President Jim Lockard called the meeting to order at 10:03 a.m.


Approval of Agenda: Jim Lockard submitted the agenda and a motion was passed to approve the agenda.

Approval of Minutes: The minutes of the January 14th, 2014, meeting were inadvertently not distributed, therefore, Jim will soon email them out to the Board for approval.

President’s Remarks: Since other reports will cover a lot of information, Jim only wanted to remind everyone that the UIC Chapter is hosting Professor Ann Lousin (from the John Marshall Law School). She will be giving a presentation on April 24 regarding Illinois pension issues. This will also be available on-line.

Treasurer’s Report: Doug Moore was absent but Jim Lockard distributed and highlighted the written report of cash receipts and disbursements for the Board to review. The report (dated January 9th, 2014 to April 10, 2014) was typical. It included the receipts for SUAA dues of $682.89. Receipts from Carder Travel totaled $6917.13. A transfer payment of $27.64 was for NIU bus rental. Contributions for membership gifts were $340.00. Disbursements included coffee hour expenses, NIU Wellness Fair donations and give aways, and newsletter design. The excess of receipts and transfers over disbursement was $445.60. The balance in checking account effective January 9, 2014, is $12809.06 and the balance in checking account effective April 10, 2014 is $13254.66. Balance in Certificates of Deposits effective April 10, 2014, is $15732.98. Total resources effective April 10, 2014 are $28987.64. There was a brief discussion and it was agreed that the dates of the year-end Treasurer’s Report should align with the Audit Report end date of December 31st. There was a motion to accept and a second to approve the Treasurer’s Report.

SURS Board and SUAA Foundation Reports: John’s report covered three areas: (1) current financial status of SURS, (2) recent activities by SURS and its Board, and (3) the pension reform act from SURS’ point of view. The opinions expressed in this article are John’s and do not represent official positions of SURS.

As of the end of February, 2014, SURS had $16.5 billion available for its defined benefit plan. The investment return for the fiscal year as of February 28, 2014 was 12.9%. That amount increased during March but has decreased so far in April. Also, as of the end of February, 2014, the defined benefit plan was 46.7% funded, based on market values. That was up from the 43.7% that existed on July 1, 2013, the beginning of the fiscal year.

The state is putting pressure on SURS and other state plans to lower the discount rate (in our case, below the current 7.75%). As a matter of reference, the return on investment as of December 31, 2013, has been as follows: (1) one year = 17.3%; (2) three years = 10.34%; (3) five years = 13.58%; (4) ten years = 7.76%; and (5) twenty years = 8.52%
For current activities, SURS is engaged in an asset-liability study, assisted by our investment advisor, NEPC. This study will likely result in some changes in asset allocation and a reconsideration of the discount rate. On April 1, 2014, SURS and SUAA held a joint legislative reception in Springfield. SURS’ perspective in legislative activities is encouraging full funding of the required statutory contribution, which has been happening during the past three years. Bob Pritchard attended this reception as he has for the past several years. SURS will hold an investment committee meeting on April 24, 2014, and a full meeting on June 12-13, 2014. While we meet as a full board at least quarterly, the June meeting is considered our annual meeting.

Regarding pension reform, more extensive coverage of Public Act 98-559 is contained in the report by Jim Lockard. Several lawsuits have been filed regarding this legislation. As of this writing, all but the SUAA lawsuit have been consolidated to be heard in Sangamon County. By the time this article is published in the newsletter, it is possible that the SUAA lawsuit will also be consolidated, although all of the plaintiffs live in Champaign County. At least one of the lawsuits lists as defendants the pension board members, including me. The defense of the public act has been taken over by the State Attorney General’s Office. SURS and the other pension systems are required to implement this act unless it is overturned by the courts or a “stay” has been granted. Unless either happens, the new Automatic Annual Adjustment (AAI) will be applied beginning with the January 1, 2015 retiree checks. The act will have an effective date of June 1, 2014, although some provisions have later dates. Please read Jim Lockard’s article in this newsletter. Details of the legislation are covered extensively in the websites of SURS (www.surs.org), SUAA (www.suaa.org), and NIU (www.niu.edu). SURS staff are extremely busy, programming changes to our systems, counseling members, presenting seminars, and preparing for new accounting and reporting standards required by the Governmental Accounting Standards Board. On January 1, 2015, the AAI will be 3% of the lower of the (1) total annual annuity or (2) the total years of creditable service multiplied by $1,000.

