



MINUTES

**Meeting of the Administration Committee
of the Board of Trustees of the
State Universities Retirement System
Friday, June 10, 2016, 9:00 a.m.
The Northern Trust
50 South LaSalle Street, Global Conference Center
Chicago, Illinois 60603**

The following trustees were present: Mr. Antonio Vasquez, Chair; Mr. Aaron Ammons, Mr. Tom Cross, Mr. Dennis Cullen, Dr. John Engstrom, Dr. Fred Giertz, Mr. Paul R. T. Johnson Jr., Mr. Craig McCrohon (via conference call); Ms. Dorinda Miller and Dr. Steven Rock.

Others present: Mr. W. Bryan Lewis, Executive Director; Mr. Andrew Matthews, Chief Operating Officer; Ms. Phyllis Walker, Chief Financial Officer; Ms. Brenda Dunn, Director of Human Resources; Ms. Bianca Green, General Counsel; Mr. Douglas Wesley, Deputy Chief Investment Officer; Mr. Steve Hayward, Director of Internal Audit; Ms. Kristen Houch, Legislative Liaison; Ms. Allison Kushner, Compliance and Governance Officer; Ms. Monique Cullotta, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; and Ms. Linda Brookhart of SUAA.

Administration Committee roll call attendance was taken. Trustee Ammons, present; Trustee Idehen, absent; Trustee Johnson, present; Trustee Rock, present; and Trustee Vasquez, present.

Per the motion approved at the Investment Committee meeting on June 9, 2016, trustees may be allowed to participate via conference call for all meetings on June 9, 2016, and June 10, 2016, pursuant to Section 7(c) of the Open Meetings Act.

CERTIFICATION OF UNCOLLECTABLE OVERPAYMENTS

Ms. Phyllis Walker stated that in 2008, The Joint Committee on Administrative Rules established procedures by which SURS may recover amounts overpaid from SURS annuitants. If SURS is unable to collect all, or part, of an overpayment, SURS staff may request that the board certify the overpayment balance as uncollectible and as a result, no longer maintain the balance as an account receivable on SURS records. Ms. Walker remarked that SURS staff has attempted to collect these overpayments but has been unsuccessful. Ms. Walker noted that going forward; she intends to bring these to the board twice a year. Therefore, Ms. Walker requested that the board certify these amounts as uncollectible.

Trustee Fred Giertz made the following motion:

- SURS staff recommends that the benefit overpayments presented by staff be certified as uncollectible in accordance with 80 Ill. Adm. Code §1600.450.

Trustee Aaron Ammons seconded and the motion passed with all Trustees present voting in favor.

Copies of staff memorandum titled “Certification of Write-off of Benefit Overpayments” is incorporated as part of these minutes as [Exhibit 1](#).

ORGANIZATIONAL REVIEW

Mr. Bryan Lewis presented the organization’s performance and accomplishments for FY 2016. Mr. Lewis highlighted some of the major accomplishments over the past year within each area of the organization. Among the accomplishments discussed included but were not limited to the following successes: assuring financial soundness, achieving high levels of customer satisfaction, emphasizing learning, growth, and diversity; high quality internal processing, sound risk management and ethical practices. SURS celebrated its 75th anniversary this year and Mr. Lewis remarked that it was a very active legislative year regarding funding issues and the appropriation process.

PERFORMANCE REVIEWS AND SUCCESSION PLANNING

Trustee Vasquez noted that in light of the conversation and the fact that the Committee will be discussing employee performance and succession planning; the discussion should take place in closed session. Trustee Vasquez then moved that the Committee go into closed session under the Open Meetings Act to discuss employee matters, pursuant to §2(c)(1). Trustee Steven Rock seconded and the motion carried in a roll call vote:

Trustee Ammons	-	Aye
Trustee Idehen	-	Absent
Trustee Johnson	-	Aye
Trustee Rock	-	Aye
Trustee Vasquez	-	Aye

CLOSED SESSION

RETURN TO OPEN SESSION

Upon motion by Trustee Ammons that was seconded by Trustee Johnson and carried, the Administration Committee resumed its meeting in open session.

CONSIDER RECOMMENDATIONS FOR FY2017 COMPENSATION ADJUSTMENTS

As a result of the closed session discussion, this item has been tabled until the next meeting.

FY 2017 ADMINISTRATIVE EXPENSE AND FY 2017 CAPITAL EXPENDITURE BUDGET

Ms. Walker provided a recap of the Fiscal Year 2016 budget comparing what was approved in relation to what was expected to be spent. She presented the Administrative Expense for the Fiscal Year 2016 as \$19,109,413 and the Capital Budget as \$902,000 of which \$623,692 is expected to be spent and as a result, will be \$278,000 under budget. Personnel service expenses for FY 2016 are expected to be \$252,000 under budget. She noted that a monthly report is provided with the year to date financials to the board as well as a quarterly variance report. Ms. Walker further stated that after the prior budget had been approved, the staff insurance premiums prescribed by Central Management Services were received and they came in higher than projected. She noted that this account is \$110,000 over budget and remarked that this expense is currently not within the control of SURS in terms of knowing premium amounts prior to the planned budget meeting for the year.

Ms. Walker then presented that the total budget amount for FY 2017 is \$20,317,163 which is 4.1 percent over the prior year and 6.2 over the projected actual. The FY 2017 capital budget is \$648,019 which is a decrease amount from the FY 2016 budget amount.

Ms. Walker presented the major items included in the proposed Capital Budget including the following projects: building services expected to be \$290,000; video surveillance with expected costs of \$20,000 and the second phase of the Network Backbone Upgrade as presented at the last year's meeting.

With there being no further discussion, Ms. Walker asked the committee to consider approving the Fiscal Year 2017 Administrative and Capital Budget excluding the Compensation Adjustments which were tabled.

Trustee Paul R.T. Johnson, Jr. made the following motions:

- That the Fiscal Year 2017 Administrative Expense Budget, excluding the increase in the Compensation Adjustment, be approved as presented.
- That the Fiscal Year 2017 Capital Expenditure Budget be approved as presented.

Trustee Giertz seconded and the motion passed with all trustees present voting in favor.

Copies of staff memorandum, entitled "Administrative Expense and Capital Budget – Fiscal Year 2017" and "SURS Fiscal Year 2017 Administrative Expense and Capital Budget" presentation are incorporated as part of these minutes as [Exhibit 2](#) and [Exhibit 3](#).

INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION

The following item was provided for reference and is incorporated as a part of these minutes:

1. [Exhibit 4](#)- Fiscal Years 2017 Summary Work Plan Administration Committee Schedule.

PUBLIC COMMENT

There were no public comments presented to the Administration Committee.

Since there was no further business before the committee, Trustee Ammons moved that the meeting be adjourned. The motion was seconded by Trustee Johnson and carried with all trustees present voting in favor.

Respectfully submitted,



Mr. W. Bryan Lewis
Secretary, Board of Trustees

WBL/wj



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To: Administration Committee
From: Phyllis L. Walker
Date: June 1, 2016
Re: Certification of Write-off of Benefit Overpayments

Overview

The Joint Committee on Administrative Rules 80 Ill.Adm.Code §1600.450 established the procedures by which the State Universities Retirement System (SURS) may recover amounts overpaid from SURS annuitants. If SURS is unable to collect all, or part, of an overpayment, SURS staff may request that the Board certify the overpayment balance as uncollectible and as a result, no longer maintain the balance as an account receivable on SURS' records.

The attached list represents benefit overpayments made to deceased SURS members and survivors and two other benefit cases (summary of events of each case attached) that SURS has exhausted all efforts of recourse for payment. Staff has attempted to collect the overpayments by requesting the return of electronic fund transfers made to the decedent's bank account, recovering from any death or survivor benefits payable and through correspondence to the member or surviving heirs. SURS staff's attempts to collect these overpayments have been unsuccessful. The amounts shown represent the balance after the previously mentioned adjustments. There are no further benefits payable from the System from which the overpayment can be collected.

