

# PARTA

# SOUNDINGS

MAY 2017

Peoria Area Retired Teachers' Association

ROGER HAMPTON, EDITOR

## LUNCHEON MEETING

**Barracks Cater Inn**  
**May 1 at 11:30 A.M.**  
**Luncheon – \$12.00**

## GREETERS

- 🌸 Sally Weber
- 🌸 Jean Thieman

## PLEDGE

- 🌸 Pat Kellogg

## INVOCATION

- 🌸 Pat Kellogg

## LUNCHEON

Fried Chicken  
Mashed Potatoes/Gravy  
Kernel Corn  
Salads / Roll  
Assorted Desserts

## PROGRAM

### Speaker:

Dr. Robert Fuessle  
Professor, Bradley University  
(Bio on page 2)

### Topic:

Water & Sustainability:  
Local, National & Global

## MEETING

**Committee Reports**  
Abby Humbles, *Chair*  
PARTA President



## PRESIDENT'S MESSAGE

Greetings PARTA Members,

May flowers are here and pretty as ever! May is a busy month for everyone with the end of the school year awards ceremonies, school trips and graduations. We hope you are able to make time to join us for the luncheon this month.

While we know the room for the luncheon can be a bit close, we want all our members to feel safe and comfortable navigating the space at Cater Inn. If you have challenges walking, please let one of the volunteers know upon check in that you would like a plate of food brought to you. Cater Inn staff will be happy to help those who need assistance. Special thank you to Nancy Wing and Ann Winget for the extra effort put into the fun trivia game last month. It was very enjoyable and a nice chance to visit with table mates.

*Abby Humbles - PARTA President*  
*Retired to Begin Learning Again!*



## UPCOMING MEETINGS/PROGRAMS

**JUNE 5, 2017**

**Peoria Area Senior Citizens Band**  
**Mike Mathews, Director**



**NO MEETINGS in JULY or AUGUST**

**SEPTEMBER 11, 2017**

**TRS Information & Updates**

Rich Frankenfeld, Director of Outreach  
Teachers' Retirement System of the State of Illinois



**IRTA Information & Updates**

Roger Hampton, Vice President  
Illinois Retired Teachers' Association



**BE INFORMED BE INVOLVED**

Check PARTA's webpage for updates:

**PA - RTA . W E E B L Y . C O M /**

Sally Weber, WebMaster

# SOUNDINGS

## General Luncheon Meeting Minutes

**April 3, 2017**

President Abby Humbles welcomed everyone to the meeting. She thanked today's greeters, Marcia Becker and Linda Sedgwick. Inez Norgard led the Pledge and gave the Invocation. Attendance today was 92, which included two first timers.

After the luncheon, Abby explained that our speaker, Dr. Sharon Desmoulin-Kherat, had to meet with the state superintendent today instead of coming to talk to us.

Sally Weber announced that the Gerald Brookhart Arts in Education Spring Celebration goes through May 24<sup>th</sup>, from 11:00 A.M. – 1:30 P.M. Volunteers are needed to meet the buses of students arriving to perform.

Ann Winget then explained the rules of the Trivia Game we played, table against table, to take the place of our program. Winners received free meal coupons.

Abby called the business meeting to order.

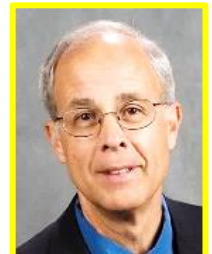
- Abby introduced the new attendees.
  - The minutes were in the *Soundings*. They were approved as printed.
  - Copies of the Treasurer's Report were on the tables and summarized in the *Soundings*. The report will be filed for audit.
  - IRTA – Roger Hampton said to check your email and the IRT website for information. TRS sent an email about their numbers changing this summer; be sure to check it out.
  - Altruistic – Frances Farragher reported that June Combs passed away. June was instrumental in establishing the PARTA scholarship for ICC.
  - Ann said there is a box in the back of the room for old batteries for recycling.
  - Membership - Jeff said John is not here today, but Jeff will take membership dues.
- It was moved and seconded to adjourn.

