



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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R. Stanley Rupnik, Executive Director & Chief Investment Officer

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MINUTES

Board Meeting

August 16, 2024

A meeting of the Board of Trustees of the Teachers' Retirement System of the State of Illinois (TRS) was held on August 16, 2024, at the TRS office, 2815 W. Washington St., Springfield, IL. Trustee Matt Hunt (President) called the meeting to order at 10:20 AM. Roll call attendance was taken with the following Trustees present: Trustee Marsha Byas, Trustee Mike Goetz, Trustee Andy Hirshman (Vice President), Trustee Matt Hunt (President), Trustee Mia Jazo-Harris, Trustee Maureen Mena, Trustee David Miller, Trustee Fred Peronto, Trustee Larry Pfeiffer, Trustee Tony Sanders, and Trustee Doug Strand. Trustees Beth Anderson and Joe Blomquist were not in attendance. A quorum was present.

Others in attendance: Stan Rupnik, Executive Director & Chief Investment Officer; Sally Antonacci, Executive Officer; Chelsea Duis, Executive Administrator; Deron Bertolo, Chief Financial Officer; Gloria Lasley, Chief Operating Officer; Emily Peterson, General Counsel; Cynthia Fain, Senior Legal Counsel; Janelle Gurnsey, Director of Public Relations; Michelle Kissel, Director of Human Resources; Stacy Smith, Director of Internal Audit & Risk; Lori Dour, Chief Benefits Officer; John Gerding, Director of Information Technology; Kyle Thornton, Network Administrator; Rick Creasey, Senior Technical Support Specialist; Will Daugherty, Senior Technical Support Specialist; Jeremy Crites, Director of Cyber Security; Chad Fry, Technical Systems Manager; Mindy Kinder, Enterprise Content Manager; Jared Shipp, Technical Systems Supervisor; John Tanner, Support Services Manager; Amy Reynolds, Director of Research; Terri Worth, Pension Administration System (PAS) Program Director; Jessica Culotti of Reinhart Boerner Van Deuren (Fiduciary Counsel); and Matt Strom and David Nickerson of Segal (Actuarial).

Remote attendees: Tanya Dybal, Laura Jeske, and Daniel Siblik of Segal (Actuarial)

Visitors: Elston Flowers – IEA Retired

Public Comment

None

Minutes

A draft of the June 18, 2024, minutes of the Board meeting was sent to the Board members for review. On a motion by Trustee Sanders, seconded by Trustee Goetz, the minutes were approved by unanimous voice vote. Documentation is on file.

A draft of the June 18, 2024, executive session minutes of the Board meeting was sent to the Board members for review. On a motion by Trustee Jazo-Harris, seconded by Trustee Sanders, the minutes were approved by unanimous voice vote. Documentation is on file.

Committee Reports

Deferred Compensation Plan Committee

Trustee Hunt (Committee Chair) reported that the Deferred Compensation Plan Committee met on August 15, 2024. The Committee had no action items to bring to the Board at this time.

Rules and Personnel Committee

Trustee Sanders (Committee Chair) reported that the Rules and Personnel Committee met on August 15, 2024, and presented the consent agenda. On a motion by Trustee Byas, seconded by Trustee Goetz, it was resolved to approve the consent agenda. The following items were approved by action taken in the consent agenda motion.

1. To certify that the following trustees of the Teachers' Retirement System of the State of Illinois have completed a minimum of eight hours of training during FY 2024 in accordance with Public Act 96-0006 and Article 1 of the Pension Code, Section 1-113.18. Certification will be submitted to the Division of Insurance of the Department of Financial Professional Regulation.

Beth Anderson, Kevin "Duffy" Blackburn, Joseph Blomquist, Marsha Byas, Mike Goetz, Andrew Hirshman, Matt Hunt, Maria "Mia" Jazo-Harris, Maureen Mena, David Miller, Fred Peronto, Larry Pfeiffer, Anthony Sanders, and Doug Strand.

