I. CALL TO ORDER
Jim Fordemwalt called the meeting to order at 10:05 AM

II. INTRODUCTIONS AND WELCOME TO GUESTS
Jim introduced Kevin Salcido, ASU Vice President of HR and Chief Human Resources Officer, and then turned the meeting over to Kevin to speak about the University’s proposal to move from a defined benefit program to an optional retirement program.

Kevin began the presentation with a brief tutorial on the ASRS defined benefit program (ASRS) and the Optional Retirement Program (ORP):

ASRS:
No choice of investment options by employee – money managed by ASRS;
10 year vesting period in ASU portion of contribution for participants who want to withdraw at termination - no refund of ASU portion if hired after 2011;
11.5% contribution rate for both employee and University;
Contribution rate subject to change at ASRS’s discretion;
Both the employee and ASU begin contributing their funds upon eligibility;
If employee terminates ASU employment before becoming vested in ASU portion (or is hired after 2011) and elects to withdraw, employee gets their money (plus interest) but not unvested ASU contributions which stay with the ASRS and are not returned to ASU;
No risk factor to employee as state agencies manage the funds;
Guaranteed retirement income based on formula;
If funds remain in the account at the demise of the retiree (and beneficiary, if one is designated), some actuarially determined balance will pass to the beneficiary;
Additional cost to ASU for portion of state retirement fund unfunded liability, as with recent early out incentive program

**ORP (401A):**
- Employee has choice of University approved investment providers;
- 5 year vesting period;
- 7% contribution rate for both employee and University;
- Employer has option to increase contribution rate;
- Employee begins contributing funds on day one of employment;
- ASU accrues matching funds liability but does not fund until employee is vested
- If employee terminates ASU employment prior to vesting, employee gets their money but ASU keeps its money
- Employee bears the investment risks/rewards
- Retirement income direct result of employee’s investment success;
- ASU provides no cost investment consulting;
- If funds remain at demise of plan participant, remaining funds pass to participant’s beneficiary or estate;
- No additional plan cost to ASU beyond the 7% contribution

**ASU currently offers:**
- University staff and faculty have a choice between ASRS and ORP participation (60% of new staff choose ORP participation – 70% of faculty choose ORP)

**Proposed ASU changes:**
- All new employees would be offered University approved ORP plans – ASRS would not be available to new hires;
- Current employees with less than a certain number of years of service in ASRS would have the option to be moved to ORP plans

**Change justification:**
- Fiscal responsibility - 15% of ASU operating income comes from state funding, balance generated from student tuition, research grants and donations. ASU asked to pass on costs to students.
- Move to ORP reduces the cost of contributions to retirement because of the difference between 7% and 11.5% and the way the plans vest. These savings run into the millions of dollars over time.
- New employee trend is 2-5 years and then move to new jobs, ASRS costing ASU valuable resources by keeping all employer contributions when employees leave before vesting;
- Employees in this workforce want flexibility and portability of retirement benefits;
Industry move away from defined benefit programs
The Arizona State Legislature must approve this proposal. Kevin gave the bill about a 30% chance of passing this year. When asked how this bill would affect current ASU retirees, he said that there were no apparent impacts as benefits are guaranteed by state law but promised to research more deeply and report at a future ASURA Board meeting.

III. ADOPTION OF TODAY’S AGENDA
MSPassed to adopt the 09 December 2015 Agenda

IV. REVIEW AND APPROVAL OF THE MINUTES OF 09 SEPTEMBER, 2015, AND 14 OCTOBER 2015 BOARD MEETINGS
MSPassed to approve the 09/09/15 Minutes
MSPassed to approve the 10/14/15 Minutes

