A meal was enjoyed by everyone. Our next meeting will be held September 14, 2018.

September 2018 – District One Chapter of the AHTD Retirees Association met on September 14, 2018 at Mike's Restaurant in Colt with 14 present. All enjoyed the fellowship and meal. Next meeting will be held on December 13, 2018.

December 2018 - The District One Chapter of the AHTD Retirees' Association met on December 13, 2018 at Mike's Restaurant in Colt, AR with 19 members present. President Roy Morris held a short meeting. He encouraged members to pay their 2019 dues. All enjoyed a delicious meal and fellowship. Next meeting will be March 14, 2019.

District **2** Ben Novak-Pres. / Vacant-Vice Pres. / Vacant – Secretary-Treasurer
Meets: 3rd Friday. Quarterly, starting in March (Monticello, Pine Bluff, or Star City) 12:pm

No News

District **3** Don Donaldson-Pres. / Herbert Ross-Vice Pres. / LaVerne Arledge – Secretary-Treasurer
Meets: Quarterly, CALL (870)777-2814 for times and meeting places

No News

District **4** Don Griffin-Pres. / Vacant-Vice Pres. / Linda Clark-Secretary / Mary Baker -Treasurer
Meets: 3rd Wednesday, Monthly at Golden Corral, Ft. Smith, 11:00am

March 2019 – At our February meeting we were pleased to see Mel and Nancy Heath back with us. We received word about Dale Spencer, Ralph Goodson, and Bob Mainer. They are all in need of our prayers. The retirees' insurance changed at the first of the year from QualChoice to Health Advantage (Blue Cross/Blue Shield). Some retirees have received bills and discovered that they forgot to notify their medical providers. The Insurance office has a toll free line at (800)442-9833, if you need them. The Retirement and Insurance departments will be attending our meeting on May 15, 2019. Our next free lunch is on July 19, 2019. Hope you can be there. We meet at the Golden Corral in Fort Smith, the 3rd Wednesday of the month. We gather at 11:00am and eat about 11:30am.

District **5** Charles Sherley-Pres. / A.L. "Shorty" Coles-Vice Pres. / Paul Edgemon–Secretary-Treasurer
Meets: 2nd Saturday Monthly (Except July & Nov) at Wyatt's, Batesville. 2nd Saturday July & Nov. at Western Sizzlin' in Searcy

No News

District **6** James Sanders-Pres. / Jerry Westerman-Vice Pres. / Mike Selig-Secretary / Richard Blaine-Treasurer
Meets: 1st Monday, Monthly, Baptist Hospital, Gilbreath Conference Ctr., Little Rock, 12:00pm

August 2018 – District 6 Retirees met August 6, 2018; our speaker was Susan Borne of The Nature Conservancy. The Nature Conservancy is a leading conservation organization working around the world to protect ecologically important lands and waters for nature and people. They have worked with many partners to conserve more than 300,000 acres of critical natural lands in Arkansas for people to use and enjoy; The Arkansas Field Office of The Nature Conservancy opened its doors in 1982 and has worked in tandem with private landowners, conservation groups and government agencies to facilitate conservation. Some projects include: three miles of eroding streambanks have been restored through natural channel design in the upper Little Red River watershed; new trails at Bluffton Preserve on the Archey Fork ready to explore; four miles of the ditched Cache River was reconnected to its natural channel (the biggest river restoration the Conservancy has undertaken in Arkansas); 1,900 acres are now conserved by reducing sediment runoff along eight river miles to protect water quality and give people more access to the outdoors; the Conservancy is moving towards a goal of 400,000 acres annually. Additional information concerning The Nature Conservancy can be found on-line.

September 2018 – District 6 Retirees met September 10, 2018; our speaker was Andrew Brewer, Asst. Division Engineer - Transportation Planning & Policy. The Division is responsible for the Department's Traffic Incident Management (TIM) program. The program removes incidents from Arkansas' highways and restores normal travel operations as safely and quickly as possible. ARDOT partners with multiple agencies to:

- Enhance responder safety
- Enhance the safe and quick clearance of traffic incidents
- Reduce the risk of secondary crashes
- Support the economic vitality of Arkansas by minimizing delay

The Department is currently completing a Traffic Management Center (TMC) in the Department's main building taking up most of the old cafeteria area. The TMC will have ready access to the fifty (50) changeable message boards around the state as well as the live

(Continue on next page)

traffic television cameras around the state. Accident responders often become involved during the responses to incidents on state highways/interstates. Secondary incidents (accidents resulting from an accident) are often more expensive and cause more delays than the original incident. Two recent laws require more public awareness and will help lessen the expenses due to highway incidents:

“Move It” – Requirement to move vehicles involved if they can be moved and there are no injuries.

“Move Over” – Requirement for vehicles to move over leaving lane immediately adjacent to emergency vehicles empty.