In accordance with Joint Commission on Administration (JCAR) Section 1600.450, an overpayment balance that is over \$100 but less than \$5,000 and uncollectible after 12 months may be certified as uncollectible by the SURS staff and certified by the Board. Also, an overpayment balance greater than \$5,000 and uncollectible after 36 months may be certified as uncollectible by the SURS staff and certified by the Board. The preceding listing meets these criteria. We therefore recommend for write-off under our duties as authorized staff of the State Universities Retirement System.

Recommendation:

SURS staff recommend that the benefit overpayments presented by Staff be certified as uncollectible in accordance with 80 Ill.Adm.Code §1600.450.



To: Administration Committee
 From: Phyllis L. Walker
 Date: June 1, 2016
 Re: Certification of Write-Off of Overpayments

Member ID	Member Name	Date of Death	Date Notified	Benefit Type	Overpayment Amount	Death Benefit/Recovered Amount Applied to the Overpayment	Write-off of Net Overpayment
1067209	Rita Johnson	7/9/2014	12/4/2014	Survivor	\$ 439.44	\$0.00	\$ 439.44
1066068	Louise Mabry	3/28/2014	4/14/2015	Survivor	734.92	0.00	734.92
1164682	Majur Karim	10/13/2014	5/7/2015	Disability	737.92	0.00	737.92
1224001	Hallie Miller	12/18/2014	1/20/2015	Survivor	1,090.21	0.00	1,090.21
1235022	Carolyn Kinsella	11/18/2014	1/6/2015	Survivor	2,772.51	0.00	2,772.51
30727	Legreta Fields	12/31/2014	1/21/2015	Retirement	3,516.65	0.00	3,516.65
1110702	Randy Atchley		7/17/2008	Disability	35,128.58	0.00	35,128.58
8987	Ikua Chou*	4/22/2003	4/5/2007	Retirement	156,613.24	108,405.22	48,208.02
Total - 8 benefit recipients					\$ 201,033.47	\$ 108,405.22	\$ 92,628.25

*Ikua Chou is the SURS member and Anthony Chou is one of the beneficiaries. The net overpayment includes the following:

Ikua Chou	This amount is the amount that could not be traced and federal tax paid	39,331.68
Anthony Chou	Overpayment \$19,531. Reduced by SURS proceeds of \$10,655 (\$16,000 total settlement)	8,876.34
Total Ikua Chou write-off		\$ 48,208.02



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To: Administration Committee
 From: Phyllis L. Walker
 Date: June 1, 2016
 Re: Ikua Chou (Member ID# 8987) Benefit Overpayment

Date	Event or Action Taken
6/1/1988	Ikua Chou retired
2/27/2002	Shirley H.O. Chen, former spouse of Ikua Chou, submits Court Order and Notice for Withholding for spousal payments
2/9/2007	SURS received an application for the Minnesota Life death benefit from member's son, Zhou Xihuang reporting the member died 4/22/2003. SURS sent letter to Old Bank requesting return of the benefit overpayment. Another letter to the bank was issued on 3/12/2007.
2/22/2007	SURS received death certificate confirmation from Zhou Xihuang. He stated that the SURS last known addresses had been invalid since 4/22/2003. He claimed no knowledge of the annual address verifications including a 2007 document with an email address of markzhou506@hotmail.com
5/15/2007	SURS sent letters to Anthony and Winslow Chou notifying them as the designated primary beneficiary of their eligibility for a \$500.00 death benefit. SURS determines that the total overpaid benefits to Mr. Chou totaled \$176,144.58. It was determined that Anthony Chou, Winslow Chou and Shirley Chen received most of the proceeds. SURS was unable to trace where the remaining balance of \$25,868.60 ended up
7/24/2007	SURS received call from an ex-wife, Shirley Chen, who was receiving a maintenance agreement payment of the benefit
8/6/2007	Tim Chou, grandson to Xi Hong Chou (son), contacted SURS to follow up on the death benefit
5/27/2008	SURS legal staff contracted ICS Merrill to perform an international investigative service regarding the death of Ikou Chou
6/10/2008	SURS received the investigative report regarding the Ikou Chou family
11/6/2008	SURS retained Thomas, Mamer & Haughley, LLP (TMH) to file claims on behalf of SURS. On 11/12/08 TMH filed a complaint against Shirley Chen. An extension was granted on 12/10/2008 for the court hearing
1/29/2010	Mayer Brown filed a complaint against Anthony Chou in Santa Clara County, California for unjust enrichment in the amount of \$19,531.34 (SURS vs Chou, Case 110 CF 162611)
1/29/2010	SURS retained John Muije to pursue collection against Winslow Chou in Clark County, Nevada in the amount of \$19,531.34 (SURS vs Winslow Chou, Case No. A010-609513-C)



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Date	Ikua Chou Events or Action Taken Cont'd
2/4/2010	SURS and Shirley Chen entered into a settlement agreement, whereby Ms. Chen agreed to pay the outstanding balance of \$97,750.22 plus interest in increments of \$200 in the form of a mortgage on property she owned in Illinois. Case dismissed by stipulation on September 8, 2010
3/18/2010	SURS substituted Mayer Brown by contracting the Law Offices of Paul H Nathan to assist in the case of Anthony Chou
6/1/2010	Ms. Chen paid the principal balance upon the sale of the property, but not the \$8,000 interest. SURS decided to waive the interest and dismissed the case.
6/11/2010	<u>State Universities Retirement System vs Chou</u> , No. 22-110CF162611 (filed Superior Ct California). Settlement of \$16,000 of which SURS net proceeds was \$10,655 received on 7/13/2010. Case dismissed by stipulation on August 10, 2010. Balance of \$8,876.34 outstanding
9/14/2011	<u>State Universities Retirement System vs Winslow Chou</u> , No. A-10-609513-C (filed in Dist Ct Las Vegas Nevada). SURS received a default judgment
9/20/2011	Muije's office informed SURS that Winslow Chou had moved back to Illinois. The judgment was forwarded to the Illinois address. SURS received in exemplified judgment for filing in an Illinois court to pursue collection under the Uniform Enforcement of Foreign Judgments Act
10/2011	SURS general counsel contacted the Illinois Attorney General regarding filing the Nevada claim for Winslow Chou in Illinois. No response was ever received
11/2011-12/2014	No action taken
1/2015	CFO sent email to SURS general counsel inquiring if legal was periodically following up on this case
11/2015	SURS assistant general counsel contacted the office of Paul Nathan via email. No response received
2016	SURS assistant general counsel made several attempts to contact the office of Paul Nathan by telephone and left message on voice mail system
05/16/2016	SURS assistant general counsel will follow up on pursuing from the Illinois Attorney General the filing of the Nevada default judgment in an Illinois court. <u>State Universities Retirement System vs Winslow Chou</u> , \$19,531.34 plus accrued interest of \$3,166.08 from June 27, 2008 through July 29, 2011, costs of suit of \$613.60, and attorneys' fees of \$4,882.84, with interest thereon at the statutory rate from July 30, 2011, until full payment



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To: Administration Committee
 From: Phyllis L. Walker
 Date: June 1, 2016
 Re: Randy Atchley (Member ID# 1110702) Benefit Overpayment

