

**MINUTES OF NOVEMBER 10, 2010**  
**ARIZONA STATE UNIVERSITY RETIREES ASSOCIATION**  
**BOARD MEETING**

**Board Members Present:** Gary Anderson, Joyce Hartman Diaz, Jim Fordemwalt, Elmer Gooding, Dick Jacob, Doug Johnson, Jo Madonna, Connie McNeill, Rose Minetti, Carolyn Minner Dave Scheatzle, Dave Schwalm, Bill Stasi, Mary Stevens

**Absent:** William Moor, Joy Shearman

**Ex-Officio Absences:** Gary Grossman, Sheree Baron, Robert Muscari, Eric Sloan

**Committee Chairs Present:** Jerry Aronson, Sue Blumer, Wilma Mathews, Barry McNeill, Linda Van Scoy

- I. CALL TO ORDER  
Connie McNeill called the meeting to order at 10am.
- II. ADOPTION OF TODAY'S AGENDA  
Board Members requested no change to the day's agenda.
- III. REVIEW AND APPROVAL OF THE MINUTES OF OCTOBER 13, 2010, BOARD MEETING  
Two corrections were requested to the October Minutes. In section VI A, the words president and presidency were replaced by dean and deanship. In section VI D, the word relieve was changed to relief. Joyce Hartman Diaz motioned that these changes be approved and Bill Stasi seconded the motion. The Board approved this unanimously.
- IV. FINANCIAL REPORT / TREASURER'S REPORT – CAROLYN MINNER, JOYCE HARTMAN DIAZ  
The newest financial report was submitted. It was mentioned that the Membership Drive is in May, during the previous fiscal year, so that is why the report shows more donations at that time than now.
- V. EX-OFFICIO REPORTS (*5 MINUTES OR LESS PLEASE*)
  - Human Resources - Sheree Barron or designee – No report
  - University Liaison - Eric Sloan - No report
  - University Senate – Gary Grossman – No report
  - University Staff Council - Robert Muscari = No report
- VI. STANDING COMMITTEE REPORTS (*5 MINUTES OR LESS PLEASE*)
  - A. Community Outreach Committee - Subcommittee Reports
    - Adopt-A-Family - Joan Leard – No report
    - Emeritus College Liaison – Dick Jacob talked about several upcoming events, including the Annual Symposium to be held on December 4<sup>th</sup>. A Writing Workshop will be held in the Spring and this will be open to ASURA members and spouses.

The Emeritus College has a membership of 400, 10% are from other colleges and universities.

- Scholarship Committee - Sue Blumer reported that the scholarship information is now out on the web.
- University Club Liaison – No report
- Video History Project - Linda Van Scoy reported that the committee had met and that Roger Carter and Richard Lovelace are new members of the committee. The VHP is proceeding with the lending and mailing of the Video History DVD's. The studio is now set up. Some student interns from ASU West may help with editing. They are students of Patricia Clark. The ASURA office staff may also be given the opportunity to train to do the editing as well.

B. Events Committee - Subcommittee Reports

Luncheons & Special Events – Mary Stevens reported for the committee. A list of upcoming activities was distributed. There will be a members Arts and Craft show and sale held in connection with the Holiday Pot Luck. ASURA will get 20% of proceeds of the sales. A Fashion Show will be held in January at Dillard's Department Store. The Spring Luncheon guest speaker will be Jay Braun who will speak about how the mind works.

- Retirees Day – Joyce Hartman Diaz reported that the planning for this event is continuing and is going well.
- Travel – Gary Anderson said that planning is continuing for the summer trip to Australia. Definite information on dates and costs are not yet available. Bill Stasi reported that the day trip to the Musical Instruments Museum was very well attended and that there were 10 on the waiting list. As a result of its popularity the committee will likely arrange for another trip toward the end of February. He also reported that a good time was had by all on the Mexican Copper Canyon trip. 20 people were on that trip.

C. Finance Committee – Mary Stevens reported that the committee met on November 9<sup>th</sup> and that they were able to reconcile the balance sheet with the ASU Foundation.

- Golf Tournament – Dave Scheatzle reported that this event, to be held on November 11<sup>th</sup>, will have about 70 people participating. It appears that the event will make about \$4000, half of which will come to ASURA.

