

**NIUAA Board Meeting**  
**September 4, 2019**  
**NIU Human Resource Services, Room 100**  
**11:00am-12:30pm**

**Present:** Chris Doe, Norden Gilbert, Deborah Haliczzer, Sabrina Hammond, John Hulseberg, Steven Johnson, Chuck Miller, Carole Minor, Al Mueller, Lynn Neeley, Michael Peddle, Margaret Phillips, Andy Small, Toni Tollerud

**Guests:** Clair Williams

**Call to Order and Welcome** Deborah Haliczzer called the meeting to order at 11:05am

**Approval of Agenda** Carole Minor asked to add Parking, Deborah Haliczzer added Parliamentarian. Motion to accept agenda as amended was made by Lynn Neeley, seconded by Carole Minor, and carried.

**Introduction of Directors, Members and Guests** Deborah Haliczzer asked everyone to introduce themselves.

**President's Remarks**

- Flu shots are scheduled for September 26 from 10-4 and October 23 from 10-4 in the Regency Room in the Student Center. They may not have the ones for those over 65 so may need to go to the Health Department and they will still be free.
- Jerry Zar and Deborah Haliczzer spoke about the 125<sup>th</sup> Anniversary activities and he will report in December.
- Barb Andree had to resign as the Membership Chair so we are looking for a Membership Chair.

**Treasurer's Report** Al Mueller reported

- The corrected hard copy will be mailed to the members. Had an increase in the cash balance due to Lynn Neeley's efforts in getting the newsletters reimbursed and Margaret Phillip's diligence in the expenses for the Spring lunch. Ending cash balance is \$35,053, there is \$20,000 in CD's. We will have a bill that will come due soon for trip expenses of about \$6500. Membership dues are decreasing a little. Review of budget and finances coming up that Clair Williams will be conducting.
- There was a question about the trip expenses and it was explained that it's a 'pass-through' for the trips.
- There was a question about membership and Chris Doe has been working with SUAA on communicating with those members that go off payroll deduct and then those that lapse their membership.

Motion to accept Treasurer's report made by Lynn Neeley, seconded by Chuck Miller, and carried.

**New Member Orientation and Review** Toni Tollerud and Clair Williams presented

- Toni Tollerud referenced the Quick Reference Guide and talked through the Guide. It is encouraged that members are involved in committees.
- Parliamentarian was Ferald Bryan but he is no longer on our board. Do we need one? If we need someone Ferald Bryan said we could call him in and he'd be happy to assist.

## Committee Reports

- *Benefits*: Toni Tollerud reported
  - Benefits committee meeting is September 12.
  - Toni Tollerud is willing to continue as the NIUAA representative but will not be able to make the next meeting. Deborah Haliczzer will go in Toni's absence.
- *Communication*
  - Bob Self sent a brief report and we will publish a newsletter in November and would like anything submitted to him by October 18.
- *Culture and Travel*: Steven Johnson reported
  - Steven Johnson sent out an updated list of trips.
  - The recent trip had retired faculty, staff and operating staff.
- *Legislative*
  - Jim submitted a report in his absence
- *Membership*
  - We are looking for a membership chair to volunteer to take on this role.
  - We need to look at strategies to attract current employees.
- *Political Involvement (SUAA Action)*: Michael Peddle reported
  - They are still working on getting a 'seat at the table' on the SUAA Action.
  - By-laws will need to be reviewed and revised to go along with the SUAA by-laws. Carole Minor, Andy Small, Michael Peddle, Clair Williams volunteered to be the committee to review.

Motion to create ad-hoc committee to be formed by the President made by Lynn Neeley, seconded by Norden Gilbert, and carried.

- *Scholarship*: Norden Gilbert reported
  - There were no changes.
  - Now is time to begin to get people to donate.
  - Need one more member for the committee, preferably a faculty member and Toni Tollerud volunteered.
  - Michael Peddle suggested that at our annual meeting that we have a bin available for people to submit donations.
  - John Hulseberg suggested we look into being part of the Day of Giving (Give DeKalb County).
- *Social*: Margaret Phillips reported
  - September 23 is the next coffee. NIU Credit Union is going to sponsor and pay for it. The coffee will be located at Hampton Inn and Suites in DeKalb from 9am-10:30am.
- *SUAA Foundation*: Andy Small reported
  - Andy Small talked about the bookmark that had been created by SUAA to promote what the SUAA Foundation does.
  - We should be promoting what's available from the SUAA Foundation.

