The regular meeting of the Staff Senate was called to order on Thursday, August 1, 2013 at 9:00 a.m. in the International Room, Morris University Center by Keith Becherer, President.

**Present:** Bartholomew, Caupert, Cooper, Dickey, Gilmore, Becherer, Dusenbery, Hamil, Cobetto, D. Lesicko, Ormesher, Kershaw, Connoyer, Candela, Welter, Mumphard, Dain, Manning

**Excused:** Johnson

**Guests:** Kelly Kries, David Kries, Nicholas Caban, Jan Caban, Susan Caban, Jannah Stone, Rhonda Stone, Chancellor Julie Furst-Bowe, Howard Ash, photographer

**Announcements:** Keith Becherer gave the following announcements:
- SIUE received an improved rating for campus climate index.
- An announcement came out Monday, August 22 regarding the revised Federal Work Studies funds being limited this year.
- Keith congratulated the students who will be graduating this Saturday.
- In a few weeks the SIUExperience will take place with move-in on August 15.
- A campus wide announcement went out about a diversity program to be on August 27 and 28.
- The Chancellor will be addressing the Senate at the September 5 meeting as well as Morris Taylor, Chair of the UPBC a presentation about the budget.
- A revised SIUE Mission Statement will be up for approval at the BOT meeting on Sept 12.

Keith gave the floor to Norris Manning to present the Staff Senate Scholarship Summer and Fall Awards.

Norris had the students tell about selves and then presented awards and congratulated the students.

The 2013 Summer Scholarship awards went to Kelly Kries, daughter of David Kries, a Carpenter from Facilities Management and Nicholas Caban, son of Jan Caban an Electrician from Housing and Susan Caban from the Registrar’s Office. The 2013 Fall Scholarship award went to Jannah Stone, daughter of Rhonda Stone from Accounts Payable.

Pictures were taken with Chancellor Julie Furst-Bowe, the Staff Senate President Keith Becherer and Scholarship Chair.

**Consideration of Minutes:** The June 6, 2013 minutes were approved as submitted (Dusenbery/Gilmore).

**Unfinished Business:** Keith gave an updated Treasurers Report on the Scholarship funds and the interest earned this past year. The Staff Senate Scholarship Funds statement will be filed with the minutes. Also, Keith pointed out the SIUE Foundation Endowment Pool, FY13 Annual Report. A copy is filed with the minutes. With no discussion, Keith moved on to other business at hand.
New Business
Elections: Keith turned the floor over to Todd Bartholomew, Chair. Todd reported that no election was necessary and read the Senators and Panel members who won by acclamation.

a. Civil Service Negotiated & Prevailing
   i. Tami Kershaw – Senator and Panel
   ii. Dana M. Dain – Senator
   iii. Crystal Connover – Senator

b. Civil Service Open Range
   i. Mike Hamil – Senator and Panel
   ii. Donna Lesicko – Senator
   iii. Rebecca Cooper – Panel (was inadvertently left off originally, but forms were turned in on time).

c. Administrative/Professional
   i. V. John Caupert (non-represented)

Nominations: Todd accepted nominations:
Officers
President-elect: The nominations were closed with V. John Caupert accepting the nomination at an earlier meeting.
Secretary: Mike Hamil nominated Bill Dusenbery. Bill Dusenbery accepted the nomination.
Panel Chairs
Negotiated & Prevailing: Tami Kershaw nominated Todd Bartholomew. Todd Bartholomew accepted the nomination.
Open Range: Rebecca Cooper nominated Mike Hamil. Mike Hamil accepted the nomination.
Administrative/Professional: Bill Dusenbery nominated Cindy Cobetto. Cindy Cobetto accepted the nomination.
The nominations for Officers and Panel Chairs closed. The elections will take place by secret ballot at the Special meeting immediately following the regular meeting.

Resource Fair during Cougar Welcome (Monday, August 19 and Tuesday, August 20): Keith reported that the executive committee agreed to bring it up at the Staff Senate meeting. The Governance Secretary will send out a sign-up sheet.
Resolution to President Poshard: Keith reported that President Poshard replied by email to the Staff Senate Resolution regarding proportional representation of the Edwardsville, Carbondale and Springfield campus’ on the SIU Board of Trustees. The email and the resolution are filed with the minutes.