V. FINANCIAL REPORT / TREASURER’S REPORT – BARRY BRUNS, CAROLYN MINNER
MSPassed to approve Treasurers report

VI. EX-OFFICIO REPORTS
- Emeritus College Liaison – TBD
  No report
- Human Resources - Sheree Barron or designee
  No report
- University Club Liaison – Jim Fordemwalt
  Jim reported that the University Club Christmas party will be coming up soon. He reminded the Board of the reasonable cost of membership.
- University Liaison – Barbara Shaw-Snyder or Abby Polito
  Abby reported that state appropriations to public university performance continue to be based on a clear set of education performance metrics and long-term goals against those metrics. The FY2016 state budget appropriated $660.8 million to the public university system to fund both specific state interests and general education support for resident students. The Arizona Board of Regents (ABOR) recommends the state’s on-going financial relationships with the university system be based on per-resident-student funding. Other state interests in the university system should be adjusted according to specific needs and justifications. The average annual per-student cost of education is approximately $15,550. In FY2016, the state will provide $5,302 per resident student. Through tuition and fees, resident students contribute an average of $6,554. Universities cover the balance of costs, losing approximately $3,694 per student. The university system is requesting the FY2017 state investment increase resident student support to 50 percent of the cost of education ($7,775). ABOR is requesting a 2-part restoration of budget funds cut in FY2015. 1) FY 2016 supplemental reduction restoration of $24M, bringing the state’s per-resident-student support to $5,552, and 2) FY 2017 request for additional
reimbursement of $33.4M. The combined effect of the restored funds would raise the state’s per-resident-student support to $5,900 or approximately 38%. Other FY 2017 budget requests include $10.4M for student growth, $19.2M for facility maintenance and operations, a one-time capital request for $75M for unmet renewal needs and other specific needs, and other smaller requests. (See included report for full details.)

ASU looking at restructuring proposals for retirement and health care packages. Not applicable this year as this change would require legislative mandate. The goal is better fiscal responsibility.

- University Senate – TBD
  No report
- University Staff Council – Katie Aguilar
  Katie reported that the various campus staff holiday parties have just successfully concluded. Harkins tickets are being sold again this year to raise funds for the Staff Helping Staff program, an emergency financial assistance fund for staff in need on all campuses. The link for more information is: http://staffcouncil.asu.edu/harkins

VII. STANDING COMMITTEE REPORTS
A. Community Outreach Committee - Subcommittee Reports
  - Adopt-A-Family - Joan Leard
    Joan reported that 2 families have been selected for this year’s ASURA Adopt-a-Family Program.
    - Family #1 is an ASU student identified through the Community Services office. He is a returning service man working on degree, with a wife and 2 daughters;
    - Family #2, identified through Tempe Community Services, includes a mom, dad and 5 boys.
    - Joan received an outside donation of $115 for the Adopt-A-Family Program. Joan requested Board approval to add that $115 to the $2,000 already appropriated in the budget. A motion was made to approve the request, seconded and passed unanimously.
  - Scholarship Committee - Sue Blumer, Joy Shearman
    Sue noted that the 2016 ASURA scholarship is being advertised.
  - Video History Project – Dave Scheatzle
    Dave reported that Carolyn Minner is helping upload interview files to the University Library archives. To date 46 interviews have been uploaded and are available for viewing to individuals with ASU accounts. The files will be made available to the general public at a later date.

B. Events Committee and Subcommittee Reports
  - Events Committee Coordination – Barry McNeill
    Barry noted that there are a number of events coming up with the next one being the 2015 Holiday Potluck and Bake Sale. That event is
scheduled for December 18 in room 330 at the Community Services Building. Bake sale proceeds go to ASURA. Barry noted that room 330 has a capacity of 45 and there are already 40 registrants for that event.

- **Luncheons & Special Events – Joyce Hartman Diaz**
  Joyce reported that the Fall Luncheon was a huge success with 54 ASURA members and guests enjoying the ambiance at the Shalimar Country Club, good food, and delightful entertainment by Mike Chamberlin.

