President Jim Lockard called the meeting to order at 10:01 a.m.

Members Present: Bill Blair, Sara Clayton, John Engstrom, Joe Grush, Steven Johnson, Sandy Jonker, Jim Lockard, Bill Lundberg, Jerry Meyer, Doug Moore, Margaret Phillips, Sherilyn Spear, Elaine Spencer, Bennetta Stearnes, Alan Voelker, Clair Williams

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

Approval of Minutes: Jim also distributed the minutes of the April 24th meeting for approval and a motion passed to approve the minutes.

President's Remarks: Jim introduced new Board member Sara Clayton. Daniel Wunsch, also a new Board member, was unable to attend the meeting today. The Annual meeting (in June) went smoothly. Jim briefly remarked about the competing views of the future of SUAA that Alan Voelker has reported on previously. Unfortunately, all newly elected officials are from the Founders Caucus and represent an opposing point of view from NIUAA.

Miscellaneous: Special guest DeKalb Superintendent Jim Briscoe and Bennetta Stearnes discussed the V.O.I.C.E.S. (School District 428 Intergenerational Volunteer Program). The program was implemented in 2006 for students in the school district. It is a volunteer program which links seniors with elementary, middle, or high-school students to serve as a mentor and assist with tasks such as reading to elementary students and to provide positive reinforcement. A background check is required for all volunteers. This was a viable program but due to cutbacks the program was neglected and the school district would like to now strengthen the program and is asking for a volunteer from NIUAA to serve in a coordinator capacity. Bennetta will try to get a past list of V.O.I.C.E.S. program volunteers that may be receptive to serving.

Treasurer's Report: Doug Moore presented a written report of cash receipts and disbursements for the Board to review. It included receipts for SUAA dues, and small interest income. A transfer payment of $1663.97 was for NIU bus rental. Disbursements included the bank service charges, mileage, tolls, and registration for meetings, and newsletter expenses. There were also disbursements for funeral flowers, and a technician charge for the NIUAA annual meeting. Doug indicated that he will be contacting Fifth Third Bank to get reimbursed for bank service charges since we link our Certificate of Deposits. The excess of receipts and transfers over disbursement was $839.72. The balance in checking account effective April 25, 2013, is $12040.10 and balance in checking account effective July 10th, 2013, is $11200.38. Balance in Certificates of Deposits effective July 10th, 2013, is $15691.24. Total resources effective July 10th, 2013, are $26891.62. 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 represents NIUAA on the Board of Directors and Executive Committee of the SUAA Foundation. He reminded members that all contributions to the SUAA Foundation are tax deductible and that the SUAA Foundation is a 501(c)3 not-for-profit
organization that has four major purposes: (1) support for education and dissemination of information regarding issues affecting the welfare of members of SUAA (2) Emergency assistance to SUAA members who are in need of financial support. The local chapter board (NIUAA for us) must approve and fund those requests prior to consideration by the SUAA Foundation (3) support to those chapters establishing Survivor Assistance programs and (4) assistance to the SUAA Central Office.

At the June 18, 2013 meeting, the Foundation Board elected officers and executive committee members and discussed the Survivor Assistance Program. SURS is revising its webpage to provide materials for survivors, and a brochure has been developed by the SUAA Foundation for use by the local chapters that choose to establish survivor assistance programs and for individuals who are in need of assistance. To date, the NIUAA Board has not determined the extent of its involvement in a survivor assistance program. In addition, the Foundation Board heard a proposal by the SUAA Executive Director for the Foundation to expand its efforts in promoting education and research regarding issues important to SUAA. More information regarding the SUAA Foundation can be found at a link on the SUAA website (suaa.org).

As of the end of May 31, 2013, SURS had a 14.6% rate of return and a funding ratio of 43.4% which is up from 41.3% on July 1, 2012. It is likely that the final FY2013 numbers will be somewhat lower as June was a rough month in the stock market. As of May 31, SURS had $14.9 billion in assets and $34.4 billion in estimated liabilities.

Monthly payments on the FY2013 state appropriation of $1.4 billion have been received, and it is likely that the total amount will be received shortly after the fiscal year end, as happened last year. The FY2014 state appropriation is in the amount of $1.509 billion and has been passed by both houses of the legislature and signed by the Governor.

The number of SURS active/inactive members has been holding steady during the past few years while the number of benefit recipients has been growing steadily.

SURS processed a record number of retirement claims in June-July, 2012. That number has decreased this past year.

A number of proposals have been introduced for pension reform. SURS has been working with the legislature to help cost out the proposals. These actuarial studies have cost $300,000 in appropriated funds.