D. Government Liaison Council

- ASRS General – Dick Jacob reported that the next meeting of the ASRS Board will be held on November 19<sup>th</sup>. He will submit a written report to the ASURA Board after that meeting. Discussions are taking place about a defined benefit vs. a defined contribution plan. An important question is what will happen to the current plan if this change does occur.
- Legislature - Jerry Aronson said that the written report that he submitted was written before the Tri-University meeting. He said that the AEA and AASRA are already

agitated about possible changes in retirement benefits. Although these groups are taking the lead he said that current university staff and retirees should be made aware of the issues. The AZ Republic will run a series of articles on ASRS. The overriding issue of concern is that current retirees are protected. The ASRS contribution rates are set by ASRS and not the AZ Legislature according to the Arizona State Constitution. If the Legislature decides to try to set the rates, it would likely be set aside in litigation by state courts. Then it could go up for a constitutional amendment and this would likely result in the issue going into federal court under contract law. Jerry said that ASRS is one of the best managed public retirement plans in the country.

- E. Health Insurance Liaison Council – Doug Johnson, Rose Minetti reported that a lot of retirees are interested in information about health insurance plans. More than 60 people attended the 2 information workshops that ASRS held to help members understand the options available during open enrollment. Most people who attended the workshops had ADOA offered insurance plans. It has been suggested that ASRS sponsor seminars about various insurance options. Connie McNeill said that the Executive Board has been discussing this idea and may bring some ideas to the Board sometime in the next few months.
- F. Membership and Communications Committee – Subcommittee Reports
- Membership Update - Elmer Gooding reported that there are currently 645 members. Doug Johnson said that Sheree Barron from Human Resources would like to put together some programs to address retiree issues but the lack of a budget to do this is the problem.
  - Prime Times – Wilma Mathews said that the next issue will published in late February or early March. Connie McNeill asked that a specific date be established and Wilma said that this would be done. Doug Johnson suggested that the ASURA Election Ballot be sent out with the next Prime Times issue.
  - Web Site and Database – Connie McNeill – No Report

VII. ANNOUNCEMENTS

Next Meeting – 8 December 2010, CSB 203, 10:00 a.m.

VIII. MEETING ADJOURNMENT

Bill Stasi motioned that the meeting be adjourned and Joyce Hartman Diaz seconded the motion. It carried unanimously and the meeting was adjourned at 11:30am.

ASURA FINANCIAL REPORT  
7/1/2010 THRU 10/31/2010

	FY 2011 Budget (Approved)	Actual Year To Date Amount	Budget Minus YTD	COMMENTS
<b>ASURA Operations - Income</b>				
Balance Forward	28,216	28,216	0	
Events Registration Fees Collected	4,000	1,485	2,515	2010-11 FY travel will use travel agencies to handle money
Membership Donations ("Dues")	14,000	3,420	10,580	Estimated membership of 700 @ \$20
General Operations Donations	3,000	1,620	1,380	
<b>Total ASURA Operations Income</b>	<b>49,216</b>	<b>34,741</b>	<b>14,475</b>	
<b>ASURA Operations - Expenses</b>				
<i>Printing &amp; Mailing Costs</i>				
Events - Advertising	1,400	590	810	Budget set as 7 events at \$200 each.
Board Ballots	550	0	550	
Annual Report	300	0	300	Printing costs
Membership Drive	1,500	962	538	
<i>Other Foundation Operations Costs</i>				
Business Luncheons/Staff Appreciation	250	0	250	
Annual Meeting	850	0	850	Refreshments, speaker gift
Events - All Costs Except Advertising	3,500	838	2,662	Retirees Day + free and local events
Office Equipment & Supplies	3,500	1,427	2,073	Envelopes, printer cartridges
Foundation Management Fees	800	87	713	% of transactions
<b>Total ASURA Operations Expenses</b>	<b>12,650</b>	<b>3,904</b>	<b>8,746</b>	
<b>Uncommitted ASURA Operations Funds</b>	<b>36,566</b>	<b>30,837</b>	<b>5,729</b>	
<b>Public Affairs</b>				Expenses paid by Public Affairs
<i>Printing &amp; Mailing Costs</i>				
Prime Times	2,700	1,379	1,321	3 Prime Times @ appx \$900/issue
Retirees Day	275	0	275	
Open Enrollment Orientation	325	0	325	
<i>Other Public Affairs Operations Costs</i>				
Phone/FAX Service	3,700	0	3,700	
<b>Total Operations Expenses Covered by PA</b>	<b>7,000</b>	<b>1,379</b>	<b>5,621</b>	

