Northern Illinois University Annuitants Association

BOARD OF DIRECTORS MEETING

Wednesday, January 16th, 2013

Human Resources Building, Room 178

President Jerry Meyer called the meeting to order at 10:05 a.m.

Members Present: Bill Blair, John Engstrom, Joe Grush, Sandy Jonker, Jim Lockard, Jerry Meyer, Doug Moore, Linda Schwarz, Elaine Spencer, Bennetta Stearnes, Ralph Wallis, Clair Williams

Approval of Agenda: Jerry Meyer submitted the agenda with additional items: Under New Business Jerry Meyer requests a brief discussion because Alan Voelker (not present) wants an affirmation or lack of affirmation of the charge of SUAA Action. Alan Voelker is a representative and on the SUAA Action Board (which is the political arm that solicits money at least once a year from NIU AA). He wants to make sure we are in favor of that and what we think SUAA action should be doing with the funds. Second item to add to the agenda is that we will need volunteers at the NIU Health and Wellness Fall in March. Motion passed to approve the revised agenda.

Approval of Minutes: The minutes of the October 3, 2012, meeting was presented for approval. After minor corrections concerning spelling errors (for names Lockard and Wallis), motion carried.

President’s Remarks: Jerry indicated that he had no extensive remarks. Jim Lockard (Legislative Representative) will provide more detailed information on what is going on with legislation. Jim is doing a great job in relaying updated information (using e-mail) to annuitants about various things going on in Springfield that could potentially affect annuitants. The Constitutional Amendment (vote taken in November) did not pass. No bill came out of the legislative sessions both at the end of the year and also in January. Undoubtedly, something will be coming along so we hope that any upcoming bills will not be as penalizing to annuitants and state workers as those bills that did not get through.

Treasurer’s Report: Doug Moore presented a written report of cash receipts and disbursements for the Board to review. It included receipts for the holiday lunch, SUAA dues, and interest income. There was a transfer for funding for bus rental. Disbursements included holiday lunch, contribution to SUAA, bank services charges, deposit slip printing, mileage and tolls to meetings, and newsletter. There was an extra contribution (approved at the last Board meeting) to SUAA in order to help defeat the Constitutional Amendment (CA49) which was on the November 2012 ballot. Doug mentioned a service charge for checking accounts that he will be discussing with Fifth Third Bank to get reimbursed if we link our Certificate of Deposits. He also had to order some deposit slips at a small fee. The balance in checking account effective January 14th, 2013, is $11659.19. Balance in Certificates of Deposits effective January 14, 2013, is $15658.34. Total resources effective January 14, 2013, is $27317.53. There were no questions and Doug stated that anyone can call him if they think of any.

SURS Board and SUAA Foundation Reports: John Engstrom reported some internal changes at the Foundation. The Treasurer (of 25 years) retired so there is a new Treasurer. As a part of that, they have been trying to sort out how much of the Foundation’s business should be run through the SUAA Office and how much should be done by the Foundation’s Treasurer. They have not come to a conclusion on this yet. The problem is that SUAA lost the charges for the help, but on the other hand it’s probably better to have it in the SUAA office. He is on a subcommittee working on this and also to
obtain money on a more timely basis. SUAA collects and receives contributions through payroll deductions from SURS to SUAA, which transfers appropriate amounts to the SUAA Foundation and this doesn’t happen as quickly as it should. The main thing that the foundation is working on is the survivor’s assistance program which in the past NIUAA chose not to participate in because retirees were getting services at NIU. We may want to reconsider it in the future and SURS has reviewed a brochure prepared by the Foundation. Usually teams of two people make contact with a survivor whose spouse has recently passed away and offer to provide assistance in filling out all the forms, etc. that are required. The brochure lists guidance on what needs to be done and there are a lot of steps to be taken. At many campuses the local campus personnel will not help with this. The Foundation wants campuses to develop a separate survivor’s assistance program within their Boards and the Foundation has committed to assist chapters that have chosen to do so. That would include training and paying travel. Jerry Meyer asked: Is there a process to notify annuitants that help exists and what type of help they may be able to ask for? John Engstrom or Jerry Meyer will email Deb Halicz to find out what NIU currently offers in this area. Each particular chapter has to decide their level of involvement with this.

A motion was made and seconded that we contribute $500 a year to the SUAA Foundation on behalf of our departed members of the previous year. Lee Ann will draw up the names and the NIU AA President will send a formal letter. The motion was passed.

John also mentioned that he recently attended a SURS new trustee orientation in Champaign. There are three newly appointed board members and all have significant investment experience so there is new expertise. SURS is short one board member but that should be taken care of soon. Through November the investment return is 5.3% for last year. December was not a very good month. There are $14 billion in assets but the liabilities are much more than that. The fiscal year 2013 amount that SURS will get from the state is $1.4 billion. The amount for next year is $1.7 billion. There is a formal process where our actuary comes up with the amount required from the State. Even with all its difficulties, the State is coming up with the money this year. The Executive Director has to go to the Legislature every year and discuss the contribution.