## Old Business

- SURS Board – Mitch Vogle has been appointed to that position
- SUAA Board – Steve Cunningham ran unopposed for our regions seat and he was voted in at the June meeting.
- Meeting schedule Discussion – dates are set through June and will be December 4, 2019, March 4, 2020, and June 3, 2020 for the annual meeting.

## **New Business**

- Meeting Times – we have customarily met from 11am-12:30pm and it has been raised as to if this is the best time for us to meet. What about later in the day like 1:00pm or 4:30pm? Michael Peddle suggested moving it up rather than later.

Motion to change meeting to 1pm-2:30pm was made by Carole Minor, seconded by John Hulseberg, and carried. Location to be announced because the room that had already been booked is not available.

- SUAA Bylaws Changes and NIUAA Bylaws Review and Revisions – Lynn Neeley asked for who is on the ad hoc committee and it was suggested to ask also add Joe Grush as he's been involved with the by-laws in the past. Those that volunteered were Carole Minor, Andy Small, Michael Peddle, and Clair Williams.
- Parking – Carole Minor said that there is an issue with the fraud involving the retiree permits as she ran into an issue when she tried to get her parking permit as she tried to have someone else pick it up for her and that was what she had been told. There should be a way to get an exception. Deborah Haliczzer will talk to Michael Rothamer.
- IT Issues – Chris Doe updated that she's been working the Division of Information Technology on the upcoming changes to O365 access. Anyone that is an NIU Annuitant Association (NIUAA) may request access through the NIU Annuitants Association once they retire. NIUAA must sponsor the account and submit the request. DoIT would like to potentially send a letter to all members as well as have something in the next newsletter.

**Adjournment** – Motion to adjourn at 12:31pm made by Lynn Neeley, seconded by Michael Peddle, and carried.

**Future Meetings: December 4, 2019; March 4, 2020, June 3 (Annual Membership Meeting)**

## Northern Illinois University Annuitants Association

### Statement of Receipts and Disbursements

	8 months			12 Mo
	Association	Trip	Total	12/31/2018
	Operations	Clearing		Total
<b>Receipts:</b>				
Membership Dues	\$ 3,214		3,214	\$ 4,968
CD Interest	177		177	236
Welcome Spring Lunch	900		900	
Bus Trips		12,142	12,142	11,279
	<u>4,291</u>	<u>12,142</u>	<u>16,433</u>	<u>\$ 16,483</u>
<b>Total Receipts</b>	<b>\$ 4,291</b>	<b>12,142</b>	<b>16,433</b>	<b>\$ 16,483</b>
<b>Disbursements:</b>				
State Association Meetings	976		976	1,562
NIUAA Annual Meeting	560		560	407
Coffee Hour			0	297
Welcome Spring Lunch	778		778	
Other Meeting / Workshops	80		80	25
Communications	\$ (49)		\$ (49)	1,289
Contribution NIUAA Scholarship	500		500	500
Bus Rentals		5,557	5,557	11,996
	<u>2,846</u>	<u>5,557</u>	<u>8,403</u>	<u>\$ 16,076</u>
<b>Total Disbursements</b>	<b>\$ 2,846</b>	<b>5,557</b>	<b>8,403</b>	<b>\$ 16,076</b>
<b>Increase (Decrease) in Cash Balances</b>	<b>\$ 1,445</b>	<b>6585</b>	<b>8,030</b>	<b>407</b>
SUAA dues deposits in error (Note 1)				1,412
Repayment to SUAA deposits in error				<b>(5,787)</b>
<b>Cash Balances at Beginning of Year</b>			<u>27,023</u>	<u>30,991</u>
<b>Cash Balances at Year End (Note 2)</b>			<u>35,053</u>	<u>27,023</u>

See Accompanying Accounting Policy and Explanation of Notes



**Accounting Policy and Explanation of Notes as of 8/31/19**

**POLICY**

The Northern Illinois University Annuitants Association’s financial statement was prepared on a cash basis. The cash method of accounting recognizes receipts when received and disbursements when paid.