*Respectfully submitted*

*Kathy Simpson, Secretary*

### Bio: Dr. Robert Fuessle – Program Speaker, May 1, 2017

Dr. Robert Fuessle obtained Bachelor's degrees in Mathematics and physics from Monmouth College in 1972. He received his Masters and PhD in Environmental Engineering from the University of Illinois-Urbana in 1981. He joined Bradley University in 1981. He is now a full professor teaching courses in environmental engineering, sustainability, engineering ethics, and numerical methods. With Dr. Max Taylor from the Department of Chemistry at Bradley, he has performed research on the treatment of hazardous wastes for the State of Illinois.



### May 2017 Treasurer's Summary Report

Investment Balance	\$ 39,917.66	Post Office Bulk Mail Fund (\$15.13 - <i>this month</i> )	\$ 309.62
Savings Balance	\$ 3,939.54	Post Office Returned Mail Fund (\$2.32 - <i>this month</i> )	\$ 69.72
Checking Balance	\$ 3,671.64	<b>Grand Total    \$ 48,008.18</b>	
Working Cash ( <i>cash boxes</i> )	\$ 100.00		

**Jeff Vallosio, Treasurer**

If you could kick the person in the pants responsible for most of your trouble,  
you wouldn't sit for a month.  
~ Theodore Roosevelt

# SOUNDINGS

## PLEASE MAKE THE FOLLOWING CHANGES TO YOUR DIRECTORY

Hartmann	Verna M	hart3926@gmail.com	Email Correction
June Combs	Deceased: Friday, March 24, 2017		In Memoriam
Herb Ragsdale	Deceased: Thursday, April 13, 2017		

DATABASE MAINTAINED BY JOHN RATHBUN

### TRS REPORT – SPRING 2017 – BOB LYONS, TRS TRUSTEE

T  
R  
S

The average retired teacher in Illinois as of June 2016 received \$54,252, but also little or no social security. In FY 2016, the state contributed \$3,742 billion to the TRS fund, in FY2017 it is \$3.986 billion, and in FY2018 it will move up to \$4.565 billion. The size of the increase was greater because the TRS Board lowered the rate to make up the difference going forward. That difference added \$421 million to what the state will contribute for next year. Last year the market prior to the election showed limited growth, but the Trump win was a victory for the stock market, at least so far.

Based on where we were for the end of the year 2016:

	FYTD	CYTD	3 years	5 years	10 years	20 years
Return for TRS	5.01 %	8.33 %	5.88 %	9.53 %	5.55 %	7.54 %

Total number of annuitants is 118,483, which includes retired teachers, survivors, and disabled. As of December 31 last year the total actuarial accrued liability was \$45.3 billion, which meant we had an unfunded actuarial liability of \$71.4 billion and we were funded at 36.5%. I would estimate that today we have almost \$48 billion in the fund, or 38.6% of full funding. What we make by investing is important because it makes up the difference between what comes in the door and what goes out, but we will never invest our way to come close to fully funding the system.

Under existing law, statutorily required general funds pension contributions grew to \$6.9 billion in FY2017 from \$1.6 billion in FY2008. Debt service on previously issued bonds increased to \$1.6 billion from \$467 million during the same period, bringing total pension-related payments to \$8.5 billion from \$2.1 billion. The total state contribution to pensions is just over 25% of all that it takes in for this fiscal year.



- ☹️ I think Snow White had the right idea! She moved in with 7 guys who went to work every day and all she had to do was whistle to get the birds to do her cleaning!
- ☹️ I try to avoid things that make me fat -- like scales, mirrors, and photographs!
- ☹️ If I woke up and nothing hurt, I would think I was dead!
- ☹️ Sometime when I open my mouth, my mother comes out!

### GRANDCHILDREN

- ☺️ Grandchildren don't make a man feel old; it's the knowledge that he's married to a grandmother.
- ☺️ It's amazing how grandparents seem so young once you become one.

- ☺️ If your baby is "beautiful and perfect, never cries or fusses, sleeps on schedule and burps on demand, an angel all the time," you're the grandma.
- ☺️ An hour with your grandchildren can make you feel young again. Anything longer than that, and you start to age quickly.

# SOUNDINGS

## LEGISLATION TO WATCH

The IRTA continues to watch the progress of HB 3021. This legislation would allow temporary staffing firms to contract with school districts to provide substitute teachers for elementary and secondary public schools.