Reports
Ex-Officio Reports
SUCSAC: No report.
Personnel/VC Administration Designee: No report.
SURS: No report.
Panel Reports
Negotiated and Prevailing: Kirt Ormesher reported the Grounds Workers contract is settled. Todd Bartholomew reported the Building Service Workers are still in negotiations.
Open Range: No report.
Administrative/Professional: No report.
Satellite Campus Reports
Alton: Jackie Candela reported the Assistant Dean of Academic Affairs position is filled. Jackie’s supervisor is retiring next May, and there is a search for that position at this time.
East St. Louis: No report, but Bill gave an update on Head Start and the rebid process that will take place this year with Head Start.
UPBC: Norris Manning reported that the UPBC has not met over the summer.
UCB: Cindy Cobetto reported that they have not met over the summer. Cindy did learn that her two year term on the committee will be in May 2014, and the UCB will possibly have term limits. Meetings begin next month. Cindy will follow up after their next meeting.
Public Relations: Bill Dusenbery reported that the committee had their first meeting is working on a public relations piece to have available when someone inquires about the fundraisers and when the Senate does fundraisers. Courtney Breckenridge is working on the design.
  The newsletter is continually in progress. Bill commended the editors for their work last year.
Policy Review Committee: Kirt Ormesher reported that Greg Herbeck mentioned that the idea of a shared sick leave pool was being discussed. There was a discussion. Keith Becherer requested that the Policy Review Committee to be attentive regarding conceal and carry on campus discussion. There was a discussion.
Scholarship Committee: No report.
Fundraising Committee: Becky Cooper reported that the brainstorming meetings for the BBQ were going well and gave several ideas that were being discussed. If anyone has any ideas, please follow up with Becky. There was a discussion.
Goals Committee: No report.
Other
Staff Senate President: Keith Becherer gave his final report. Keith attended the SIUE Alumni Annual Board meeting and Dr. Portwood was appointed to serve on the board. On June 30, Keith and Tami Kershaw attended the St. Louis Pride Parade with 50 other SIUE people. There were approximately 2000 individuals who visited the table at the Fest. Keith asked to participate again next year and thanked Tami. Keith and Michelle Welter attended the July 11 Board of Trustees meeting in Springfield at the medical school campus. The next Board of Trustees meeting will be on September 12 in Carbondale. Keith reported that a transition meeting will take place on July 16 for incoming and outgoing Faculty and Staff Senate presidents and the Governance secretary. Commencement will take place Saturday, August 3 and Keith will represent the staff as Staff Senate President on the platform. He will attend the breakfast reception Saturday morning prior to commencement, too. On Wednesday, August 7 Keith and the incoming and outgoing Faculty Senate, Student Senate and Staff Senate presidents will meet with the Chancellor. Keith is working on an executive summary to the Chancellor and will share at the September meeting. The Biennial Civil Service Audit will take place in the Spring of 2014 and Keith reminded the Executive Committee to meet with them at that time. Keith also thanked everyone for allowing him to serve as president of the senate and proud of the Senate accomplishments. The staff plays an important role at the University. Keith looks forward to Michelle in the role of president and the great accomplishments ahead.

Public Comment

- There were no guests present at this time, but Bill Dusenbery reported that the Parking and Traffic Committee updated their Web site and that the parking tags went up again this year.
- John Caupert reported that Courtney Breckenridge is ready to make a formal request for artwork to Marketing and Communications. Bill requested for Courtney to send the request and someone will get it to Marketing. John Caupert commented about John Charles in the Government Affairs position and that he is a good fit as a liaison for SIUE. There were thirty one candidates, but he was an understudy of Dave Gross who was in the position originally.
- Dr. Poshard announced his retirement for June 30 next year.
- A question was asked regarding the Staff Senate elections. It was included in his report and will be included in the minutes.

Adjournment: The meeting was adjourned at 9:58 a.m. (Dusenbery/Cobetto).
Thank you for the resolution. Assure the staff senate the President’s Office will be watchful and demanding to the powers that be that such equal representation will be a permanent position of this office.

Sincerely,

Glenn Poshard
President
Southern Illinois University
DATE:       May 20, 2013

TO:         Dr. Glenn Poshard, President
            Southern Illinois University

THROUGH:    Julie Furst-Bowe, Chancellor
            Southern Illinois University Edwardsville

FROM:       Mr. Keith Beecherer, President
            Southern Illinois University Staff Senate

SUBJECT:    Staff Senate Resolution 001-FY13

At the May 2, 2013, Southern Illinois University Edwardsville Staff Senate meeting, a motion
carried with unanimous support for the attached resolution sponsored by Michelle E. Welter,
President-elect.

On behalf of the Staff Senate at SIUE, we ask for your review of the attached resolution.