To provide some perspective on anticipated earnings of SURS, the total return from SURS investments (dated from April 2013) for one year was 12.8%, for ten years was 8.6%, for twenty years was 8.3%, for thirty years was 9.3%, and since October 1981 was 10.3%.

**Benefits:** Sherilynn Spears noted that things change from day to day. We all know that health insurance premiums are now being deducted. HB4996 (limits re-employment earnings for retirees working under a SURS employer) was one of the few actual changes. It is the responsibility of the retiree to check with SURS as to their specific earnings limit.

**Legislative:** Jim reported that there is nothing new as no bills have been passed. There continues to be discussion and debate but things are at a standstill. Capitolfax.com is a good source to monitor when the general assembly is in session. There is some interest in the Universities’ six-point solution, but the legislature would like actuarial data and review which will take time. The general notion is that any plan has to be constitutional while using common sense. It doesn’t help that the Governor’s parameters are
unknown. There has been no mention of income tax increases and there is the possibility of budget cuts.

**SUAAAction:** Alan Voelker mentioned that there has been a shift in the way SUAA goes about its business with a lack of contact with chapters. Many chapters don’t have chapter SUAAAction chairs. The current Board has okayed a $55,000 contract with SUAA to deal with the records that are required by the State Board elections.

Some members question whether it is good to contribute toward SUAA’s request for donations as it is supposed to be independent but some persons have been dissatisfied with SUAA. It will be interesting to see how the emerging leadership will lead the organization. Chapters are encouraged to support politicians or political activity with favorable views matching NIUAA.

**Membership:** Joe Koch was absent, so no report. Since Joe has served as Membership Chair for at least two terms he has decided it is time for him to move on and someone else to step up so a replacement will have to be found for this position.

**Public Relations/Events:** Steven Johnson reported that the next Coffee Hour will be 9:30 am on July 19th at Barnes and Nobles. They are usually well attended, and the day trips have been enjoyed. He will continue to provide trip information and dates via emails and the web site. He is always seeking input from the Board or members on suggested trips.

**November Newsletter:** Jerry Meyer requested that all articles and information be submitted to him as soon as possible so the next newsletter can go out on a timely basis.

**New Business:** Jerry Meyer will continue to handle the newsletter and Jim Lockard will continue to provide legislative information. The HSC Ballroom is reserved for the holiday party on December 4th.

Membership growth should be stressed: Membership is around 1,857 which is good because if we hit the 2,000 mark it would mean 7 votes at the SUAA meetings instead of 6. There should be particular emphasis on growth in the active employee pool. Alan Voelker indicated that he would pay for five people’s first year’s dues) to join NIUAA but the persons will have to sign up for annual deductions through payroll.

Joe and Jim hope to meet with President Baker later this month and there was agreement that it would be a good idea to offer President Baker a one-year membership to NIUAA.

Jim Lockard stated that the NIUAA Constitution is somewhat outdated and will need to be updated and he will be working on it at some time in the future.

More information will be forthcoming regarding the Medicare Advantage Plan and Supplemental plans. It wouldn’t hurt for Medicare-eligible persons to check out Supplemental plans on their own. There is an RFP available and Doug Moore will forward it to anyone who requests it or will answer e-mail questions.

Joe Grush brought up the fact that many SURS retirees receive small pensions. A benefit summary (for the year ended June 30, 2012) was distributed showing the type of benefit, monthly amount, and a breakdown of the number of recipients and the monthly benefit amount. More than half of all recipients receive annual pensions of $24,000 or less. A motion was passed that a letter be sent to the members of the conference committee (and also other relevant entities such as SUAA) pointing out this fact and that the Board believes the IGPA Six Simple Steps is preferable to other plans thus far. Jim
Lockard will draft a letter to the appropriate persons expressing the views of the NIUAA Board and e-mail it to the Board first before sending it off. Step #1 of the IGPA plan (which calls for an Automatic Annual Increase of one-half the CPI-u) should be modified to retain the current 3% Automatic Annual increase for the first $25,000 of each pension. Under step #2 (the proposed change in the Effective Rate of Interest) the rate should have a floor of 6%. Step #5 would require the state to re-amortize the current unfunded liabilities and the Board believes this step should be strengthened by including a provision found in some other proposals to require that funds that currently are payments on pension obligation bonds shall be applied to the unfunded liabilities, in addition to the regular payments, once the bonds have been retired.

**The next board meeting is scheduled for Wednesday, October 9th, at 10 a.m. in room 178 of the Human Resources Building, west campus.**

Future NIUAA Board meetings will be January 15th, April 16th, and June 4th (annual meeting).

The meeting was adjourned at 12:50 p.m.

Respectfully submitted,

Sandy Jonker, Secretary