House and Senate proposals that urge Illinois not to tax retirement income remain alive. Senate Resolution 113 is currently in the Senate Subcommittee on Income Taxes and HR 29 is in the House Income Tax Subcommittee.

## SCHOOL DISTRICTS FILE LAWSUIT

A coalition of 17 Downstate school districts filed a lawsuit against Governor Rauner and his administration, contending the state has failed to provide enough money to deliver a "high quality" education for students. The suit argues disparity in Illinois' poorer communities where districts have less of a tax base to rely on. That makes it harder for students to meet educational standards adopted by the state as class sizes increase and programs are cut. The school superintendents bringing the lawsuit want the state to put in place a different model to determine how much money the state should funnel to low-income districts in order for students to meet those standards, saying current assessments are "arbitrary and capricious."



**MEANWHILE IN SPRINGFIELD** After a two-week spring break, state lawmakers return to Springfield on April 24 to resume work on an end to the budget stalemate that has eluded them for nearly two years.

Just before departing the Capitol, the House approved another stopgap spending bill that would provide more than \$800 million to higher education and human-services programs. But an overall state budget along with issues like school funding reform, pension changes, a higher minimum wage and other things that were all part of the Senate's "grand bargain" remain works in progress.



**Lincoln Center Local**  
LINCOLN CENTER IN YOUR NEIGHBORHOOD  
**FREE SCREENINGS**

Wednesday, May 10, 2017

10:30 am – 12:00pm

Peoria Public Library North Branch

**FREE  
CULTURAL  
EVENT**

*Lincoln Center Local Free Screenings* brings intimate, exciting, and masterful performances from the New York Philharmonic, American Songbook, Great Performers, Out of Doors and more to audiences right here in our community! Most screenings last approximately an hour. For more information, please call 309.497.2143. This month: *Curtain Up* - Go behind the scenes for the first time EVER to experience the intensive training of ballet's brightest future stars as they prepare for their vital end-of-year performances. An all-Balanchine program features *Serenade*, and excerpts from *Swan Lake*, and *Western Symphony*.

On my arrival in the United States I was struck by the degree of ability among the governed and the lack of it among the governing. ~ Alexis de Toqueville



# SOUNDINGS

## **IRTA Area 4 Conference - May 23, 2017**

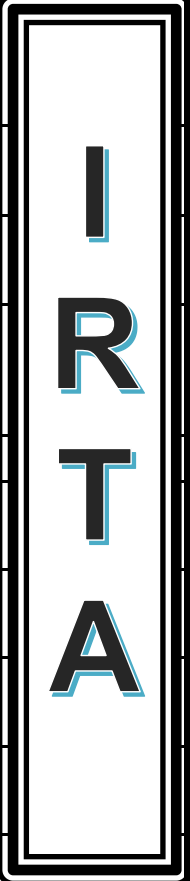
Northfield Inn & Conference Center – Springfield, IL

This is a great venue  
for learning about  
IRTA

Contact Abby Humbles  
PARTA President  
to make a reservation

You DO NOT need to  
be an IRTA member  
to attend.

8:30 am - 9:00 am	Registration and Continental Breakfast
9:00 am - 9:15 am	Opening Remarks: Donna Sargent, Area 4 Representative Introductions Pledge of Allegiance
9:15 am - 9:35 am	Presentation: Dave Davison IRTA President Topic: IRTAF Programs, IRTA Convention
9:35 am - 9:55 am	Presentation: Roger Hampton, IRTA Vice President Topic: IRTAPAC, IRTA Structure
9:55 am - 10:30 am	Presentation: Jim Bachman, IRTA Executive Director: Mary Shaw, Director of Government Affairs Topic: Legislative Update
10:30 am - 10:40 am	Break
10:40 am - 11:00 am	Presentation: TRS Trustee Topic: TRS Status
11:00 am - 11:20 am	Presentation: Nathan Mihelich Topic: Membership Recruitment
11:20 am - 11:30 am	Presentation: Larry Newman Topic: AMBA Member Benefits
11:30 am - 12:00 pm	Presentation: Jim Bachman, IRTA Executive Director Topic: Health Insurance Status
12:00 pm - 1:00 pm	Lunch Local Presidents/Regional Directors' Meeting