Attachment:

cc: Michelle Welter
cc: Staff Senate
SIUE Foundation Endowment Pool
FY13 Annual Report

The following questions are addressed in this document:

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How did my endowment fund(s) perform this year?
How has my endowment fund(s) performed long term?
How much will be available to be spent?
What if I have an endowment fund just established in FY13 (after 7/1/2012)?
How do I find the investment entries and the ending balances on my Fund Summary report?
How are the endowment funds invested and monitored?
How do I know if a fund is an endowment and what are the different categories of the endowment?
What fees are incurred by an endowment fund?
How much will be received next year from my endowment that I can spend?
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How did my endowment fund(s) perform this year?
There was a healthy gain in the endowment portfolio of approximately 9.8% after all investment management fees for Fiscal Year 2013. Looking at the historical annual returns in the chart below illustrates the type of volatility that a portfolio invested for the long-term in growth investments can experience. Due to the gain, all endowment funds received distributions into their Spendable Earnings accounts at the full distribution rate of 4.25%. And going forward, all endowment funds now have a positive reserve balance from which to draw next year should earnings not be sufficient. Remember, the reserve is simply the amount of earnings above and beyond what is allowed to be spent (4.25%). The SIUE Foundation (SIUEF) endowment pool is invested with a goal of achieving a 6.75% average annual return, after fees, over the long term. Please note that this goal is not an annual goal, it is a long term average annual goal. Year to year, we must expect a certain level of volatility from a portfolio invested in equities and other assets that fluctuate in value. Though we will continue to experience time periods with losses, the portfolio is well-positioned for a long term time horizon and the objective of meeting
the average annual target return. See the chart above and the next section for an updated history of returns for the SIUE Endowment Portfolio.

**How has my endowment fund(s) performed long term?**
The annualized return on the endowment portfolio net of investment management fees for the three years ended June 30, 2013, was approximately 10.2%. The annualized net return for the five year period ending June 30, 2012, was approximately 2.7%.

**How much will be available to be awarded or spent?**
The SIUEF Earnings Allocation Policy is followed to determine what percentage of the earnings is distributed from the endowment reserve to where it can be spent. Please note two different types of endowments that affect where the distributed amount is transferred. Most endowment funds have a ‘spendable cash and investments’ account balance within the endowment fund that increases by the amount of the distribution, and the balance of such account is the amount that can be spent. Other endowment funds distribute earnings to a separate program fund that exists independently from the endowment (such as endowments that support the Lovejoy Library Development Fund or the Chancellor’s Scholarship Fund).

The current distribution rate is set at 4.25% of the average endowment balance if earnings are available. This rate is in line with the national average for other Universities. The earnings allocation policy for FY13 works like this:

1) The gain (9.8%) for the Fiscal Year is allocated to the endowment reserve account within the endowment fund (see below for detailed explanation). As was the case with many endowments this year, there was a negative reserve balance before the earnings. The earnings were enough to offset the negative balance with some leftover to create a positive reserve.

2) The amount that is eligible to be distributed and spent is then calculated by multiplying 4.25% times the sum of the average monthly endowment balance, including the new reserve account balance.

3) If the amount calculated in step 2 is available in the new reserve account balance then this amount is transferred to either the spendable cash account within the endowment, or the separate program fund (depending on the type of endowment as explained above). In FY13, all endowments made a distribution totaling approximately $762,000, up substantially from $180,000 in FY12, and also up from $556,000 in FY11.

4) If the 4.25% calculated in step 2 is not available in the reserve account, then only the amount available in the reserve account can be transferred to the spendable cash account or program fund. If there is no money available in the reserve fund from previous year’s earnings (the balance is zero or negative), then no
distribution will be made. This was NOT the case in FY13 for any endowments.  
5) For those endowment funds that still have a positive balance in the reserve account after this year’s distribution was made, this serves to increase the amount of the total endowment value and therefore provides additional earnings in positive return years. This provides partial protection against a loss of purchasing power (inflation).  
6) For funds that now have (or still have) a negative reserve account on the 6/30/13 reports, future earnings will be used first to offset the negative balance and then only when a positive balance is achieved, additional earnings will be eligible for spending according to the allocation policy. This is also NOT the case for any endowments as of 6/30/13.

**What if I have an endowment fund just established in FY13 (after 7/1/2012)?**

There were ten new endowments funded in FY13. Endowment accounts created in FY13 are not eligible for a distribution until the end of FY14 per existing policy. This policy was established to allow the endowment time to build up earnings and provide for more significant distributions. However, the FY13 gain is added to the endowment’s reserve account so you will see the amount of gain in the activity of that account (see the next section). If there is a gain in FY14, or if there is a loss not larger than the amount earned in FY13, then some money will definitely be distributed at 6/30/14 and will be available for spending in accordance with the SIUEF earnings allocation policy.

