



## **Teachers' Retirement System of the State of Illinois**

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Richard W. Ingram, Executive Director

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### **MINUTES Board of Trustees April 17-18, 2013**

The Board of Trustees of the Illinois Teachers' Retirement System held its annual retreat on April 17-18, 2013 at the Peoria Civic Center, Peoria, Illinois.

The retreat included topics on investments, ethics, fiduciary insurance, legislation, and compensation policy.

Roll Call attendance was taken at 1:00 p.m. with the following trustees present: Marcia Campbell, Jan Cleveland, Cinda Klickna, Sharon Leggett, Bob Lyons, Cynthia O'Neill, Enrique Vasquez, Sonia Walwyn, Mike Busby (via telephone a portion of meeting) and Chris Koch, President. Absent: Janice Reedus and Molly Phalen, Vice President. Trustee Busby listened by telephone but did not attend for purposes of a quorum or OMA purposes.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Greg Turk, Director of Investments (4/18); Ken Musick, Investment Officer (4/18); Jerry Quandt, Investment Officer (4/18); Tom Gray, General Counsel; Cynthia Fain, Sr. Asst. General Counsel; Gina Larkin, Director of Human Resources; Jana Bergschneider, Director of Administration; Kathleen Farney, Director of Research; Sally Sherman, Director of Member Services; Stacy Smith, Director of Internal Audit; Dave Urbanek, Director of Communications; Tammy Green, Asst. to Executive Director; Pat O'Hara, Cavanagh & O'Hara (Fiduciary Counsel); Becky Gratsinger, Marcia Beard, and John McLaughlin, RV Kuhns (Investment Consultant, 4/18); and Mike Kremms, TorreyCove Capital Partners (Private Equity Consultant, 4/18).

Visitors present: Don Davis, IRTA Rep. and Jack Tucker, IEA-Retired (4/18)

The trustees received their new TRS-owned Samsung Galaxy Note tablets to begin using to access materials for future board meetings. Ed Mabie and Charlotte Morgan provided brief training and answered questions.

Ed Mabie also provided a demonstration of the document imaging project. This project is on-going.

### Ethics

Jim Nowlan provided an educational session on ethics. Mr. Nowlan is a member of the Executive Ethics Commission.

### Fiduciary Insurance

Peter Friedman and Marty Durkin of Holland & Knight provided an update on fiduciary insurance coverage and outlined how the System would seek quotes from insurance companies that provide such coverage. Willis will provide brokerage assistance in the process.

Recessed at 5:00 p.m. and reconvened the following date at 9:00 a.m.

### Compensation Policy

Ruth Ann Eledge from The Waters Consulting Group explained the methodology used in the compensation study of all TRS classifications and provided an overview of results. TRS management plans to implement changes to the salary structures effective July 1, 2013.

(Trustee Walwyn departed at 9:40 a.m. and returned at 11:05)

### **EXECUTIVE SESSION**

A motion was made by Cynthia O'Neill, seconded by Sharon Leggett, that the Board enter into executive session for the purpose of discussing the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body and deliberations concerning salary schedules for one or more classes of employees, as permitted under the following exceptions set forth in the Open Meetings Act which authorizes the closing of the meeting to the public: 5 ILCS 120/2(c) (1) and 5 ILCS 120/2(c) (2). Roll call resulted in affirmative voice votes from Trustees Campbell, Cleveland, Klickna, Leggett, Lyons, O'Neill, Vasquez, and Koch. Motion CARRIED.

(Trustee Klickna not present)

No action was taken during executive session. A motion was made by Cynthia O'Neill, seconded by Marcia Campbell, that the Board come out of executive session. Roll call resulted in affirmative voice votes from Trustees Campbell, Cleveland, Leggett, Lyons, O'Neill, Vasquez, and Koch. Motion CARRIED.

Investments

Consultants and TRS staff reported on several investment-related topics including: Absolute Return, Total Fund Risk Management & Monitoring, Asset Allocation, Secondaries in Private Equity Markets, Risk Management, Co-Investments, and Due Diligence.

**ADJOURNMENT**

The meeting adjourned at 5:30 p.m. The 3<sup>rd</sup> day of the retreat, April 19, was cancelled due to the absence of six trustees.

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Richard W. Ingram, Executive Director

Approved \_\_\_\_\_