ASURA FINANCIAL REPORT  
7/1/2010 THRU 10/31/2010

<b>Special Projects - Income</b>			
Balance Forward	18,989	18,989	0
Adopt-A-Family Donations	600	360	240
Video History Donations	900	185	715
Golf Tournament (net)	5,000	-89	5,089
<b>Total Special Projects Income</b>	<b>25,489</b>	<b>19,445</b>	<b>6,044</b>
<b>Special Projects - Expenses</b>			
Scholarship	6,500	6,500	0
Adopt-A-Family	2,100	0	2,100
Video History	11,000	5,716	5,284
Foundation Management Fees	150	114	36
<b>Total Special Projects Expenses</b>	<b>19,750</b>	<b>12,330</b>	<b>7,420</b>
<b>Uncommitted Special Projects Funds</b>			
	<b>5,739</b>	<b>7,115</b>	<b>-1,376</b>
<b>Scholarship Endowment Fund</b>			
Endowment Balance July 1	21,550	21,550	0
Invested Funds Gain (-Loss)	1,509	2,041	-532
Transfer To Scholarship Endowment - Spending	0	0	0
Current-Year Contributions	1,200	305	895
Management Fees	-493	-117	-376
<b>Total Scholarship Endowment Fund</b>	<b>23,766</b>	<b>23,779</b>	<b>-13</b>
<b>Scholarship Endowment - Spending</b>			
Balance July 1	9,927	9,927	0
Payout from Endowment	0	0	0
<b>Total Scholarship Endowment Fund</b>	<b>9,927</b>	<b>9,927</b>	<b>0</b>

<sup>1</sup>Per the Foundation, "The long-term investment objective of the consolidated endowment pools is to earn an average annual real (i.e., after adjusting for inflation) total return of at least five and a half percent (5.5%), net of investment manager fees, over long time periods (rolling ten- or fifteen-year periods). Over shorter time periods (rolling five-year periods), the consolidated endowment pools will seek to outperform a composite of market indices reflecting the asset allocation policies and perform on par with other institutional funds with broadly similar investment objectives and policies."

10/31/2010

**COPPER CANYON - 10/16 - 10/23/2010**

---

0.00 Registration fees collected  
0.00 Registration fees refunded  
0.00 Event costs - travel & related  
0.00 Event costs - food, entertainment & related  
0.00 Event costs - lodging & related  
0.00 Event costs - other

0.00 **Net gain (loss), exclusive of advertisements**

232.88 Advertisements (printing/mailing/overhead charges) - covered by Operations

-232.88 Overall net gain/loss

**MUSICAL INSTRUMENT MUSEUM - 10/27/2010**

---

1540.00 Registration fees collected  
55.00 Registration fees refunded  
510.00 Event costs - travel & related  
327.60 Event costs - food, entertainment & related  
0.00 Event costs - lodging & related  
0.00 Event costs - other

647.40 **Net gain (loss), exclusive of advertisements**

178.27 Advertisements (printing/mailing/overhead charges) - covered by Operations

469.13 Overall net gain/loss

**VETERANS' DAY GOLF TOURNAMENT**

---

0.00 Registration fees collected  
0.00 Registration fees refunded  
0.00 Event costs - travel & related  
0.00 Event costs - food, entertainment & related  
0.00 Event costs - lodging & related  
0.00 Event costs - other

0.00 **Net gain (loss), exclusive of advertisements**

89.39 Advertisements (printing/mailing/overhead charges) - covered by Operations

-89.39 Overall net gain/loss

10/31/2010

**SOUTH SEAS CRUISE - 3/3 - 4/3/2011**

---

0.00 Registration fees collected

0.00 Registration fees refunded

0.00 Event costs - travel & related

0.00 Event costs - food, entertainment & related

0.00 Event costs - lodging & related

0.00 Event costs - other

0.00 **Net gain (loss), exclusive of advertisements**

89.39 Advertisements (printing/mailing/overhead charges) - covered by Operations

-89.39 Overall net gain/loss

## LLC Report, November 10, 2010

As reported at the last Board meeting, there may be trouble brewing on the horizon with respect to the Arizona State Retirement System. The lead in addressing this issue is being assumed by retired teachers (e.g., AEA Retired, All Arizona School Retirees Association). Their involvement is appropriate since teachers represent the largest block of ASRS members (both active and retired). Following the meeting of the Coalition of retiree associations on October 27, ASURA members in attendance (Aronson, D. Johnson, A Johnson, Minetti) concluded that we probably should, for the present, take a back seat in marshalling opposition to any attempt to close ASRS to new hires who might be offered a new defined contribution retirement plan. However active University employees, staff in particular but faculty members in ASRS also, should be made aware of the possible controversy.

The agitated state of retired teachers (and others) seems to be based on reports emanating from the AZ Chamber of Commerce & Industry and the Goldwater Institute (links to these articles appear at the end of this report) that are critical of the current Arizona State Retirement Plan (administered by ASRS). These criticisms note the current grim economic outlook and the State's budget deficit and express the view that the current *Plan* is too costly and that the State would save money by offering new employees a defined contribution plan, the proponents of which believe would have lower operational costs. They also question ASRS's method of "risk assessment". At the Coalition meeting, ASRS Director, Paul Matson, presented information countering these criticisms, insisting that ASRS is in compliance with the Arizona Constitution (see excerpts below). There is the perception that criticism of the *Plan* is ideologically driven (eg., the benefit is too generous) rather than being based on sound economic principles. It is noteworthy that the average ASRS pensioner receives \$20,000 annually after 20 years of service. Ninety-five percent of these retirees remain in Arizona, pay taxes and contribute to the State's economy with their purchases of goods and services.