Date	Event or Action Taken
7/1/2003	SURS received notice that member began worker's compensation leave of absence on 6/7/2003 with an estimated date of return to work on 8/7/2003
8/23/2004	SURS received notice that member began worker's compensation leave of absence on 7/28/2004 with an estimated date of return to work on 1/28/2005
12/2005	SURS completed a disability audit and determined that the payment limit was \$29,066.89. The SURS calculation determined that the monthly disability benefit would be \$1,226.70 effective 2/17/2005 through 1/1/2007
1/10/2008	SURS received worker's compensation report that the member had received a settlement on 12/15/2007
11/26/2008	SURS sent the member a letter stating due to the settlement the amount owed to SURS was \$27,528.48
12/29/2008	The member submitted written request for the Deputy Director of Members Services to review the overpayment claim
7/21/2009	The Deputy Director of Member Services reviewed the claim and determined the member owed SURS. A letter was sent to the member notifying him of the decision
8/20/2009	The member submitted a written response claiming that the settlement received was a percentage of "Man as a Whole" and was not temporary total disability
9/14/2009	The overpayment appeal claim was sent to the SURS Claims Committee for a hearing on 4/13/2010
3/8/2010	SURS received a Notice of Hearing from the member that he would not be present at the hearing. A written copy of his argument was submitted to the Claims Committee
7/16/2010	The Claims Committee upheld the SURS staff decision that the member's argument was irrelevant and that SURS properly calculated the overpayment amount
8/11/2010	SURS notified the member that the Statement of Exceptions was not received before the deadline date shown in the Claims Committee decision letter. The member's appeal was dismissed



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Date	Randy Atchley Event or Action Taken Cont'd
3/15/2011	An overpayment letter was sent to the member requesting the overpayment to be paid in full or for the member to set up a payment plan to avoid future accrual of interest
4/15/2011- 10/15/20014	An overpayment billing statement/remittance letter was sent each month. No response was received from the member
10/13/2014	SURS sent a letter to the Illinois Revenue Litigation Bureau requesting the Illinois Attorney General to initiate collection proceedings on behalf of SURS
11/10/2014	A final collection letter was sent to the member from the Assistant Attorney General requesting full payment within 30 days or legal proceedings would be initiated
5/21/2015	A Consent Judgement was issued on May 21, 2015 in Madison County
7/22/2015	A Citation to Discover Assets was held to confirm the member's only assets was his home
8/25/2015	A Memorandum Judgement was entered
12/7/2015	SURS was notified by the Assistant Attorney General that they had exhausted collection efforts and closed the file. SURS has a consent judgement in case the member ever won the lottery or purchased property in Madison County to have a right to the proceeds



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To: Administration Committee

From: Phyllis L. Walker

Date: June 1, 2016

Re: Legreta Fields (#30727), Carolyn Kinsella (#1235022), and Hallie Miller (#1224001) Benefit Overpayment

Date	Legreta Fields Event or Action Taken
1/1/1998	Legreta Fields retired
1/20/2015	SURS received death notice that Ms. Fields died 12/31/2014. Notice sent to Bank of America to return January payment of \$3,516.65
1/30/2015	SURS received notice from Northern Trust that recall request denied due to the bank account as closed
2/2/2015	SURS sends overpayment notice to the estate of Legreta Fields. A second notice was sent to beneficiary on file Lakeisha Fields

Date	Carolyn Kinsella Event or Action Taken
2/29/2012	Survivor annuity began for Carolyn Kinsella
1/5/2015	SURS received death notice that Ms. Kinsella died 11/18/2014. Notice sent to Credit Union One to return December and January payment totaling \$5,039.26
1/6/2015	SURS received notice from Northern Trust of recovery of \$2,555.11
2/5/2015	SURS sends second notice to the bank
3/19/2015	SURS sends overpayment notice to the estate of Carolyn Kinsella

Date	Hallie Miller Event or Action Taken
5/5/2011	Survivor annuity began for Hallie Miller
1/15/2015	SURS received death notice that Ms. Miller died 12/18/2014. Notice sent to PNC to return January payment of \$1,090.21
2/15/2015	SURS received notice from Northern Trust that recall request denied due to insufficient funds of the bank account. Second notice sent to bank
3/3/2015	SURS sends overpayment notice to the estate of Hallie Miller



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To: Administration Committee
From: Phyllis L. Walker
Date: June 1, 2016
Re: Administrative Expense and Capital Budget – Fiscal Year 2017

Overview

Annually, the administrative expense and capital budget is submitted for approval. The administrative expense budget covers all operational costs of the Defined Benefit, the Self-Managed Plan (SMP), and the investment personnel services. The total proposed Fiscal Year 2017 administrative budget is \$20,317,163 or 6.2% over the Fiscal Year 2016 projected actual budget of \$19,109,413.

The capital budget includes major initiatives, services, and purchases. The total proposed Fiscal Year 2017 capital budget is \$648,019 or 3.9% increase compared to the Fiscal Year 2016 projected actual budget of \$623,692.

Recommendation

SURS staff recommends:

- **That the Fiscal Year 2017 Administrative Expense Budget be approved as presented.**
- **That the Fiscal Year 2017 Capital Expenditure Budget be approved as presented.**



**State Universities Retirement System
Fiscal Year 2017
Administrative Expense and Capital Budget**

**June 10, 2016
The Northern Trust**

**50 South LaSalle Street
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Chicago, Illinois 60603**

Administration Committee

**1901 Fox Drive, P.O. Box 2710
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State Universities Retirement System
Fiscal Year 2017 Administrative Expense Budget

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June 10, 2016

To: Administration Committee of the Board of Trustees of the State Universities Retirement System (SURS)

From: Phyllis L. Walker, Chief Financial Officer

Re: Fiscal Year 2017 SURS Administrative and Capital Budget

I am pleased to submit for your review and approval the Administrative Operating Expense and Capital Budget for the State Universities Retirement System (SURS) for the Fiscal Year 2017, which begins July 1, 2016, and ends June 30, 2017. The budget reflects the staff's commitment to provide services and programs in alignment with the SURS Strategic Plan.

The proposed Fiscal Year 2017 administrative budget of \$20,317,163 is 4.1% over the prior year's budget and 6.2% over the prior year's projected actual budget. Personnel Services & Benefits costs are up 4.0% over the prior year's budget and 5.3% over the projected actual budget. Non-personnel costs are up 11.2% over the prior year's budget and 18.5% over the projected actual budget. The capital budget is 28.2% less than the prior year's budget and 3.9% over the projected actual budget. The capital budget includes several building projects and a network backbone upgrade.

The Fiscal Year 2016 has been filled with the challenges of a fragile economic recovery and uncertainty of state funding which contributed to layoffs and efforts of sustainability for our employers. Our guiding principle in developing the FY 2017 budget was to secure and deliver the retirement benefits promised to our members as stated in our mission statement. The administrative budget reflects an additional position in the Human Resources Center. This position will be devoted to staff training to allow the current staff to focus on payroll functions. The investment administrative budget includes two additional positions. One of the additional positions will be responsible for investment compliance and the other position will focus on the equity allocation asset class.

The staff insurance premiums are prescribed by the Department of Central Management Services. This expense is currently not within our control. For Fiscal Year 2017 we are proposing a 5% increase over the Fiscal Year 2016 projected actual (12.5% over the projected actual budget includes the impact of new and mid-year filled positions).

I would like to express my gratitude to Gayle Jannusch, Lou Ann Fillingham and the management team for their valuable contribution to this budget process.