**Note 1**

In 2018, deposits totaling \$1,412 were incorrectly credited to the NIUAA by the SUAA. Those deposits, and incorrectly credited deposits in the amount of \$4,375 from the SUAA in 2017, totaling \$ 5,787 and were returned to the SUAA in 2018.

**Note 2**

The association's actual cash balances at August 31, 2019 and 2018 consisted of funds held in a checking account and certificates of deposit as shown below.

	<u>8/31/19</u>	<u>12/31/18</u>
Checking Account	\$15,053	\$12,023
Certificate of Deposit, 1.69% APY Matured 3/14/19		5,000
Certificate of Deposit, 1.98% APY Matured 8/12/19		5,000
Certificate of Deposit, 2.37% APY Maturing 12/20/19	5,000	
Certificate of Deposit, 1.83% APY Maturing 3/14/20	5,000	5,000
Certificate of Deposit, 2.23% APY Maturing 4/30/20	10,000	
Total	\$ 35,053	\$ 27,023

# Quick Reference Guide to Association Bylaw Mandated Duties and Powers

## Board of Directors

1. Fill a vacancy in the offices of Vice-President, Secretary or Treasurer by appointing one of its members and approve Board vacancies appointed by President. (Article IV.2.)
2. Set Chapter policies and agenda for Annual Meeting, take action between annual meetings, call special meetings of membership, appoint committees, and remove Board members unwilling or unable to perform their duties. (Article V.5 and 6.)
3. Approve committee chairs appointed by the President and creation of special committees recommended by the President. (Article VI.1. and 2.)
4. Meet at least two times during Fiscal Year. (Article VIII.1.)
5. Set a date in the Spring for the Annual Meeting with notification given at least 4 weeks in advance and approve the call of special meetings. (Article IX.1. - 3.)
6. Recommend changes in local membership dues, levy assessments requested by SUAA, receive donations, authorize payment of defined reasonable expenses, adopt additional payment polices, and make contributions to individuals, groups associated with NIU for humanitarian or other initiatives which advance the purpose of the organization or further communication with members. (Article XII.1-6.)
7. Robert's rules of order shall be the parliamentary authority where not inconsistent with rules approved by the Chapter. (Article XIII.)
8. E-mail and mailing addresses of members shall not be shared with third parties. (Article XIV.)
9. Propose amendments to the Bylaws. (Article XV.)
10. Submit proposal of dissolution to membership if deemed necessary and, if approved, settle any liabilities and disburse any remaining assets as stipulated in the Bylaws. (Article XVI.)

## Officers

### President

1. With the approval of the Board, the President shall fill Board vacancies from the general membership. (Article IV.2.)
2. Serves as Chair of the Board and presides at all board, annual, and special meetings, presents a report of association and Board activities at Annual Meeting, acts as official spokesperson of the Association, and performs other duties normally associated with the office. (Article V.I.)
3. May authorize payments from Association banking account(s) in the absence or incapacity of the Treasurer. (Article V.4.A.)
4. Appoints committee chairs with the approval of the Board. (Article VI.1.)
5. May create special committees with the approval of the Board. (Article VI.2.)
6. May appoint and determine the tenure of a parliamentarian. (Article XIII.1.)

### Vice President

1. In the event of a vacancy in the presidency, the Vice-President shall assume the office. (Article IV.2.)
2. Assists the President and acts in his/her stead if President is absent or unable to perform his/her duties. (Article V.2.)

### Secretary

The Secretary takes minutes of all meetings which must be presented to the Board and membership for approval, as appropriate, and published on the NIUAA website within prescribed deadlines and be responsible for general Chapter correspondence including maintaining a file of all NIUAA correspondence. (Article V.3.)

### Treasurer

The Treasurer is responsible for the Association fiscal matters to include the receipt of income and payment of bills, the maintenance of records of those transactions and banking account(s), making reports of receipts, disbursements and account balances at board and annual meetings, and the preparation of annual fiscal reports required by SUAA. (Article V.4.)