**How do I find the investment entries and the ending balances on my Fund Summary report?**

**The amount of investment gain your endowment experienced in FY13:**

See the detail section of the Fund Summary for your endowment and a sample gain of $250 will look like this:

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Account</th>
<th>Cash Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/30/2013</td>
<td>FY13 Endowment Gain Distribution to Reserve Funds</td>
<td>7980</td>
<td>250.00</td>
</tr>
</tbody>
</table>

**The amount of income your endowment distributed to be spent:**

See the detail section of the Fund Summary for your endowment and a $110 sample will show the money coming out of the reserve in the top entry and into the spendable cash totals in the bottom entry. PLEASE NOTE that if you have a separate program fund, the bottom entry will show up in that fund and not in the endowment fund:

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Account</th>
<th>Cash Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/30/2013</td>
<td>FY13 Endowment Earnings Distribution to Spendable Earnings</td>
<td>8982</td>
<td>-110.00</td>
</tr>
</tbody>
</table>

**Your beginning and ending endowment and spendable balances:**

See Page 1 of the Fund Summary for your endowment (and program fund if applicable) and you will see the following summary with your actual totals. The Fund 8999 example below is for illustration purposes only
and shows the $250 gain and $110 distribution from above on a $2500 endowment that had a (negative) -$75 reserve and $1000 in spendable earnings before the earnings this year.

Opening Activity Ending

8999, SIUE Sample Endowment Spendable Cash/Investments 1,000.00 110.00 1,110.00
Endowment Principal 2,500.00 0.00 2,500.00
Endowment Earnings Reserve -75.00 140.00 65.00
3,425.00 250.00 3,675.00

How are the endowment funds invested and monitored?

All endowment funds are pooled together for investment purposes. The total endowment, at approximately $18.7 million, is allocated across 22 mutual funds, a money market fund, and a balanced asset investment pool. The approximate asset allocation at 6/30/13 is detailed below:

- US Equities 17%
- Non-US Equities 23%
- US Fixed Income 15%
- Non-US Fixed Income 3%
- Absolute Return Fund 10%
- Real Assets 7%
- Balanced 25%
- Total 100%

Performance of the portfolio is monitored regularly by the SIUEF Financial Affairs Office and the Finance & Investment Committee of the SIUE Foundation Board. The Foundation Board contracts an independent registered investment advisor to assist the Finance & Investment Committee and staff in evaluating investment policies, monitoring investment performance, recommending asset allocation ranges and strategies, and addressing other investment related issues as needed. The firm is Mercer Hammond, located in St. Louis, and their clientele includes approximately 70 institutions in higher education and over 40 public and private foundations. Mercer attends all committee meetings to review portfolio performance, recommend asset allocation adjustments, and respond to other concerns and questions.

How do I know if a fund is an endowment and what are the different categories of the endowment?

The SIUEF fund number is four digits and the first character indicates the type of fund. Any fund beginning with “8” indicates an endowment fund. Within each fund there are different categories known as “accounts” that track the type of money in that endowment fund. The three types of accounts are:
a) Spendable Cash/Investments – The amount that can be spent. The source of this money could be from gifts but is normally from earnings distributed from the endowment.
b) Endowment Principal – The account where the endowment gift was deposited; this amount cannot be spent as it is permanently restricted.
c) Endowment Earnings Reserve – This account receives the total earnings or losses and then pays out the amount to be distributed. Therefore the balance of this account equals the amount earned on the endowment over its lifetime less the amount distributed to the spendable cash account or program fund over its lifetime.

**What fees are incurred by an endowment fund?**
The investment management fees for FY12 total 1.25%. Of this 1.25% total, approximately .90% covers investment advisor expenses and all mutual fund management expenses. The remaining approximately .35% remains with the Foundation general fund to help offset costs associated with Foundation operations.

Some of the services provided by the Foundation using these funds include the processing and acknowledging of gifts, administering the donor/prospect fundraising database, donor and prospect screening software and reporting, and the payment of all credit card and stock transaction costs.

**How much will be received next year from my endowment that I can spend?**
Remember that for endowments established in FY14, a distribution cannot be made until June 30, 2015. However, for all other endowments, the amount distributed at June 30, 2014 will depend on the amount of earnings available next year, which cannot be estimated at this time. Given the volatility in market values, a reliable estimate simply cannot be provided. Please be conservative in estimating any FY134 distributions from your endowment in donor correspondence or other planning.

As always, if funds are available at 6/30/14, either from FY14 earnings, or from your accumulated reserve balance, a distribution will be made. The Finance & Investment Committee of the SIUE Foundation Board reviews the distribution rate annually by taking into account projected returns and the anticipated rate of inflation. Since one of the objectives of the SIUEF Investment Policy is to maintain the purchasing power of endowments, the spending rate should not exceed earnings less a specified rate of
inflation. The current spending rate of 4.25% will be reviewed this year (and annually going forward) to determine if any change is warranted for FY14.

FY13 endowment transmittal