Sincerely,

Phyllis L. Walker

Phyllis L. Walker
Chief Financial Officer

SURS FISCAL YEAR 2017 CONSOLIDATED ADMINISTRATIVE BUDGET

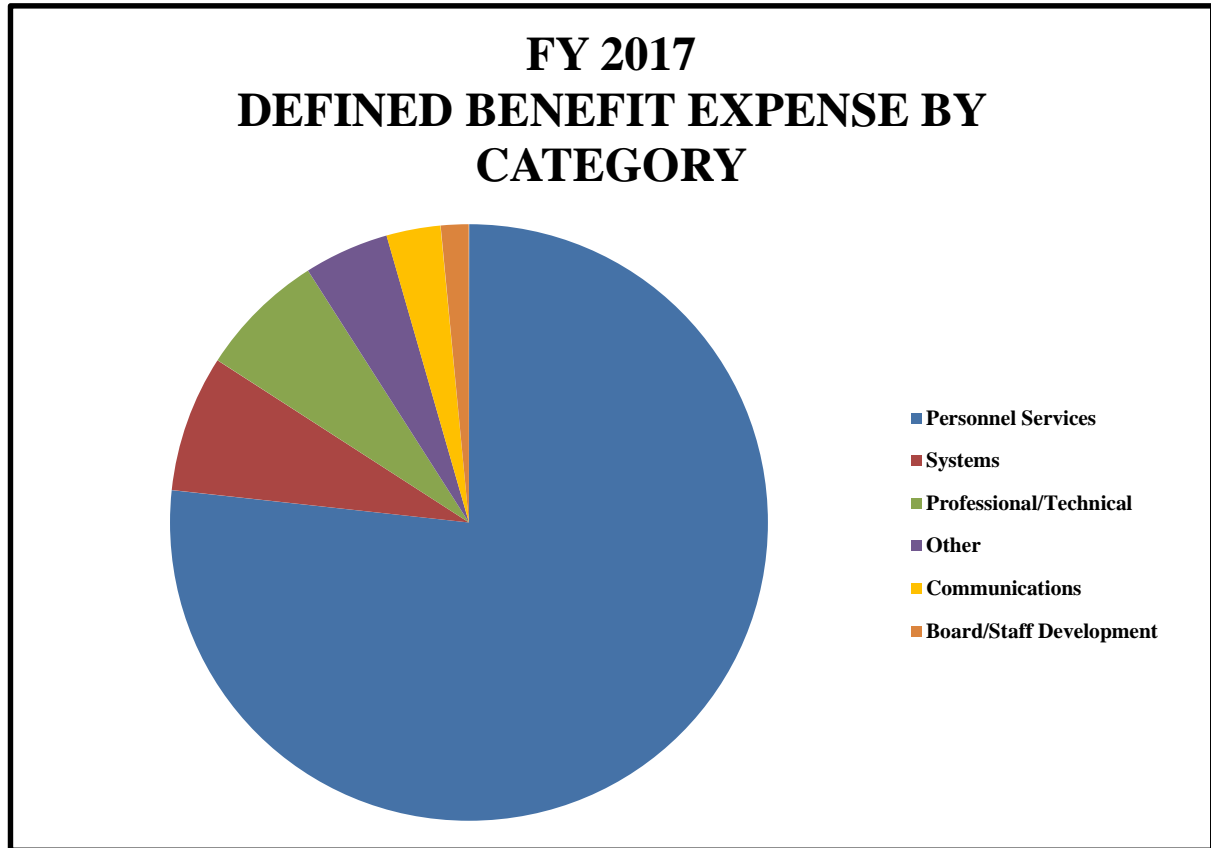
Budget by Expense Item	FY 2016 Budget	Full Year Actual Projected	FY 2017 Budget	\$ Increase from Prior Yr Budget	% Increase from Prior Yr Budget	\$ Increase from Proj Actual	% Increase from Proj Actual
Personnel Services	8,105,949	7,852,982	8,213,840	107,891	1.3%	360,858	4.6%
Extra Help	-	29,250	35,100	35,100	0.0%	5,850	20.0%
Insurance	2,424,575	2,534,741	2,728,688	304,113	12.5%	193,947	7.7%
Pension	983,589	953,498	993,142	9,553	1.0%	39,644	4.2%
Payroll Tax	110,220	111,397	116,894	6,674	6.1%	5,497	4.9%
Subtotal-Personnel Services & Benefits	11,624,333	11,481,868	12,087,664	463,331	4.0%	605,796	5.3%
Statistical & Tabulation							
Applications	179,709	178,797	198,280	18,571	10.3%	19,483	10.9%
Operations	616,195	599,936	775,027	158,832	25.8%	175,091	29.2%
Recruitment and Relocation	10,500	10,520	40,000	29,500	281.0%	29,480	280.2%
Medical/Disability Program	10,000	3,846	7,500	(2,500)	-25.0%	3,654	95.0%
Auditing and Management Services	88,694	46,200	112,275	23,581	26.6%	66,075	143.0%
Professional & Technical	266,620	312,804	456,019	189,399	71.0%	143,215	45.8%
Actuarial Services	284,000	283,263	227,464	(56,536)	-19.9%	(55,799)	-19.7%
Legal Fees	184,000	198,867	232,000	48,000	26.1%	33,133	16.7%
Postage	313,024	288,081	226,100	(86,924)	-27.8%	(61,981)	-21.5%
Copying, Photographic & Printing	29,020	19,591	22,080	(6,940)	-23.9%	2,489	12.7%
Surety Bond & Insurance	279,500	251,435	333,315	53,815	19.3%	81,880	32.6%
Freight & Express Mail	13,600	4,982	6,500	(7,100)	-52.2%	1,518	30.5%
EDP Equipment Repairs & Maintenance	84,547	67,578	94,965	10,418	12.3%	27,387	40.5%
Office Rental	30,036	19,890	19,890	(10,146)	0.0%	-	0.0%
Office Equipment Repairs & Maintenance	8,300	12,172	13,600	5,300	63.9%	1,428	11.7%
Equipment Rental-Telephone	111,460	107,424	115,250	3,790	3.4%	7,826	7.3%
Subscriptions & Information Services	29,254	32,131	28,085	(1,169)	-4.0%	(4,046)	-12.6%
Office & Library Supplies	59,035	47,997	51,900	(7,135)	-12.1%	3,903	8.1%
Meeting Expenses	4,118	2,924	4,700	582	14.1%	1,776	60.7%
Printing Supplies	48,900	40,870	35,700	(13,200)	-27.0%	(5,170)	-12.6%
EDP Supplies	70,000	35,000	40,000	(30,000)	-42.9%	5,000	14.3%
EDP Operating Equipment	34,100	33,060	58,920	24,820	72.8%	25,860	78.2%
Registration & Conference Expenses	33,145	27,658	42,434	9,289	28.0%	14,776	53.4%
Employee Training Programs	33,875	27,276	34,375	500	1.5%	7,099	26.0%
Employer Training Programs	1,040	1,040	1,040	-	0.0%	-	0.0%
Board Travel	25,000	19,074	23,000	(2,000)	-8.0%	3,926	20.6%
Board Meeting	11,530	9,613	11,000	(530)	-4.6%	1,387	14.4%
Association Fees	26,056	26,301	66,729	40,673	156.1%	40,428	153.7%
Employee Tuition	14,107	2,400	12,120	(1,987)	-14.1%	9,720	405.0%
Travel	94,297	111,142	104,744	10,447	11.1%	(6,398)	-5.8%
Building & Grounds Maintenance	197,535	183,722	181,135	(16,400)	-8.3%	(2,587)	-1.4%
Utilities	103,700	86,797	89,400	(14,300)	-13.8%	2,603	3.0%
Subtotal - Non-personnel Costs	3,294,897	3,092,391	3,665,547	370,650	11.2%	573,156	18.5%
TOTAL-Defined Benefit Plan	14,919,230	14,574,259	15,753,211	833,981	5.6%	1,178,951	8.1%
Depreciation	510,219	495,124	522,245	12,026	2.4%	27,121	5.5%
TOTAL DEFINED BENEFIT EXPENSES	15,429,449	15,069,383	16,275,456	846,007	5.5%	1,206,073	8.0%
Investment Administrative	3,602,495	3,561,011	3,564,550	(37,945)	-1.1%	3,539	0.1%
Self-Managed Plan Administrative	488,530	479,019	477,157	(11,373)	-2.3%	(1,862)	-0.4%
GRAND TOTAL ADMINISTRATIVE	19,520,474	19,109,413	20,317,163	796,689	4.1%	1,180,628	6.2%
Capital Budget	902,000	623,692	648,019	(253,981)	-28.2%	24,327	3.9%
GRAND TOTAL	20,422,474	19,733,105	20,965,182	542,708	2.7%	1,204,955	6.1%

*Self-Managed Plan Administrative Expenses Fiscal Year 2017 Budget - \$477,157 (Detailed analysis can be found on page 15).

**Investment Total Administrative Fiscal Year 2017 Budget of \$3,564,550 consists of Personnel Expenses of \$1,326,335 (Personnel Summary located on page 16) and Non-Personnel Expenses of \$2,238,215 approved in the Investment Committee meeting.