## **IRTA Biennial Convention - October 30 - 31, 2017**

Crowne Plaza Hotel – Springfield, IL

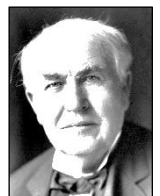
*Registration can be made online*

*Details coming in future issues of Soundings*

**IRTA Members are Encouraged to Attend – Please Mark Your Calendar**

**REMINDER: Used Battery Collection Every Month**

**Inspired by His Mother** Thomas Edison was a poor student. When a schoolmaster called Edison “addled,” his furious mother took him out of the school and proceeded to teach him at home. Edison said many years later, “My mother was the making of me. She was so true, so sure of me, and I felt I had someone to live for, someone I must not disappoint.”



# SOUNDINGS

## ILLINOIS DEBT

Illinois' pile of short-term IOUs have tripled to nearly \$13 billion since July 2015 and is now on track to approach \$28 billion by the end of fiscal 2018.

### INTEREST ON ILLINOIS PENSION DEBT IS \$9.1 BILLION PER YEAR

Fund	Accrued liability	Market assets	Unfunded liability
TRS	\$118,629,900,000	\$45,251,000,000	\$73,378,900,000
SERS	\$45,515,400,000	\$15,038,500,000	\$30,476,900,000
SURS	\$40,923,300,000	\$16,981,500,000	\$23,941,800,000
JRS	\$2,546,400,000	\$840,300,000	\$1,706,100,000
GARS	\$363,300,000	\$49,100,000	\$314,200,000
<b>Total</b>	<b>\$207,978,300,000</b>	<b>\$78,160,400,000</b>	<b>\$129,817,900,000</b>
Fund	Funded ratio	Discount rate	Annual interest cost
TRS	38.14 %	7 %	\$5,136,523,000
SERS	33.04 %	7 %	\$2,133,383,000
SURS	41.5 %	7.25 %	\$1,735,780,500
JRS	33 %	6.75 %	\$115,161,750
GARS	13.52 %	6.75 %	\$21,208,500
<b>Total</b>	<b>37.58 %</b>	<b>7.04 %</b>	<b>\$9,142,056,750</b>

### Credit Cards vs. Debit Cards



Did you know that you might be responsible for just the first \$50 of fraudulent charges on your credit card, no matter how much gets fraudulently charged? But with a debit card, you could be responsible for up to \$500 unless you report the fraudulent activity within two days. And if you don't spot the fraud for more than 60 days, you could be responsible for the total amount fraudulently charged. A few tips:

Some of the highest risk places to use a debit card are gas stations, restaurants, retail stores and online, which are popular places for scammers to install "skimmers." These devices read your card and allow the scammer to clone your card or access your account. And with debit cards, scammers have been known to install cameras to film you as you type in your PIN number, leaving your account open for them to drain.

If you are going to use a card for a big-ticket item, opt for a credit card. Many credit cards offer extra protections, like extended warranties or protection against theft, breakage, or loss. Plus, if you need to dispute the charge, the credit card company may withhold payment until the dispute is cleared up. If you do use a credit card for a big-ticket item, be sure to have a payoff plan and use a card with a low annual percentage rate.

An alternative to using a debit card is to set aside a credit card that you designate for daily expenses – the kinds of expenses for which you would otherwise use your debit card. Pay the balance in full each month to avoid racking up interest charges.

# SOUNDINGS

## MOODY'S TIGHTENS THE SCREWS ON ILLINOIS

One of the big New York bond rating agencies has more to say about Illinois' continuing budget standoff, and it's not good. Moody's Investors Service strongly suggests that if lawmakers do not have a spending plan by May 31<sup>st</sup>, a downgrade of the state's credit rating, perhaps to the junk level, is inevitable. Moody's said Illinois now is at an "inflection point," with rising doubts the state and all of its subdivisions, such as universities, will be able to meet debt-payment requirements in a timely manner. For now, the firm keeps the state's credit at Baa2 with a negative outlook, two levels above junk.

"Illinois is at a critical juncture and its leaders must choose between further credit deterioration and drift without compromise, or the potential for stabilization," Moody's Vice President and Senior Credit Officer Ted Hampton said in a statement. Lack of action by the end of May "would signal political paralysis, leaving Illinois on a path toward unsustainable fiscal challenges that will heighten the risk of creditor-adverse actions," the statement said. The punchline: "If the state remains on this track, its prioritized payment streams, such as pension contributions and possibly even debt service, would be subject to significant risk."

