AEA-Retired Executive Board Meeting
Tentative Agenda
January 11, 2011 10:00 AM – 2:30 PM AEA Headquarters, 345 E. Palm Ln, Phx

Attendance: L. Somo, F. Bing, J. Stephenson, J. Horwin, K. Campbell, A. Aber, S. Austin, D. Barlow, S. Boswell, J. Campbell, K. Freed, S. Linder, G. Mehok, C. Michels, J. Moy, B. Pierce, S. Ramos, D. Swinford, J. Zuniga, Chapter & Committee Chairs: T. Coleman, B. Joseph, S. Rosen, S. Sommer, R. Spitzer, L. Thieken, S. Sain, Absent: M. Aicone, C. Peters, T. Coleman
Guests: Jan Nichols, Beth Kennedy Widner

	Minutes
1. Call to order	President L. Somo called the meeting to order at 10:05 AM She welcomed guests Jan Nichols, who noted that her son is a writer for the National Journal Daily and would welcome stories. Also, Beth Kennedy Widner. Linda asked for a moment of silence to reflect on and affirm for the recovery of the shooting victims of tragedy on January 8.
2. Agenda	Moved/2nd by J. Horwin/ G. Mehok to approve the agenda. PASSED
3. Minutes	Moved/2nd by S. Linder/ F. Bing to approve the minutes from December 14, 2010. PASSED
4. Financials & Audit	Treasurer J. Stephenson led discussion of this month's and the year-to-date financial report. It was noted that AEA Retired has not received grant funds for grant from 2010. "Building Membership through Technology" Moved/2nd to approve financial report and file for audit by J. Stevenson/D. Barlow PASSED Jean Stephenson led discussion budget for the new fiscal year. The Budget Committee will meet later this week in order to discuss a proposed budget. She asked for input from the board. It was suggested that funds be added to membership outreach to reflect the membership wish to focus on that area of strategic planning.
5. AEA Pres. Andrew Morrill	AEA Pres. Andrew Morrill reported AEA response to shooting of Jan. 8. He also discussed AEA response to the Retirement Issues regarding ASRS plan. Protect & Sustain the Defined Benefit System is the end goal. Those who are working to chip away at Public Ed. are now focusing on the retirement end. The Republic News series was wrong on 3 counts: 1)ASRS not well funded 2) Fat Cats have big pensions 3) Ed. pensions are billed to taxpayers. He noted that public education employees are dealing with very negative ideologues in state legislature. Regarding Alternate Contribution Rate legislation: It will reduce & stabilize financial impact to ASRS system. Private sector doesn't understand "double dipping" (Return to work) – there is no equivalency in the private sector. As long as R.T.W. exists, there is a threat to the Defined Benefit System, because rhetorically, it makes DB easier to go after. Alt. Contribution is a step in right direction, however, Return to Work will always make the Defined Benefit vulnerable to attack. Pres. Morrill predicted that ideologues will trash the ASRS system in the media for a while and then go after the ASRS system in 2012.
6. Membership	Shirley Boswell submitted a written report on current membership numbers and discussed committee results of calling members who have not renewed their annual

	membership. Current membership: 1920. 30 honorary (90+ years old), 122 new members.
7. Officer Reports	President's & NEA B.O.D. Linda Somo: We have been approved to have a fundraiser for IMPACT at the Feb. 5th, AEA Committee Day. We need the donations from all of you to make this work. I will be there to sell raffle tickets, but I need volunteers to help. The following members have been approved to attend the NEA-Retired West Region Conference in NM, April 9-11: Linda S. & John C.(funded by NEA), Danny B. & Carmen P. (room funded by NEA – hopefully), Frank B., Julie H., Jean S., Kathy C., Judy M., Ken F., Marilyn F., Shirley B., Cindy M., Steve R., Juan Z., Gary M. Everyone, except Danny & Carmen, needs to book a room after selecting a roommate. Everyone needs to register for the conference online and make your own travel arrangements. Please let me know when you have accomplished all this. Keep all receipts. The latest from Jennifer Loredo in regards to retirement issues: • So far no legislation to change from DB to DC • Expect a bill from Sen. Antenori within the next few weeks to do this • Republican leadership in both houses understand the fiscal impact of changing from DB to DC; the plan is to raise the level of awareness about the issue over the next few years so that when the economy comes back, they move to "attack mode" to switch to a DC plan; the hearings scheduled during the next couple of legislative sessions will be to keep the issue alive in the media and with the public • Rep. Robson has dropped the ASRS bills for this session; HB2024 and HB2027 both have the language for the alternative contribution rate starting July 1, 2014; Jennifer has been working with Dems on the committee to support this, with hopes of changing the implementation date to an earlier time as the bill moves along • Jennifer has heard that many in the Republican Caucus are likely to reject the ASRS proposal for an ACR; these folks want to permanently end "double dipping"; if that happens, we need to ensure that part time (under 20 hours) not be affected, and that those retirees who are required to work to maintain their health care benefits not be prohibited from doing so; close monitoring will be necessary; Vice President: Frank Bing: Deadline for next Conduit articles is Jan. 16. He would like the next Conduit to go out on Jan. 31. Past President: Kathy Campbell announced Les Reynolds Award to Mary Bishop.
8. AEA Director	Judy Moy, AEA Director, reported that AEA is still experiencing membership loss. This has caused AEA to undergo re-assignment of duties of staff, and AEA is not replacing some vacated positions. Nell Pederson is now staff in charge of membership for AEA.
9. ASRS	Steve Ramos reported on the ASRS: ASRS set new contribution rates for the Defined Benefit Plan. A rate of 10.75% will take effect on July 1st 2011. The rate exceeds 10% for the first time due to a downturn in the economy in 2008 and the impact of a smaller government workforce with stagnant salaries. AEA Retired understands that higher contribution rates affect the state budget and draw the attention of those in the legislature who would like to change the ASRS to a Defined Contribution system. AEA believes that the huge cost of such a change could keep a DC bill from getting any traction this year expect that this issue will remain a priority for Republicans in the future.