State Universities Retirement System
Fiscal Year 2017 Administrative Expense Budget

ADMINISTRATIVE BUDGET BY CATEGORY



	FY 2016	FY 2016	FY 2017	FY 2016 BUDGET INC/(DEC) FROM:			
	Projected	Budget	Budget	FY 2016 Budget	%	FY 2016 Proj Actual	%
	Actual			\$		\$	
Personnel Services	\$ 11,481,868	\$ 11,624,333	\$ 12,087,664	\$ 463,331	4.0%	\$ 605,796	5.3%
Systems	914,371	984,551	1,167,192	182,641	18.6%	252,821	27.6%
Professional/Technical	855,502	843,814	1,075,258	231,444	27.4%	219,756	25.7%
Communications	523,427	561,504	460,974	(100,530)	-17.9%	(62,453)	-11.9%
Board/Staff Development	159,967	184,068	238,298	54,230	29.5%	78,331	49.0%
Other	639,126	720,960	723,825	2,865	0.4%	84,699	13.3%
Total Administrative DB	14,574,260	14,919,230	15,753,211	833,981	5.6%	1,178,950	8.1%
Depreciation	495,124	510,219	522,245	12,026	2.4%	27,121	5.5%
Total Expenses	\$ 15,069,383	\$ 15,429,449	\$ 16,275,456	\$ 846,007	5.5%	\$ 1,206,073	8.0%

OVERVIEW:

The total budgeted expenses, including depreciation, increased by approximately \$1,206,073, or 8.0% from the projected actual for Fiscal Year 2016. The depreciation increased by \$27,121 and the operational expenses increased by \$1,178,950. More detailed analysis of each expense category can be found in the following pages.

State Universities Retirement System Fiscal Year 2017 Administrative Expense Budget

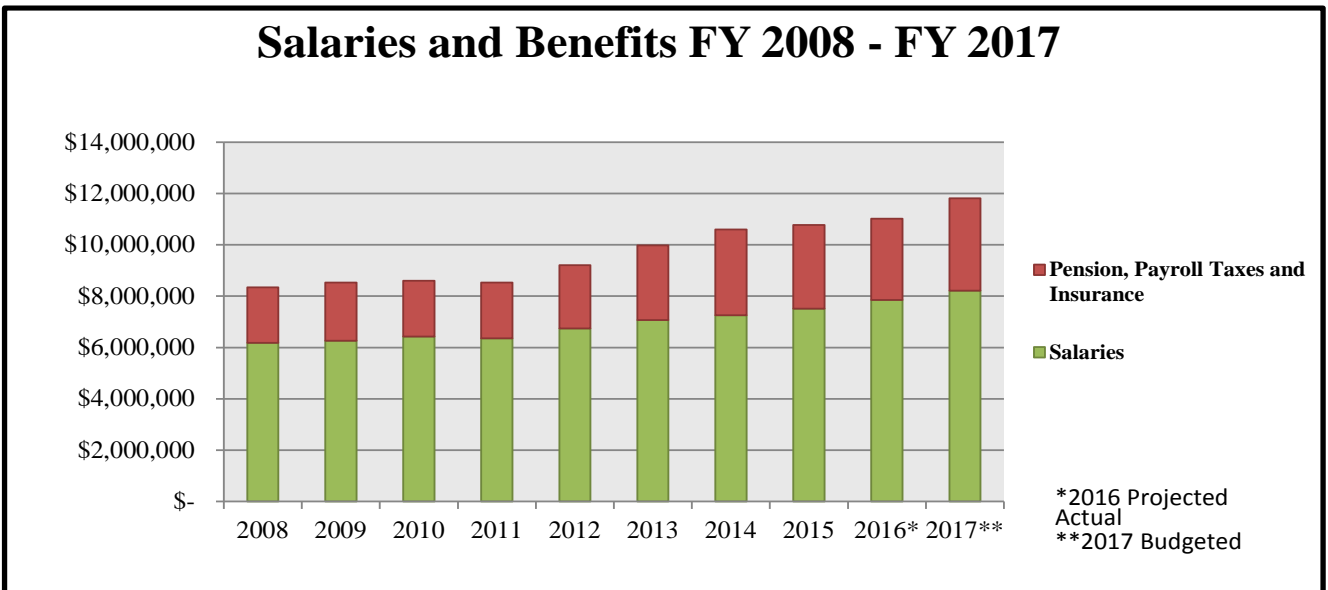
	FY 2016	FY 2016	FY 2017	FY 2017 BUDGET INC/(DEC) FROM:			
	Projected Actual	Budget	Budget	FY 2016 Budget \$	%	FY 2016 Proj Actual \$	%
Salaries and Wages	\$ 7,852,982	\$ 8,105,949	\$ 8,213,840	\$ 107,891	1.3%	\$ 360,858	4.6%
Extra Help	29,250	-	35,100	35,100	0.0%	5,850	20.0%
Insurance	2,534,741	2,424,575	2,728,688	304,113	12.5%	193,947	7.7%
Pension	953,498	983,589	993,142	9,553	1.0%	39,644	4.2%
Payroll Tax	111,397	110,220	116,894	6,674	6.1%	5,497	4.9%
Total Expenses	\$ 11,481,868	\$ 11,624,333	\$ 12,087,664	\$ 463,331	4.0%	\$ 605,796	5.3%

OVERVIEW:

Salaries and benefits increased from Fiscal Year 2016 projected actual levels by \$605,796 or 5.3%.

Salaries and Wages Increase/(Decrease) from FY 2016 projected actual:

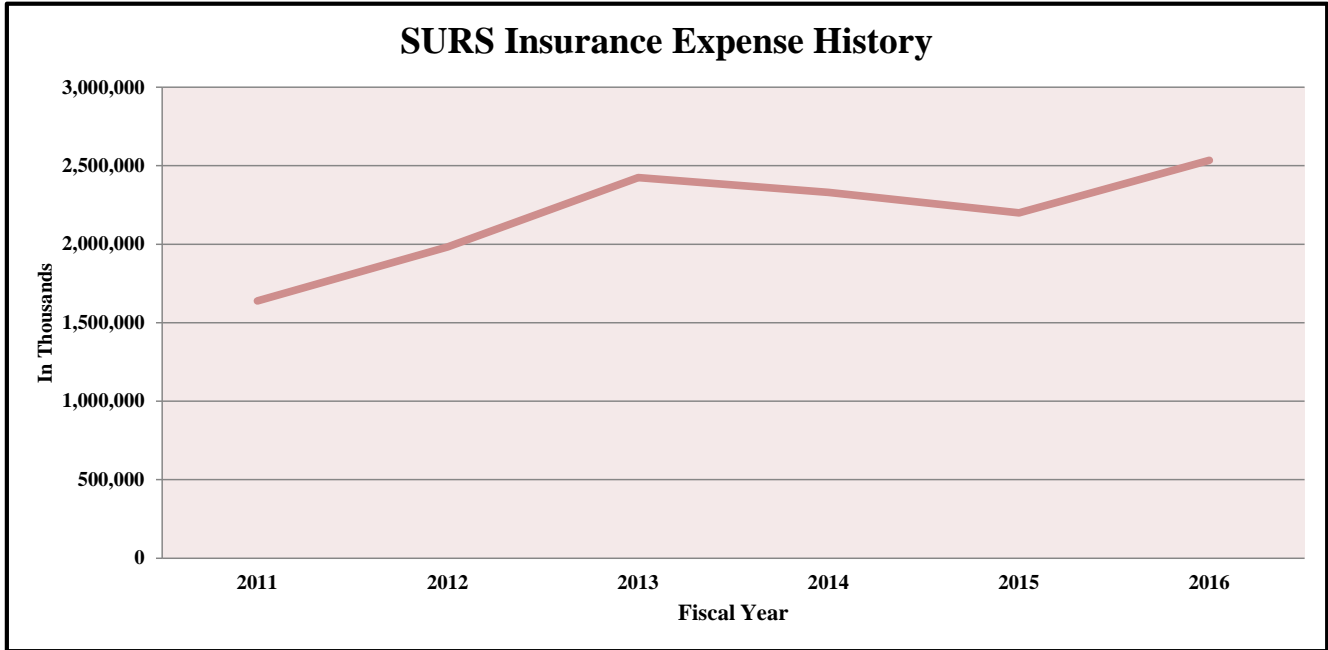
Base salary adjustment @ 3.0%	\$ 228,077
FY 16 budgeted open positions not filled and hires at less than FY 16	288,561
FY 16 budgeted open positions delayed filling	(145,030)
Change in compensated absences	(68,000)
FY 17 New administrative position	52,500
FY 17 Reclassifications/Performance Recognition	<u>4,750</u>
Total Salaries and Wages Increase	\$ 360,858
 <i>Extra Help</i>	 5,850
 <i>Insurance</i>	 \$ 193,947
 <i>Pension (employer normal rate increased from 12.69% of payroll to 12.53%)</i>	 \$ 39,644
 <i>Payroll Tax</i>	 <u>\$ 5,497</u>
Total Salaries and Benefits Expense increase	<u>\$ 605,796</u>