2. To authorize staff to promulgate amendments to TRS Administrative Rules through the JCAR process, as presented

Motion carried by roll call with affirmative votes from Trustees Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Mena, Miller, Peronto, Pfeiffer, Sanders, and Strand.

Investment Committee

Trustee Miller (Committee Chair) reported that the Investment Committee met on August 15, 2024, and presented the consent agenda. On a motion by Trustee Goetz, seconded by Trustee Pfeiffer, it was resolved to approve the consent agenda. The following items were approved by action taken in the consent agenda motion.

1. To approve a temporary exemption to rebalance ranges pending implementation of the revised diversifying strategies portfolio.
2. To approve the FY2025 Private Equity tactical plan, as presented.
3. To approve the FY2025 Real Estate/Real Assets tactical plan, as presented.

Motion carried by roll call with affirmative votes from Trustees Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Mena, Miller, Peronto, Pfeiffer, Sanders, and Strand.

Audit Committee

Trustee Pfeiffer (Committee Vice Chair) reported that the Audit Committee met on August 16, 2024. On a motion by Trustee Sanders, seconded by Trustee Strand, it was resolved to approve the Internal Audit Charter, as presented. Motion carried by unanimous voice vote.

Working Groups Update

Stan Rupnik, Executive Director & CIO, noted the working groups have not met since the last board meeting due to a reduction in the number of Trustees serving on the board. Working groups may meet again after another Trustee has been appointed to the board.

Strategic Plan

John Gerding, Director of Information Technology; Jeremy Crites, Director of Cyber Security; Chad Fry, Technical Systems Manager; Mindy Kinder, Enterprise Content Manager; Jared Shipp, Technical Systems Supervisor; and John Tanner, Support Services Manager, provided a presentation on Goal 5 of the FY24-28 Strategic Plan: Evolve the TRS information technology platform. Documentation is on file.

RECESS

The meeting recessed at 11:14 AM and resumed at 11:26 AM.

Executive Director's Report

Demographic Assumption for Annual Certification

The State Actuary recommends that the Board conduct an actuarial experience study every three years. Segal presented a review of the demographic experience of members, annuitants, and beneficiaries for the three years ended June 30, 2023. Documentation is on file.

On a motion by Trustee Strand, seconded by Trustee Goetz, it was resolved:

To adopt the changes in actuarial assumptions, effective with the June 30, 2024, actuarial valuation, as presented and recommended by Segal, the System actuary, at the August 16, 2024, board meeting. These recommendations are based on Segal's actuarial review of demographic experience of members, annuitants, and beneficiaries for the three years ended June 30, 2023.

Motion carried by roll call with affirmative votes from Trustees Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Mena, Miller, Peronto, Pfeiffer, Sanders, and Strand.

RECESS

The meeting recessed at 12:05 PM and resumed at 12:30 PM.

Board Manual and Board Policy Manual Revisions

Emily Peterson, General Counsel, and Chelsea Duis, Executive Administrator, presented revisions to the Board Manual and Board Policy Manual. Documentation is on file. Revisions to the Board Manual and Board Policy Manual generally include:

- Updating virtual attendance in accordance with the Open Meetings Act
- Modernizing special meeting notices
- Updates to the Personal Trading, Communication, Education, and Travel Policies to align with current and best practices

On a motion by Trustee Sanders, seconded by Trustee Goetz, it was resolved to adopt the proposed revisions to the TRS Board of Trustees Manual and TRS Board of Trustees Policies Manual, as presented. Roll call resulted in affirmative votes from Trustees Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Mena, Miller, Peronto, Pfeiffer, Sanders, and Strand.

Executive Director & Chief Investment Officer International Travel

Stan Rupnik discussed an update to the TRS Travel Operating Policy to better align with TRS business needs.