- **Seminars – Jan Thompson**
  Barry McNeill reported for Jan Thompson. There are 4 seminars coming up in Spring 2016:
  - Jan 14 is a Volunteer Fair, 6 organizations are confirmed with 4 additional organizations possible;
  - January 28 is the Sleep seminar;
  - February 18 is a seminar on Arizona Wills, Trusts and Probate;
  - March is a seminar on Scams and Schemes.

- **Travel – Gary Kleeman for John Brock**
  Bev Buddee reported for Gary Kleeman that the December event was a success; there is currently 1 vacancy left for the trip to Cuba; and there are several fun events planned for the spring, including a visit to the Tovrea Castle in April.

C. **Finance Committee – Barry Bruns**
Barry noted that the Finance Committee met in early November with Jerry Snyder. A result of that meeting will be brought to the Board at the January 2016 meeting.

- **Book Collection – Mary Stevens**
  No report.

D. **Government Liaison Council**
- **ASRS General – Larry Carlson**
  Bev Buddee reported for Larry Carlson that he held a “brown bag” insurance seminar at the ASU West campus for the Staff Council. Twenty people attended the event.

- **Legislature – Hal White or Jeri Meeks**
  The 53rd Legislative Session begins January 11, 2016. Jeri has attended a couple of ASRS committee meetings and the Tri-University Retirees Association meeting.
  Jeri has initiated a working group of Government Liaisons (Retiree Association Government Liaison Coalition) from different retiree associations – NAU, UofA, AZ Education Association (AEA), and the City of Mesa. Other organizations will be added as they are identified and contacted. The goal of the group is to keep all informed as they
move forward into the new legislative session. Jeri has agreed to write an article for the next *Prime Times* on legislative bills of interest to ASURA. She hopes to have a list of bills for consideration at the next ASURA Board meeting on January 13th.

E. Health Insurance Liaison Council
   - ADOA – Larry Carlson
     No report
   - ASRS – Joyce Hartman Diaz
     No report

F. Membership and Communications Committee – Subcommittee Reports
   - Membership Update – Dave Schwalm
     Dave reported that membership has increased to 523 though that number is down 38 from this time last year. Dave was asked to submit a short article on the benefits of ASURA membership for publication in the January issue of *Prime Times*.
   - Prime Times – Wilma Mathews or Jeannette Robson
     Jeannette reported that Jan. 18 is deadline for the next *Prime Times*.
   - Obituaries – Becky Reiss
     No report
   - Web Site and Database – Connie McNeill
     No report

VIII. UNFINISHED BUSINESS
   - Keynote speaker at Annual Meeting -
     Jim shared his short list of potential guest speakers for the annual meeting with the Board and sought the Board’s input. The list includes Dr. M. Zuhdi Jasser, the founder and President of the American Islamic Forum for Democracy; ASU President’s Professor Randall Cerveny; and Colleen Jennings-Roggensack, Executive Director of ASU Public Events. Following discussion, Jim was asked to extend an invitation to Dr. Jasser to speak at the April 16, 2016 Annual Board meeting.

IX. NEW BUSINESS
   - Jim Fordemwalt reported that he had met with representatives of the ASU Alumni Association who expressed an interest in partnering with ASURA to jointly promote events and travel. Jim will extend an invitation to the January ASURA Board Meeting to Alumni representatives.
   - Jim Fordemwalt was requested by the Board to invite ASRS to speak at a future Board meeting about ramifications to retirees if ASU moves from ASRS to an optional retirement program.
   - Jo Madonna reminded the Board that several Board terms will be expiring in April and requested names of potential nominees be sent to her. The names will be vetted and the process of filling those vacancies will begin. Jo will
work with Connie McNeill to upload nominating information on the ASURA website.

X. ANNOUNCEMENTS

• NEXT MEETING – Wednesday, 13 January 2016, Room 330 at the Community Services Building

XI. MEETING ADJOURNMENT

Meeting adjourned 11:40