State Universities Retirement System
Fiscal Year 2017 Administrative Expense Budget

INSURANCE

SURS is required by statute (State Employees Group Insurance Act; 5 ILCS 375/1) to participate in the Central Management Service (CMS) group health insurance plan for staff insurance coverage. For Fiscal Year 2017, we are budgeting a 5% increase over the Fiscal Year 2016 projected actual.



SUMMARY OF BUDGETED POSITIONS

Approved Positions by Cost Center:	FY 2016 Budget	FY 2016 Actual (Yr end)	FY 2017 Budget	Inc from FY 16 Budget	Explanation
Administration	5.00	5.00	6.00	1.00	transferred Compliance Officer to Admin
Human Resources	3.00	3.00	4.00	1.00	New position
Legal	4.00	3.00	3.00	(1.00)	transferred 1 Compliance Officer to Admin
Internal Audit	3.00	3.00	3.00	-	
Member Services & Support	44.00	43.00	44.00	-	
Member Services Outreach	32.00	30.00	32.00	-	
Building Services	2.00	1.00	1.00	(1.00)	transferred 1 FTE from Bldg Services to Syst-Operations
Systems- Applications	11.25	11.25	12.25	1.00	transferred 1 FTE to Syst-Operations from Bldg Services
Systems- Operations	11.00	10.00	11.00	-	
Finance	5.55	4.55	5.55	-	
Subtotal	120.80	113.80	121.80	1.00	
Self-Managed Plan	4.20	4.20	4.20	-	
Investments	7.00	7.00	9.00	2.00	New positions
Total	132.00	125.00	135.00	3.00	

State Universities Retirement System
Fiscal Year 2017 Administrative Expense Budget

SYSTEMS EXPENSES

	FY 2016	FY 2016	FY 2017	FY 2017 BUDGET INC/(DEC) FROM:			
	Projected	Budget	Budget	FY 2016 Budget		FY 2016 Proj Actual	
	Actual			\$	%	\$	%
Information Technology							
Applications	\$ 178,797	\$ 179,709	\$ 198,280	\$ 18,571	10.3%	\$ 19,483	10.9%
Operations	599,936	616,195	775,027	158,832	25.8%	175,091	29.2%
EDP Equipment Repairs & Main	67,578	84,547	94,965	10,418	12.3%	27,387	40.5%
EDP Operating Equipment	33,060	34,100	58,920	24,820	72.8%	25,860	78.2%
EDP Supplies	35,000	70,000	40,000	(30,000)	-42.9%	5,000	14.3%
Total Expenses	\$ 914,371	\$ 984,551	\$ 1,167,192	\$ 182,641	18.6%	\$ 252,821	27.6%

SIGNIFICANT CHANGES FROM FY 2016 PROJECTED ACTUAL TO FY 2017 BUDGET:

Information Technology

The increase of information operations expense of \$175,091 or 29.2% is due to the plans for improvements to our Call Center system.

EDP Equipment Repairs & Maintenance

The increase of EDP equipment repairs and maintenance expense of \$27,387 or 40.5% is due to additional equipment for the Network Backbone Upgrade.

EDP Operating Equipment

The increase of EDP operating equipment expense of \$25,860 or 78.2% is due to implementation of physical security controls recommended in the Physical Security Assessment Study conducted in Fiscal Year 2016 and the purchase of replacement laptops.

State Universities Retirement System
Fiscal Year 2017 Administrative Expense Budget

PROFESSIONAL & TECHNICAL SERVICES

	FY 2016	FY 2016	FY 2017	FY 2017 BUDGET INC/(DEC) FROM:			
	Projected	Budget	Budget	FY 2016 Budget		FY 2016 Proj Actual	
	Actual			\$	%	\$	%
Medical /Disability Program	\$ 3,846	\$ 10,000	\$ 7,500	\$ (2,500)	-25.0%	\$ 3,654	95.0%
Auditing & Management	46,200	88,694	112,275	23,581	26.6%	66,075	143.0%
Professional & Technical							
Governmental Relations	102,000	102,000	102,000	-	0.0%	-	0.0%
Banking/ACH Fees	84,247	78,680	86,520	7,840	10.0%	2,273	2.7%
Other	126,557	85,940	267,499	181,559	211.3%	140,942	111.4%
Recruitment and Relocation	10,520	10,500	40,000	29,500	281.0%	29,480	280.2%
Actuarial Consultant	283,263	284,000	227,464	(56,536)	-19.9%	(55,799)	-19.7%
Legal Consultant							
General	14,579	5,000	5,000	-	0.0%	(9,579)	-65.7%
Litigation	34,055	40,000	40,000	-	0.0%	5,945	17.5%
Benefits	27,143	55,000	55,000	-	0.0%	27,857	102.6%
Board Legal Counsel	123,092	84,000	132,000	48,000	57.1%	8,908	7.2%
Total Expenses	\$ 855,502	\$ 843,814	\$ 1,075,258	\$ 231,444	27.4%	\$ 219,756	25.7%

SIGNIFICANT CHANGES FROM FY 2016 PROJECTED ACTUAL TO FY 2017 BUDGET:

Auditing & Management

The increase of \$66,075 or 143.0% is due to contracting external auditors to perform data census testing of SURS employers and conducting an enterprise risk management audit.

Recruitment and Relocation

The Fiscal Year 2016 Recruitment and Relocation expense of \$10,520 is primarily due to the executive relocation expense. The increase of \$29,480 or 280.2% reflects the expectation that this expense will be higher due to an executive director and chief investment officer search.

Actuarial Consultant

The Fiscal Year 2016 Actuarial Consultant expense included an actuarial audit. The Fiscal Year 2017 expense is a decrease of \$55,799 or -19.7%.

Legal Consultant

The increase of the total Legal Consultant expense of \$33,131 or 16.7% reflects the anticipation that services for outside counsel will be higher.

State Universities Retirement System
Fiscal Year 2017 Administrative Expense Budget

COMMUNICATIONS

	FY 2016	FY 2016	FY 2017	FY 2017 BUDGET INC/(DEC) FROM:			
	Projected Actual	Budget	Budget	FY 2016 Budget		FY 2016 Proj Actual	
				\$	%	\$	%
Postage	\$ 288,081	\$ 313,024	\$ 226,100	\$ (86,924)	-27.8%	\$ (61,981)	-21.5%
Copying, Photographic, & Printing	19,591	29,020	22,080	(6,940)	-23.9%	2,489	12.7%
Telephone Services	107,424	111,460	115,250	3,790	3.4%	7,826	7.3%
Printing Supplies	40,870	48,900	35,700	(13,200)	-27.0%	(5,170)	-12.6%
Travel- Counseling and Other Business	67,461	59,100	61,844	2,744	4.6%	(5,617)	-8.3%
Total Expenses	\$ 523,427	\$ 561,504	\$ 460,974	\$ (100,530)	-17.9%	\$ (62,453)	-11.9%

SIGNIFICANT CHANGES FROM FY 2016 PROJECTED ACTUAL TO FY 2017 BUDGET:

Postage

The decrease of postage expense of \$61,981 or 21.5% is due to anticipation of distributing more communications via electronic mail.