Benefits: Sherilyn Spears indicated that the main discussion and focus right now is on potential retirees due to the upcoming changes to benefits, especially employees under the Money Purchase formula. Human Resources and SURS are trying to provide as much information and counseling as possible. There is also information available on the SURS website. There are upcoming meetings (involving SURS and SUAA) being held to provide information to retirees and to a large number of current employees who are contemplating retiring. SURS will be discussing the effects of Senate Bill 1 and SUAA will discuss the pending lawsuit and potential changes to the SUAA Constitution. There is disagreement and opposition to some of these changes by some Board members. Since there is confusion about the meeting times Jim Lockard will check on this and send out emails.

Legislative: Jim indicated that there hasn’t been any more legislation, and lawsuits are still pending. There is speculation that it could take up to 18 months for a decision. It will be difficult to determine if any injunction relief will happen in the near future.

SUAA Action: Alan Voelker reported that as of this date, chapter representatives of SUAAction have received no comments or reports from the SUAAction Board of Directors. He had seen the Co-Chair at a SURS information meeting at College of DuPage. The Co-Chair indicated that SUAAction had been involved to some degree during the March primary election but he did not name or comment on the success of the candidates.

SUAAction began fiscal year 2014 with $141,457 in the bank. Income during the first quarter was $2,780. During the quarter $36,660 was spent on fundraisers and other campaign contributions. Another $34,850 ($15,497 itemized) was expended on sending members to the BIFEX (Business and Industry Federation of Economic Concern) meeting, accounting fees, mailing supplies and postage, and the contract with SUAA was $13,750. The BIFEC meeting provides extensive information about candidates, including the likelihood of being elected.
Campaign contributions were made to seven candidates and two PACs. Tickets were purchased for 17 fundraisers. Candidates in the northern part of the state who received support were Althoff, Bivins, Crespo, Farnham, Hastings, Lang, and Noland. This reflects activity on the part of SUAA chapters. It is of note that several NIUAA members reside in many of the districts in northern Illinois. Many NIUAA members reside in Senator Bivins district.

Our chapter needs to extend its direct political involvement with a much larger group of General Assembly members than those in the immediate area. The number of voters in districts other than Senator Syverson’s district is not as large as it is in the “DeKalb/Sycamore” area, but it behooves us to let other members of the General Assembly know of our presence and our concerns. There is money to send members to fundraisers for candidates in the northern Illinois districts. The NIUAA chapter raised nearly $14,000 during the 2013 campaign. Those funds and additional funds to be raised this year can be used to get members active in this election cycle. The SUAAAction Board of Directors will be sending out a letter to launch the 2014 fundraising campaign.

Membership: New membership co-chair Cathy Cradduck was unable to attend, but co-chair Pat Vary gave a brief report. An informational sheet was distributed titled NIU Annuities Association describing the association and the activities and benefits obtained by joining. The Wellness Fair was helpful in obtaining ten new members with 20 others signing up for payroll deductions. With continued outreach efforts, it is hoped to reach a 2,000 membership goal especially since it sounds like there will be many new annuitants coming up.

Public Relations/Events: Steven Johnson reported that the last Coffee Hour at Barnes and Nobles had a large attendance with lots of discussion as usual. The next coffee hour will be held sometime in late spring, and an e-mail will be sent out to members when a date is confirmed. The location of future coffee hours will be at the NIU Barsema Alumni and Visitor Center. Information was provided regarding past and upcoming trips. He will continue to provide trip information and dates via emails and the website. He always welcomes input from the Board or members on suggested trips.