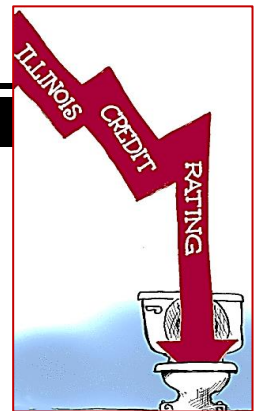
The good news in the report is Moody's view that the further deterioration in state finances could be halted quickly if the will exists, since the situation is caused by political impasse rather than economic collapse. The actual state deficit now is about \$6 billion a year, it said. "With a budget consensus, Illinois could quickly stabilize its financial position." There was no immediate reaction either from Governor Rauner or House Speaker Madigan, the main antagonists in the budget war.

Source: [www.chicagobusiness.com/](http://www.chicagobusiness.com/)

## JUNK BOND STATUS FOR ILLINOIS UNIVERSITIES

S&P Global Ratings lowered the credit score of both Southern Illinois University and Western Illinois University into junk bond status. Eastern, Northeastern and Governor's State already were in junk bond territory, and their ratings were lowered even further last week. The University of Illinois, the state's flagship, also was downgraded to just three notches above junk status and, like all the other universities, put on a "credit watch with negative implications," meaning it could be downgraded again within the next 90 days.

Junk status means many investment institutions, such as pension funds, cannot buy those bonds. So, while the state hobbles the universities by refusing to make full appropriations, it's also undermining their ability to borrow at semi-reasonable rates. Speculators looking for relatively high returns on bonds that have to be repaid gladly will buy those bonds and rake in the dough. Meanwhile, precious dollars the universities cannot afford to spend have to be used to make higher interest payments. It's a horrific fiscal cycle and, in our case, it's completely man-made.



Theory on housework:

If the item doesn't multiply, smell, catch fire, or block the refrigerator door, let it be. No one else cares. Why should you?



## IRTA SEA CRUISE

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# IRTA

Illinois Retired Teachers Association

Investing in the future of retired educators.



# MSC

CRUISES

Ask for  
Nora  
or  
Debbie



## CARIBBEAN & ANTILLES

**MSC SEASIDE**

**8 DAYS**

United States, St. Maarten,  
Puerto Rico, Bahamas

Departure from

**Miami**

**Jan 6-13, 2018**

**FROM \$529 per person**

MSC Seaside Ship Overview: [www.youtube.com/watch?v=ShlzNZSbq](http://www.youtube.com/watch?v=ShlzNZSbq)

## What About ... Up and At 'em?

Since we are retired, we do not need to worry about doing early morning chores, when to eat breakfast, or even when to get dressed. However, according to Laura Vanderkam, author of *What the Most Successful People Do Before Breakfast*, if you begin the day with the following ten things before 10:00 in the morning, you will most likely see positive effects all day long:



- **MAKE YOUR BED** In *The Power of Habit*, author Charles Duhigg writes that this chore is linked to increased productivity during the day.
- **FUEL UP** Make sure your breakfast includes protein, healthy fats, fruit, and vegetables!
- **MOVE AROUND** Choose an activity you enjoy in order to stay with your exercise routine!
- **BREATHE DEEPLY** Meditate or pick a spiritual practice to center and clear the mind.
- **CONNECT YOUR HEART** Call, text, or connect in some way with an important person in your life.



- **START WITH CITRUS** First thing to do is drink water. It is suggested to drink lemon-infused water for a refreshing vitamin C boost.
- **UP AND AT 'EM** Get right up and start the day!
- **WRITE IT DOWN** Begin the day with "stream of consciousness" writing in longhand (e.g. what you are grateful for).
- **DO SOMETHING HARD** Work on an important project in the morning while it is quiet with no interruptions.
- **HAVE SOME FUN** According to the National Institute for Play, you can stay sharp by engaging in activities you find joyful and energizing.

Source: *Renew by UnitedHealthcare, Winter 2017 Issue*

Intelligence is like underwear. It is important that you have it, but not necessary that you show it off.