State Universities Retirement System
Fiscal Year 2017 Administrative Expense Budget

BOARD AND STAFF DEVELOPMENT

	FY 2016	FY 2016	FY 2017	FY 2017 BUDGET INC/(DEC) FROM:			
	Projected Actual	Budget	Budget	FY 2016 Budget		FY 2016 Proj Actual	
				\$	%	\$	%
Employee Training, Educational Conferences and Employer Meetings	\$ 58,898	\$ 72,178	\$ 82,549	\$ 10,371	14.4%	\$ 23,651	40.2%
Board Conference & Travel	19,074	25,000	23,000	(2,000)	-8.0%	3,926	20.6%
Board Meetings	9,613	11,530	11,000	(530)	-4.6%	1,387	14.4%
Association Fees	26,301	26,056	66,729	40,673	156.1%	40,428	153.7%
Employee Tuition	2,400	14,107	12,120	(1,987)	-14.1%	9,720	405.0%
Travel- Conference Related	43,681	35,197	42,900	7,703	21.9%	(781)	-1.8%
Total Expenses	\$ 159,967	\$ 184,068	\$ 238,298	\$54,230	29.5%	\$ 78,331	49.0%

SIGNIFICANT CHANGES FROM FY 2016 PROJECTED ACTUAL TO FY 2017 BUDGET:

Employee Training, Educational Conferences, and Employer Meetings

This expense increase of \$23,651 or 40.2% is due to staff training/conference registration in information technology department (applications and operations).

Association Fees

This expense increase of \$40,428 or 153.7% is mainly due to the transfer of the investment compliance association fees to the administrative budget.

Employee Tuition

SURS provides reimbursement to employees for classes and degree programs that are work-related. The level of expense budgeted each year depends upon the educational plan communicated to the director. The Fiscal Year 2017 shows an increase of \$9,720 or 405.0% is for staff tuition.

State Universities Retirement System
Fiscal Year 2017 Administrative Expense Budget

OTHER EXPENSES

	FY 2016	FY 2016	FY 2017	FY 2017 BUDGET INC/(DEC) FROM:			
	Projected Actual	Budget	Budget	FY 2016 Budget		FY 2016 Proj Actual	
				\$	%	\$	%
Surety Bond & Insurance	\$ 251,435	\$ 279,500	\$ 333,315	\$ 53,815	19.3%	\$ 81,880	32.6%
Freight, Express & Drayage	4,982	13,600	6,500	(7,100)	-52.2%	1,518	30.5%
Office Rental	19,890	30,036	19,890	(10,146)	-33.8%	-	0.0%
Office Equipment Repairs & Maint	12,172	8,300	13,600	5,300	63.9%	1,428	11.7%
Subscriptions & Info Services	32,131	29,254	28,085	(1,169)	-4.0%	(4,046)	-12.6%
Office & Library Supplies	47,997	59,035	51,900	(7,135)	-12.1%	3,903	8.1%
Building & Grounds Maintenance	183,722	197,535	181,135	(16,400)	-8.3%	(2,587)	-1.4%
Utilities	86,797	103,700	89,400	(14,300)	-13.8%	2,603	3.0%
Total Expenses	\$ 639,126	\$ 720,960	\$ 723,825	\$ 2,865	0.4%	\$ 84,699	13.3%

SIGNIFICANT CHANGES FROM FY 2016 PROJECTED ACTUAL TO FY 2017 BUDGET:

Surety Bond & Insurance

The increase of \$81,880 or 32.6% reflects the anticipation of an increase in fiduciary insurance, commercial and crime insurance policies and the purchase of cyber liability insurance.

State Universities Retirement System
Fiscal Year 2017 Administrative Expense Budget

SELF-MANAGED PLAN EXPENSES

	FY 2016	FY 2016	FY 2017	FY 2017 BUDGET INC/(DEC) FROM:			
	Projected Actual	Budget	Budget	FY 2016 Budget		FY 2016 Proj Actual	
				\$	%	\$	%
Salaries and Wages	\$ 279,430	\$ 287,814	\$ 279,396	\$ (8,418)	-2.9%	\$ (34)	0.0%
Insurance	89,652	83,786	105,124	21,338	25.5%	15,472	17.3%
Pension	31,960	35,552	34,086	(1,466)	-4.1%	2,126	6.7%
Payroll Tax	3,738	3,850	4,051	201	5.2%	313	8.4%
Investment Consulting & Other	43,500	51,500	44,500	(7,000)	-13.6%	1,000	2.3%
Postage	7,555	18,266	5,700	(12,566)	-68.8%	(1,855)	-24.6%
Copying, Photographic, Printing	-	-	-	-	0.0%	-	0.0%
Printing Supplies	1,358	1,712	1,200	(512)	-29.9%	(158)	-11.6%
Member Programs/Association Dues	600	1,000	1,350	350	35.0%	750	125.0%
Employee Tuition	-	-	-	-	0.0%	-	0.0%
Travel	2,444	5,050	1,750	(3,300)	-65.3%	(694)	-28.4%
Total Expenses	\$ 460,237	\$ 488,530	\$ 477,157	\$ (11,373)	-2.3%	\$ 16,920	3.7%

SIGNIFICANT CHANGES FROM FY 2016 PROJECTED ACTUAL TO FY 2017 BUDGET:

Insurance

The increase of \$15,742 or 17.3% is based on the anticipation of a 5% increase for current staff and a higher coverage for the replacement staff.

Postage

The decrease of \$1,855 or 24.6% reflects an anticipation of distributing more communications via electronic mail for the SMP plan.

Member Programs/Association Dues

The increase of \$750 or 125% reflects the plan to develop a member program for SMP members.

State Universities Retirement System
Fiscal Year 2017 Administrative Expense Budget

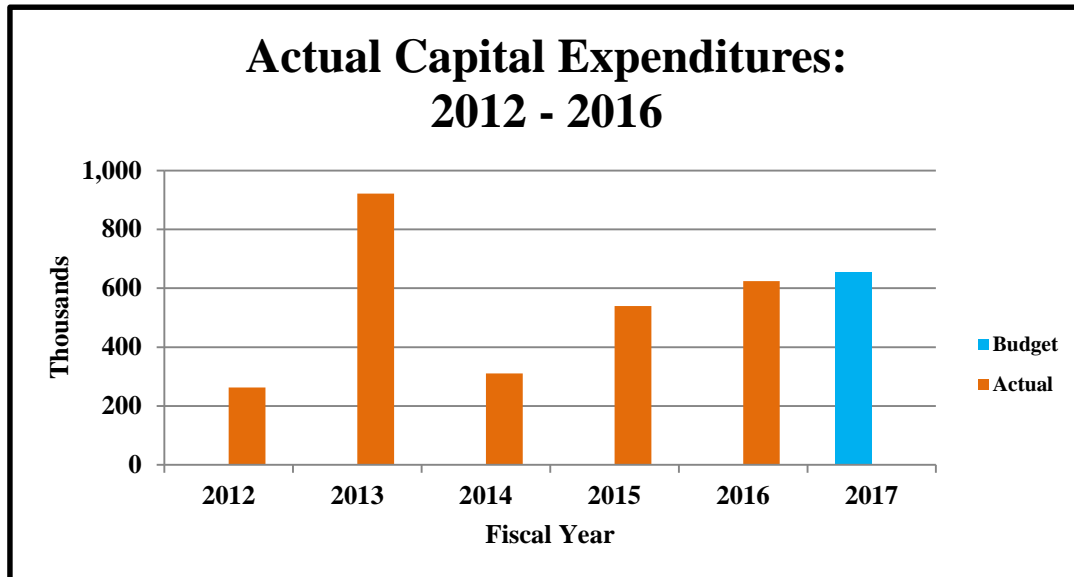
Investment Personnel Budget			
	FY 2016 Approved Budget	FY 2016 Projected Actual	FY 2017 Proposed Budget
Personnel Services	\$ 980,812	\$ 1,016,345	\$ 1,027,394
Insurance	172,891	150,838	172,347
Pension	119,550	116,537	112,241
Payroll Tax	14,222	14,014	14,353
Total Personnel and Benefits	\$ 1,287,475	\$ 1,297,734	\$ 1,326,335

The personnel and benefits increased \$28,601 from the Fiscal Year 2016 projected actual as the result of plans to hire two additional staff later in the fiscal year.