### **Committees**

The functions of the Association's committees are detailed in Article VI. Committee Chairs have the authority to appoint the members of their committees. Committees may appoint sub-committees and, with the approval of the Board, may also appoint consultants to assist them in the development of specific projects and programs.

### **Records**

1. At the conclusion of the term of each officer, committee chair and Board member, all records accumulated during that person's tenure shall be turned over to his/her successor. (Article VII.1.)
2. Membership lists shall be coordinated by the designated University Liaison, in conjunction with SUAA, and made available to officer and chairs of the membership and political involvement committees (Article VI.2.)

### **Use of Electronic Media**

Electronic media may be used to facilitate the conduct of Board business. (Article X.)



Legislative Report  
NIUAA Board Meeting  
4 September 2019

Overall, the installation of JB Pritzker as Governor of Illinois appears to have ushered in a period of relative calm on the pensions and benefits front. The Democrat legislative majority increased at the same time. I am aware of no legislation that would adversely affect NIUAA members. Even the SUAA web site has only one entry under Legislative Watch and it was from last February.

A few items of some note follow.

1. After years of wrangling with former Gov. Rauner, Pritzker quickly reached a new contract deal with AFSCME. My concern about potential major changes to our healthcare benefits in a new contract has not materialized. I can provide a union-issued summary of changes, including some modest increases in cost for current employees as of January 1, 2020. Retirees with 20 years of service will still pay no premiums for healthcare coverage. Having seen no other information, I assume for now that the terms of the contract will also apply to SURS participants, as they have in the past.

2. Many organizations that have opposed our pension benefits in the past appear finally to have accepted the ruling of the IL Supreme Court guaranteeing those benefits, notably the Civic Committee of the Commercial Club of Chicago and the Civic Federation. On the other hand, another arch-critic, the Illinois Policy Institute, is raising even more alarms than before. Most notably, IPI filed a lawsuit challenging the validity of several past bond sales from which some revenue passed into the pension systems. Had the IPI suit succeeded, the impact on the bond market and the state's finances broadly is unclear, but certainly not helpful. Fortunately, the suit was dismissed, with the judge writing that the lawsuit "resembles far more of a political stump speech than it does a legal pleading."

<https://www.pionline.com/courts/illinois-judge-rejects-call-invalidate-state-pension-bonds>

Especially disturbing is the widespread reporting of whatever the IPI has most recently put out, with rarely any critical discussion of its position, much less the accuracy of its claims. Take, for instance, the claim that nearly 40% of state spending on education goes for pensions, a number certain to raise eyebrows at the least.

<https://www.illinoispolicy.org/nearly-40-of-education-spending-consumed-by-pension-costs/>

Then repeated in such examples as:

<https://madisonrecord.com/stories/513126600-nearly-40-of-education-spending-consumed-by-pension-costs>

<https://prairiastatewire.com/stories/513126218-state-spending-36-percent-of-money-allocated-for-education-on-pension-costs>

Of course, the claim ignores the fact that state spending on education is a much smaller percentage of the total than local spending, despite the legal "obligation" of the state to provide primary funding. Furthermore, does any school district divvy its revenue in such a way as to put only state money toward pensions?