Communications: Jerry Meyer was absent so Jim Lockard requested that all articles and information be submitted to him as soon as possible so the next newsletter (May) can go out on a timely basis and to remind members about the annual June business meeting at 3:00 p.m. (which is always the first Wednesday of June). It was suggested to include an article directed to the new persons who have recently retired, and to include a link to the NIUAA web site. Clair Williams and Bill Lundberg, with assistance from Lee Ann Henry, did an excellent job updating and streamlining most areas of the website. If there are any more suggestions please contact Bill Lundberg.

Old Business:

Nominating Committee: An informational sheet was distributed describing the six appropriate nominees to replace outgoing Board members. There was a motion and second to accept the slate to present at the annual June meeting.

Audit Committee: Informational sheets were distributed regarding the 2013 financial audit report for the period of January 1, 2013, through December 31, 2013, submitted by Larry Sallberg. The examination determined that the ending cash balance in the checking account agrees with the Treasurer’s balance. Cash receipts and check disbursements were also verified as reported by the Treasurer to SUAA for the calendar year ended December 31, 2013. Two certificates of deposit balance amounts were also verified. The audit shows the finances to be in good shape. There was a motion and second to approve the audit report. The audit will be presented at the annual meeting in June.
Awards Committee: Clair Williams is chairing this committee and working with Lee Ann Henry, with input from the Board, to have awards ready for the annual June meeting. After reviewing the Constitution regarding qualifications and standards, they have come up with some appropriate names to be presented at the annual meeting (with possible tie-breaking assistance from Joe Grush). They continue to welcome any suggestions.

Holiday party: Margaret Phillips reported that she has been working with Farandas for the December 3rd Holiday party. There was discussion regarding using the new banquet place instead of the Holmes Student Center. A menu was distributed listing food choices, and prices. There is room and open bar availability, and ample parking. There was a motion and second for approval to hold the Holiday party at Farandas with a charge of around $25.00. It was unclear whether this price included dessert and beverages so Margaret will check on this. It was recommended to obtain a copy of their contract to see if there are any liability insurance requirements.

Annual Memorial Contribution to SUAA Foundation: There was a motion passed to send a $500 contribution to SUAA in memory of all recently deceased members.

SUAA Legal Fund Contribution: After a lengthy discussion, it was determined that most likely there will continue to be on-going legal challenges, so a motion was passed to contribute $9,000 to the SUAA legal defense fund. Jim Lockard will contact Treasurer Doug Moore to arrange this.

SUAA Bylaws revision + NIU meeting (on April 23rd): Jim Lockard summarized what is happening regarding the proposed changes to the SUAA Constitution which will be voted on at their Annual meeting being held June 17-18 in Springfield. NIUAA has six votes on this so this will be important to have six delegates attending. A SUAA representative will be at the NIU meeting on April 23rd to cover some of the aspects of the changes, and how it will affect the organizational structure.

Liability Issues: There was information distributed regarding liability issues but as meeting time was running out, this subject will be discussed at a later date.

New Business:

NIUAA Annual Meeting: It was determined that the President’s Office will fund the food tab for the annual June event as in the past, however, this year there will be a cash bar availability. Jim briefly went over a tentative meeting agenda for the June meeting. Speakers will include President Baker, Liz Guest (from Human Resources), and State Representative Bob Pritchard. Jim also distributed the minutes of the June 2013 annual meeting and welcomed any input for revisions.

V.O.I.C.E.S Liaison: Bennetta Stearns stated that the V.O.I.C.E.S. program won’t be continued due to a change in the Superintendent position in the school system, and also in part because of a lack of volunteer commitment. Bennetta will continue to assist Margaret Phillips with the Holiday party.

The annual meeting is scheduled for Wednesday, June 4th, 2014, at 3 p.m. in Sandburg Auditorium. Tentative meeting dates for 2014-15 Board Meetings will be Wednesday, July 16th, Wednesday, October 22nd, Wednesday, January 14th, and Wednesday, April 15th. Meeting place should be at the Human Resources Building, room 178, at 10 a.m.

The meeting was adjourned at 12:06 p.m.

Respectfully submitted,

Sandy Jonker, Secretary