State Universities Retirement System

PROPOSED CAPITAL EXPENDITURE BUDGET FISCAL YEAR 2017

<u>Building Services</u>		
Building System Automation	290,000	
Building modifications for staff growth	50,000	
Video Surveillance	20,000	
Parking Lot Repairs	15,000	
Subtotal - Building Services		375,000
<u>Technology</u>		
Network Backbone Upgrade (Phase II)	231,220	
Copiers	25,000	
Tape Drives	15,000	
Printer	1,799	
Subtotal - Technology		273,019
Total Capital Budget		\$ 648,019



State Universities Retirement System

FISCAL YEAR 2017 CAPITAL EXPENDITURE DETAILS**Building Services*****Building System Automation***

This project will replace the twenty-four year old building automation system and heating and cooling controls with more modern technology. The building automation system controls the amount of fresh air entering the building, the temperature of the air being circulated through the building and controls the exact temperature of air being delivered to each zone which can be a group of offices or a large area of cubicles. These individual zones are controlled by a thermostat. Over time, the existing pneumatic controls in the thermostats and VAV (variable air volume) controls have started to fail. The automation system runs on a proprietary and highly customized Honeywell computer system which costs \$27,000 per year to maintain.

Cost: **\$ 290,000** equipment and installation

Benefit: This project will result in reduced energy consumption, elimination of Honeywell Annual Maintenance and a more comfortable building. This investment should pay for itself in 7 – 10 years.

Building Modifications for Staff Growth

The SURS building was built in 1991 with a capacity of 98. Since then minor modifications have been made converting the building to allow for 27 additional staff. To accommodate additional staff over the next few years, this project will make minor modifications to the SURS building space. The expense in the Fiscal Year 2017 budget is a continuation to expand the office area including the necessary office furniture.

	<u>Budgeted</u>	<u>Incurred</u>
Fiscal Year 2016	\$ 57,000	\$ 51,777

Cost: **\$ 50,000**

Benefit: Based on a space needs analysis study completed March 2015, this project provides a conservative approach for sustainability of the current office space for an additional staff.

Video Surveillance

A 2014 Information Technology General Controls Review by Clifton Larson Allen recommended that SURS provide reasonable assurance that physical access to facilities and areas where organization technology assets are located be limited including adding video surveillance cameras to the main entrance.

Based on best practices, video files containing images of recorded locations should be maintained for a period of time that is in alignment with the results of the risk assessment. All recording devices should record an image every 2 seconds during a 24 hour period. This expense was budgeted in FY 2016, but postponed to FY 2017.

Cost: **\$ 20,000**

Benefit: This purchase will reduce the risk of physical intrusion in the SURS facility.

Parking Lot Repairs

Over the past few years, areas of the concrete in the SURS parking lot were repaired to prevent further deterioration and erosion.

	<u>Budgeted</u>	<u>Incurred</u>
Fiscal Year 2013	\$ 25,000	\$ 28,351
Fiscal Year 2014	55,000	-
Fiscal Year 2015	82,500	54,982
Fiscal Year 2016	75,000	-

This multi-year project is a continuation of the previous work based on recommendations from a civil engineer.

Cost: **\$ 15,000** Parking Lot

Benefit: Repairing additional areas of the parking lot will prevent further damage to affected areas reducing future repair costs and reducing the risks of potential personal injury and vehicle damage.

Technology***Network Backbone Upgrade – Phase II Core Infrastructure***

The network backbone is the infrastructure that connects all devices on the SURS network. The Phase I of a multi-year project will upgrade SURS Backbone Infrastructure to support increased bandwidth requirements; replace “End of Life” equipment; take advantage of enhanced security features of new equipment; and position SURS for business requirements that include increased usage of video conferencing and telephony enhancements. There are 3 phases to the Network Backbone Upgrade which will occur over the next three years. Phase I is the most expensive of the phases. Phase I will lay the groundwork for all additional phases and will consist of four major components:

- Core Network Switches. The new switches will allow network segmentation to separate different types of traffic to improve performance and scalability; will increase throughput speeds between devices; and enhance security capabilities.
- Servers. In order to utilize the increased network speed of the new switches, new 10 Gig network cards would be required in the existing servers that support SURS Virtual Environment. Because the current servers are nearing the end of their life and the high cost of replacement network cards for the dated servers, it is recommended to replace the servers with new hardware that comes with integrated high speed network cards.
- Storage. The current IBM storage cannot handle the demands of the growing Virtual environment. The new Fibre Channel storage solution would increase performance, scalability, and high-availability.
- Wireless capabilities. The existing wireless capabilities in the SURS building is limited to specific areas and is past end-of-life. Parts and support for the current system are no longer available. There is a demand for wireless capability throughout the entire building.

	<u>Budgeted</u>	<u>Incurred</u>
Fiscal Year 2016	\$ 425,000	\$ 445,910

Cost: **\$231,220**

Benefit: Phase II will continue to build on the infrastructure implemented in Phase I. The current firewalls will be replaced with new firewalls that have Intrusion Prevention (IPS) capabilities. Access Layer Switches will be replaced to support multi-gig interfaces. Our VPN capabilities which are currently at end-of-life will be replaced with a new router which has more robust security features. The new infrastructure will increase bandwidth capabilities from 1GB to 40GB. It will increase end-user performance as well as reduce the amount of time to backup systems.

Mail Center and Front Desk Copiers

The current mail center and front desk copiers have reached their maximum usage. Due to the high demand and wear and tear, maintenance is required monthly on this equipment. The expected lifetime of copiers with this usage is three to five years.

Cost: **\$ 25,000**

Benefit: The replacement copiers will have quality and speed improvements as well as reduce down time.

Tape Drives

Additional tape drives are needed for offline archival data storage.

Cost: **\$ 15,000**

Benefit: This purchase of tape drives allows us to store a large capacity of data at a very economical expense compared to the cost of hard drive storage.

Printer

The Retirement Team printer has exceeded its normal life expectancy of three to five years.

Cost: **\$ 1,799**

Benefit: The replacement printer will provide efficiency and improvement in the quality of documents printed.



**Fiscal Years 2017 Summary Work Plan
 Administration Committee Schedule
 State Universities Retirement System**

- Denotes recurring items
- Denotes non-recurring items

FISCAL YEAR 2017

September 10, 2016

- Approval of SURS Fiscal Year 2017 Inclusion Goal
- **Educational Topic** (Assumptions, Projected Future Costs)

October 30, 2016

- Certification of Proposed State Contribution for Fiscal Year 2018
- Approval of the Fiscal Year 2018 Normal Cost
- **Educational Topic** (TBD)

December 11, 2016

- Receipt of the Preliminary State Actuary Report
- Receipt of Actuarial Valuation Report
- Receipt of GASB 67 Valuation Report
- Approval of the Effective Rate of Interest
- Write-off of Benefit Overpayments

March 10, 2017

- Comprehensive Annual Financial Report
- **Educational Topic** (TBD)
- Compensation Discussion
- Operational Planning

June 9, 2017

- Organizational Review
- SURS FY '18 Budget
- **Educational Topic** (TBD)