What would happen if a new defined contribution plan were to be implemented and the current defined benefit plan is closed to new members? New employees most likely would be offered a poor benefit--shifting to employees the major share of contributions and investment risk. The pension benefit of current *Plan* retirees and active employees seems to be constitutionally protected (Article 29, Section 1. C). But the investment fund of the *Plan* would no longer receive employer and employee contributions (currently at 9.6%, projected to rise to a maximum of 12.2% in 2020 and then decreasing slowly to 7.9% in 2038). The lost investment potential of these contributions would precipitate an escalation of contribution rates (see Table) for employers and active employees remaining in the *Plan* because ASRS must meet its contractual obligations (i.e, benefits can not be diminished). A new source of funding would be required to pay pension benefits because neither employers nor employees could fulfill funding requirements. Early on in this escalation of rates working *Plan* members would be subjected to an unacceptable burden. Since the only foreseeable source of additional funding would be the State, closing the *Plan* would not ease the State's financial burden but it would eventually cause a fiscal crisis (in addition to the current one). As this scenario unfolded there could be costly litigation regarding interpretations of the State Constitution and Statutes.



Effect of Plan Closure on Contribution Rates (%)\*

Year	Plan Open	Plan Closed
2010	9.6	9.6
2020	12.2	20.0
2030	9.9	38.5
2038	7.9	169.3

\*ASRS projections

The subject of whether or not the *Optional Retirement Program* for University Faculty is vulnerable to legislative action in the form of a reduction in employer contributions (7%) has not been addressed. This program has less visibility than the *Plan* and involves far fewer employees.

At the time of preparing this report the TRI-U retirees meeting had not been convened. Additional information may come out of this meeting.

---

Arizona Constitution, Article 29

Section 1. A. Public retirement systems shall be funded with contributions and investment earnings using actuarial methods and assumptions that are consistent with generally accepted actuarial standards.

B. The assets of public retirement systems, including investment earnings and contributions, are separate and independent trust funds and shall be invested, administered and distributed as determined by law solely in the interests of the members and beneficiaries of the public retirement systems.

C. Membership in a public retirement system is a contractual relationship that is subject to article II, section 25, and public retirement system benefits shall not be diminished or impaired.

Arizona Constitution, Article 2

\_\_Section 25. No bill of attainder, ex-post-facto law, or law impairing the obligation of a contract, shall ever be enacted.

---

Some URL's

[http://www.azchamber.com/news/view\\_article.cfm?ID=631](http://www.azchamber.com/news/view_article.cfm?ID=631)

[http://findarticles.com/p/news-articles/arizona-capitol-times/mi\\_8079/is\\_20100510/arizona-state-retirement-system-25/ai\\_n53603610/?tag=content;coll](http://findarticles.com/p/news-articles/arizona-capitol-times/mi_8079/is_20100510/arizona-state-retirement-system-25/ai_n53603610/?tag=content;coll)

[http://www.eastvalleytribune.com/arizona/article\\_8ac6b374-9b4b-11df-bcdf-001cc4c03286.html](http://www.eastvalleytribune.com/arizona/article_8ac6b374-9b4b-11df-bcdf-001cc4c03286.html)

## ASURA MEMBERSHIP TOTALS

### 2011 Membership Year

Counts	
<b>Current-year Members</b>	<b>645</b>
Renewals from Prior Years	575
New This Year	70
Paid for the Current Year, Now Deceased	3
<b>Last Year's Members Who Have Not Renewed</b>	<b>119</b>
Last Year's Members Who Are Now Deceased	14
<b>Current Members by (Approx.) Length of Membership</b>	
Members for 0-2 Years	256
Members for 3-5 Years	92
Members for 6-10 Years	78
Members for more than 10 years	219
<b>Current Members by Communications Preference</b>	
Prefer E-mail	324
Prefer E-mail with No Obituary Notices	63
Prefer US Postal (paper)	254
No Mail of Any Kind	4
<b>Current Members by Former Employment Category</b>	
Faculty	292
Staff	228
Academic Professional	44
Administrative	32
Service Professional	48
Non-employee	0
Unspecified	1

More Counts	
<b>Current Members by Address Location</b>	
Arizona (Zip 85xxx and 86xxx)	575
California (Zip 900xx - 961xx)	13
All other	57