	ASRS funds continue to bounce back and now exceed $25 billion. Despite the recent attacks on the ASRS by the media, the "Plan" is 76.4% funded, ranking it as one of the best in the country. Returns in 2009 topped 12% and 2010 closes out at 14.9%, exceeding the 8% assumed rate of return that the ASRS is based on. However, even if investment yields can continue at that pace the earliest any retiree would see a Permanent Benefit Increase would be 2020. This is due to an actuarial formula that smoothes the yield over 10 years. A 9% yield is needed to trigger a PBI payment. The smoothed yield at the close of 2010 was only 1.99%. The Board had discussions in December about raising the long-term investment to return assumption, but accepted the conclusion of a report that determined that 8% continues to be an appropriate assumption for the future. As of June 30th 2010 there were 213,530 active members in the ASRS "Plan" with an average salary of $44,000. There were 101,307 retires in the Plan, a 7.4% increase from 2009. The average retiree pension for "Plan" members was $19,427. There are only 19 active members remaining in the old defined contribution "System" created in 1953. Their average age is 73.1. There are 1,562 retirees in the old "System" receiving monthly benefits. Their average age is 78. The "System is 80.46% funded and the Board did not recommend a benefit increase for members in the old "System". In 2011 the ASRS Board will again ask the legislature to require an Alternative Contribution Rate for employers that hire ASRS members using the Return To Work statutes. Media attention in November 2010 took aim at the entire RTW program and some legislators are seeking to end the practice altogether. It was noted that in 2006 SS forms for bonus 301 money was not submitted for those retirees by Phx Union staff. This means that those bonus monies were not factored into the average pay of those retirees.
10. AEA Retired Annual Meeting	Suzan Austin is in process of negotiating lunch & hotel with Chris Mayer. She is finalizing the registration form for the AEA Retired Annual Meeting. She will have a sign-up sheet at our Feb. meeting for tasks at the Annual Meeting in April. Theme discussed and decided today: Understanding and Protecting Your Pension. Suggested: Table discussions and questions readied for ASRS Director Paul Matson. Suggested keynote speaker Paul Matson, with possible speakers from NEA leadership or Barbara Matteson.
11. AZ Alliance Coalition	John Campbell reported on American Alliance Activities: Fiscal Commission: The AARA participated in local and national activities designed to protect Social Security from potential cuts. 1. Letter to Editor Campaign - week of Nov 28 2. Press Conference & Open Letter to John McCain - Nov 29 3. Call-in day of action - Nov 30 We have big goals for 2011 that I know you will appreciate: 1. Educate seniors and retirees about important issues 2. Protect retiree pensions 3. Protect state programs important to seniors and retirees Affiliate renewal letters will be sent out this week and we appreciate the

	AEA Retired's continued support. John asked if we need another Coalition Meeting to discuss attack on ASRS – it was suggested that a meeting may help to find out what follow through has occurred with each organization with regards to their commitment to educate members of difference between Defined Benefit and Defined Contribution plans. John noted that he will schedule such a meeting. No date given.
12. Chapter Chair Reports	▪ Aurora Aber (Tucson) – Next meeting is Tues,Jan. 18 10 AM ▪ Barb Joseph (Phoenix) – Next meeting is Jan. 25th. 10 AM Steve Ramos, guest speaker ▪ Ted Coleman (Prescott) – Next meeting Jan. 20 ▪ Susie Sommer (West Phoenix, Glendale)- Next meeting Feb. 3 Frank Bing guest speaker ▪ Steve Ramos (Mesa)- Next meeting is Jan. 12 MADD guest speaker Marcie Perry ▪ Suzan Austin (Scottsdale/P.V.) – Met Jan. 10 Guest speaker, John Campbell. 12 members in attendance. Next meeting, March 14, Macayo's on Scottsdale Rd. Topic: 5 Wishes Planning. ▪ Sally Rosen (Southern AZ): We will meet next on January 19, Wednesday, at the Outback Steakhouse (Junction of HWYs 90 & 92) at 5:30 p.m. Host is Cathy Milkie. Please RSVP to her at cmilkiec@aol.com by Monday the 17th of January We may have a guest, Gary Burden, to talk with us about the Buena Boosters (Sierra Vista EA president)
13. Announcements	▪ John Campbell reported on some of our Past Exec. Brd Members. ▪ Julie Horwin gave report from NEA Retired Pres. Barbara Matteson regarding health of Pam Simon, victim of Jan. 8 shooting. She passed around envelope. We donated $110 of our monthly raffle money, and passed an envelope for a total of $200.00 for Pam. Signed Get well cards to be included in the envelope with the check. ▪ Julie Horwin announced an online training, or conference call available: Talking Points regarding Affordable Care Act. 4 PM Wed. Jan. 12. She will email to AEA Ret. Executive Board info and instruction about how to join.
14. Raffle	Ken Freed conducted our monthly Raffle $26 to AEA Retired/$26 to Kathy Campbell, winner.
15.Adjourn	Meeting was adjourned at 12:30 PM. Next Meeting on February 8, 2011 10:00 AM

Respectfully submitted,
Julie Horwin, AEA Retired secretary