John reminded everyone about the Naperville SURS office to assist persons north of I-80. They do not have a walk-in capability yet but they are trying to increase their presence. He did not want to talk about political stuff because Jim will cover this and John may offer any additions after Jim speaks. The March SURS meeting will be in Springfield. During the meeting there is an open house for any legislators who wish to come where needs can be expressed to legislators.

Benefits: Sherilynn Spears was absent, so no report.

Legislative: Jim attended a Benefits meeting and doesn’t have notes with him but mentioned that a law was passed and signed called the Return to Work Law which affects what it will cost the universities and what the earnings limitations are for retirees who do return to work. Human Resources indicated that it is complicated and not clear so they are not sure what to do with it all. Jim reported that we still don’t know what the health insurance premiums will be and when they will be implemented. Part of the delay is with the unsettled AFSCME contract negotiations.

At the latest legislative sessions just held no bills were passed. One reason is that legislators do not want to pass bills that include iron clad provision that the State has to fund the pensions. On January 9th Senator Cullerton (new Chair and continuing President of Senate) presented SB#1 which basically takes the Nekritz plan (passed in the Fall) and made that part A of his bill, but he doesn’t believe it is constitutional, so he added part B—which is the old SB1673 (which forces Tier 1 employees and current
retirees to choose between the automatic 3% annual cost of living adjustment or continued access to state-sponsored health care plans). Cullerton believes this to be constitutional but others do not. If Part A is ruled unconstitutional, then Part B would become law. He is taking the worst possible ideas and combining them. The Governor waffled on everything except blaming the retirees for all the State’s woes.

Jim asks that we all try to stop using the term COLA as it applies to us because that is not what we have. The outside people need to know that there is a difference between cost of living adjustment (gift from source and varies with inflation). Our automatic annual increment (SURS law) is 3% irrespective of inflation and which we partially funded. The COLA terms mislabels and misinforms.

In the last month or so Ralph Martire has been all over the place. His article (in Chicago Business) indicated that we shouldn’t be dismayed about bills not passing but that we should be relieved because a problem really can’t be solved unless the proposed solution addresses its true cause. Pension system funds should not be used by the State as a credit card for avoiding the true cost of services. All the pensions systems costs totaled 5.1 billion dollars for this year and of that 3.5% is debt services and has nothing to do with real operating costs on an annual basis. Liabilities continue to grow, and Legislators seem to be unable or unwilling to understand all of this.

SUAA Action: Alan Voelker was absent, so no report.

Membership: Joe Koch was absent, so no report.

Public Relations/Events: Steven Johnson was not present so no report but it was mentioned that the last Coffee Hour (at Barnes and Nobles) was very well attended. It was noted that at the December Holiday party the attendance was around 115.

February Newsletter: Jerry Meyer requested that all articles and information be submitted to him as soon as possible for the February newsletter so it can go out soon.

Old Business: Results from the Nominating Committee (Jim Lockard, Elaine Spencer, Ralph Wallis with Jerry Meyer as ex-officio member of the Committee) announced that Joe Grush has agreed to be our candidate for the position of Vice-President of NIUAA, to be voted on at the June 2013 annual meeting. He will replace the current Vice-President, Jim Lockard, when he assumes the Presidency at the annual meeting. A formal vote to submit Joe Grush’s name at the annual meeting was taken and passed.

New Business: Alan Voelker previously had requested discussion regarding concerns about SUAA Action. However, since he was not present, it was not clear what they were. Jerry will communicate with Alan and hopefully he will be at the next meeting and if he has questions, he can raise them then.

Jerry had emailed the Board about the SUAA proposal regarding sharing of membership names and their locations. Chapter Presidents were concerned about privacy issues and whether they thought members would like their information shared. It was not well written and doesn’t seem like a good idea. Jerry Meyer will e-mail SUAA as the document is not clear enough as to the purpose. There are other effective means for communication.

There was selection of a new Nominating Committee (Jim Lockard, Bill Blair, and Ralph Wallis) in order to fill a new Director’s position (must be a former faculty member). Lee Ann Henry can provide the most recent listing of retirees.
Jerry will email the Board when he receives information regarding the upcoming regional SUAA meeting in late April at Moraine Valley Community College. It would be nice to have some representation from our chapter.

Elaine Spencer and Clair Williams volunteered to attend the NIU Health and Wellness Fair on March 27, 2013 (from 10-2) and represent the NIU Annuitants Association. They will have a table in order to provide information and be available to answer questions from interested persons.

The next board meeting is scheduled for Wednesday, April 24, at 10 a.m. in room 178 of the Human Resources Building, west campus. This will be the last board meeting before the annual June meeting.

The meeting was adjourned at 11:25 a.m.

Respectfully submitted,

Sandy Jonker, Secretary