3. Lori Lightfoot succeeded Rahm Emanuel as mayor of Chicago with an overwhelming victory in the election. Lightfoot campaigned “fully aware” of the fiscal challenges facing the city. Barely 3 months in office, she acknowledged the budget gap was significantly larger than her most pessimistic expectations. A large share of the gap stems from pension obligations and she believes only a unified approach from the state has any hope of addressing the problem. While speaking to a IBEW union meeting on August 27, she conceded (as an attorney, perhaps) that pensions are a legitimate obligation, but also spoke of a need for “structural changes,” which apparently would focus on the 3% Automatic Annual Increase or COLA, which she calls “unsustainable.” <https://capitolfax.com/2019/08/27/lightfoot-pensions-are-absolutely-a-promise-but-structural-changes-need-to-be-made/> & <https://www.chicagobusiness.com/greg-hinz-politics/lightfoot-urges-pension-changes-calls-3-percent-cola-unsustainable> Where exactly this may lead is very unclear. For further commentary on the Chicago situation, see <https://www.forbes.com/sites/ebauer/2019/09/01/mayor-lightfoot-is-still-not-ready-to-lead-on-pensions/>  
 While the mayor correctly (in my opinion) points out that pension problems exist within every community across the state, not just Chicago or the state systems themselves, the magnitude of the underfunding of Chicago (23% funded) and state employee pension systems (ca 40% funded overall) causes the rest of the state to pale in comparison. It will be a tough sell to get downstate legislators and voters to agree to their systems being lumped in with the others, regardless of their individual status. Even the seemingly logical idea of combining the roughly 650 independent police and fire pension systems into a single system to lower costs and improve earnings faces much opposition and uncertain savings. The scope of the problem is much broader than tends to be put forth in media coverage. Gov. Pritzker appointed a commission to study these problems and recommend solutions, ideally in time for the fall veto session, which begins October 28.
4. Calls for a Constitutional Amendment to “fix” the Pension Protection Clause continue; Mayor Lightfoot is non-committal. Thus far I have seen no instance in which the proponent of a CA acknowledges that Tier II was implemented without a CA and that its benefits are so much lower than those for Tier I participants as to “fix” the underfunding over time, assuming it is not challenged at some point for possibly violating the minimum benefit requirements of the IRS for plans that keep participants out of the Social Security system.
5. An actuary wrote a column recently in Forbes offering a “modest proposal” to address the Illinois pension problems through inflation!  
<https://www.forbes.com/sites/ebauer/2019/08/07/a-modest-proposal-to-solve-illinois-pension-woes/#3f5b36b82815>
6. A Constitutional Amendment proposal will appear on the 2020 ballot to change the Illinois income tax from a flat rate to a graduated rate structure, meaning the tax rate would increase as income increases, just as the federal income tax does. Expect a bitter fight against this amendment, largely based on concern over future rate increases. Opponents conveniently ignore the fact that the General Assembly has always been able to change the flat tax rates at any time, and has done so recently. The real issue is whether all taxpayers should pay the same flat rate or if those with higher incomes should pay higher rates.

Anyone interested in reading the articles linked above, but unable to reach the sites, is welcome to email me for a PDF. You may also benefit from the following piece by noted benefits-champion Glen

Brown: <https://teacherpoetmusicianglenbrown.blogspot.com/2019/07/a-response-to-crains-forum-for-more.html>

As always, be sure to read Mini-Briefings and other materials sent from the SUAA office. I try not to repeat that information unless it is particularly noteworthy.

Jim Lockard, Legislative Chair

**STATE UNIVERSITIES  
ANNUITANTS ASSOCIATION  
(SUAA)  
FOUNDATION PURPOSES**

- Support SUAA chapters establishing Survivor Assistance Programs.
- Provide education and dissemination of information regarding issues affecting the welfare of SUAA members.
- Provide assistance to SUAA members who need financial support through an Emergency Assistance Program.
- Provide a Scholarship Program to support SUAA members, their spouses, children, or grandchildren enrolled in post High School programs.
- For further information on the SUAA Foundation Mission, please contact:

**SUAA Foundation**  
217 East Monroe St.  
Suite 100  
Springfield, IL 62701  
217-523-4004  
[suaa@suaa.org](mailto:suaa@suaa.org).

Or, contact your local SUAA chapter.

**SUAA Foundation**

**SURVIVOR ASSISTANCE  
INFORMATION**

**For State University Retirement System (SURS) Members**

The following documents should be on file in the SURS office ASAP.

- Updated Beneficiary Form with current addresses
- Annuitant's Birth Certificate
- Survivor's Birth Certificate
- Marriage Certificate or Divorce Papers
- Power of Attorney, Adoption, and Guardianship Papers

When a SURS participant dies:  
Promptly Notify SURS Retirement System  
1-800-275-7877 or [www.surs.org](http://www.surs.org)

If the person is currently employed, contact the campus Human Resources Office.

SURS will send you necessary forms and information to ensure that survivors receive correct benefits and do not lose health insurance, if applicable.

*You could also contact:*  
SUAA – 1-217-523-4040  
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