October 2018 – District 6 Retirees met October 1, 2018; our speaker was Major Kyle Sanders, a C-130J pilot at the LR Air Force Base(LRAFB). The LRAFB is the home of the largest C-130 fleet in the world and is involved in Medevac and Hurricane support while also becoming included in drone training. Approximately 15,000 STEM students were to attend a free presentation on Friday before the air show, Thunder Over the Rock, to be held on October 27-28, 2018. The air show will include the Thunderbirds, U.S. Army Golden Knights, and demonstrations and displays of several aircraft such as a C-5, F-22, F-35, and F-15.

November 2018 – No meeting.

December 2018 – District 6 Retirees met December 3, 2018; our speaker was Rita Looney, Chief Legal Counsel for the ARDOT since May 2012. The Department has nine staff attorneys; the Division acts as the legal firm for the Department. The Division represents the Department in four main areas of litigation:

Right of Way (ROW) Acquisitions-the Department and landowners often disagree over just compensation for land obtained for ROW. All land acquired through ROW acquisitions must be for public or highway purposes.

Right of Way (ROW) Encroachments- ROW encroachments are a constant problem; includes mail boxes, fences, vehicle parking, etc. Permits are required for billboards, driveways, utilities, others that cross Department ROW's.

Construction Claims-Damage claims against the Department must through the Claims Commission where the Division represents the Department for Contractor construction claims and from the general public for damages due to prompt maintenance/replacement of safety devices/etc.

Damage Claims-the Division seeks damages from individuals and companies for the destruction or damage of Department facilities or highway appurtenances. The Department may obtain payment by claiming par or all of an individual/company tax refund.

January 2019 – The District 6 Retirees met on January 7, 2019. Our speaker for the meeting was Bill Fitzgerald, Vice President of the Little Rock Convention Bureau, whose business is to attract tourism and visitors to Little Rock. Their funding comes from taxes on restaurants and hotels. Mr. Fitzgerald pointed out the history, culture, and food as attractions in the Little Rock area, and noted how genuine and friendly the people are in Little Rock. The visitors to the area, besides other places in Arkansas, come from mostly the surrounding states of Texas, Louisiana, Missouri, Tennessee, and Oklahoma. Ads are now placed in more digital formats than in magazines. Biking is also emphasized as Little Rock develops more bike paths. LOVE Little Rock is a new phrase they are pushing, along with two great videos to promote the City of Little Rock.

February 2019 – The District 6 Retirees met on February 4, 2019. Our speaker for the meeting was Joe Quinn, the Executive Director of Arkansas Good Roads Foundation (AGRF). He stated that roads are a quality of life issue and quality of roads matter. Road construction needs in Arkansas are \$487 million and 90% of people surveyed say roads should be in better shape. Tax cuts hurt funding for roads. We might see fuel tax changes and include fees included for electric vehicles. Highway 70 in Saline and Garland counties is an example of good highway improvement. The Foundation website www.ARGoodRoads.com shows which road needs improvement now.

District 7

Michael Nelson – Pres./ Dannie Launius-Vice Pres. / Anna Jane Reddin – Secretary-Treasurer
Meets: 2nd Thursday, every other month (Starting in January) Cardinal Cafe, Camden, AR 11:00am

September 2018 – District 7 Retirees met at 11:00 am on September 13, 2018 at Cardinal Café in Camden, Arkansas. President Mike Nelson called the meeting to order with 18 members and 1 visitor present. The guest speaker was Mark Smith, financial advisor for Edward Jones. Anna Jane Reddin gave a financial report. Mr. Sam Bradshaw said the blessing for the meal. The next meeting will be November 8, 2018.

ASSOCIATION OF RETIRED
ARKANSAS DEPARTMENT OF
TRANSPORTATION EMPLOYEES
INC.



Doyle Hughes, Secretary/Treasurer
9112 Leatrice Drive.
Little Rock, AR 72227

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District **8** Janet Boozer-Pres. / Don Wilkinson-Vice Pres. / Martha Paine– Secretary-Treasurer
Meets: 1st Monday, every other month (starting in February) Western Sizzlin', Russellville, 11:00am

No news

District **9** Bill Phillips-Pres. / James McIntosh-Vice Pres. / Roy Brasel – Secretary-Treasurer
Meets: 3rd Friday, Quarterly (January, April, July, & October) Western Sizzlin', Harrison, 11:00am

No News

District **10** Carlos Lester-Pres. /Claude Parton-Vice Pres. /Vacant – Secretary-Treasurer
Meets: 1st Tuesday every other month (starting in February), Simpkins Family Buffet, Paragould, 11:00am

No News

NWA Sam Turner-Pres. /Jerry Stuckey-Vice Pres. /Teresa Maze – Secretary-Treasurer
Meets: 2nd Tuesday every other month (starting in February), Western Sizzlin', Springdale, 12:30p

No News