On a motion by Trustee Jazo-Harris, seconded by Trustee Peronto, it was resolved to approve the update of the TRS Travel Operating Policy to require disclosure to the Board of Trustees of international travel by the Executive Director & Chief Investment Officer in lieu of advance approval by the Board of Trustees. Roll call resulted in affirmative votes from Trustees Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Mena, Miller, Peronto, Pfeiffer, Sanders, and Strand.

PAS Modernization Update

Gloria Lasley, Chief Operating Officer, and Terri Worth, PAS Program Director, provided an update regarding the PAS Modernization program.

Board Travel/Education Requests

On a motion by Trustee Hirshman, seconded by Trustee Strand, it was resolved:

To approve travel for Trustees David Miller and Fred Peronto to attend the Pensions & Investments Public Funds Conference on November 13-14, 2024, in Sacramento, CA.

Roll call resulted in affirmative voice votes from Trustees Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Mena, Miller, Peronto, Pfeiffer, Sanders, and Strand.

Executive Session

A motion was made by Trustee Sanders, seconded by Trustee Pfeiffer, that the Board enter into executive session to discuss matters as authorized and permitted under the following exceptions set forth by the Open Meetings Act: the appointment, employment, compensation, discipline, performance, or dismissal of specific employees or legal counsel for the public body [5 ILCS 120/2(c)(1)]; investments, the sale of purchase of securities, investments, of investment contracts [5 ILCS 120/2(c)(7)]; litigation, when an action against, affecting, or on behalf of the public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent [5 ILCS 120/2(c)(11)]; discussion of minutes of meetings lawfully closed under the Open Meetings Act, for approval by the public body, or semi-annual review of minutes to determine if the need for confidentiality still exists [5 ILCS 120/2(c)(21)]; and meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards [5 ILCS 120/2(c)(29)].

Roll call resulted in affirmative voice votes from Trustees Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Mena, Miller, Peronto, Pfeiffer, Sanders, and Strand.

The public meeting closed at 1:03 PM.

No action was taken during executive session.

The public meeting reconvened at 2:15 PM. Roll call attendance was taken with the following trustees present: Trustees Byas, Goetz, Hirshman, Hunt, Jazo-Harris (arrived at 2:16 PM), Mena, Miller, Peronto (arrived at 2:16 PM), Pfeiffer, Sanders, and Strand. Trustees Anderson and Blomquist were not in attendance.

Approval of Destruction of Audio Recordings

On a motion by Trustee Hirshman, seconded by Trustee Mena, it was resolved to approve the destruction of audio recordings in accordance with the Open Meetings Act, as presented. Motion carried by unanimous voice vote.

Meeting Date	Meeting Type
October 20, 2022	Rules & Personnel Committee
October 21, 2022	Audit Committee
October 21, 2022	Board
December 6, 2022	Board
February 9, 2023	Board

Executive Director & CIO Evaluation and Employment Contract

On a motion by Trustee Hirshman, seconded by Trustee Strand, it was resolved:

To authorize the President of the Board to extend the term of the Executive Director & Chief Investment Officer’s employment contract and deferred compensation agreement by 1 year to June 30, 2027, and set the Executive Director & Chief Investment Officer’s annual rate of salary, subject to negotiation of contractual terms. All other employment contract and deferred compensation agreement terms shall remain in full force and effect.

Roll call resulted in affirmative votes from Trustees Byas, Goetz, Hirshman, Hunt, Jazo-Harris, Mena, Miller, Peronto, Pfeiffer, Sanders, and Strand. Motion carried.

Trustee Concerns

Trustees Goetz and Miller were recognized for their recent reappointments to the Board.

Trustee Hunt raised concerns with the general timing of the August board meetings, due to conflicting events and the start of the school year, and asked if alternate dates could be researched.

Adjournment

There being no further business to be brought before the Board, a motion was made by Trustee Mena, seconded by Trustee Goetz, to adjourn the meeting at 2:24 PM. Motion passed by unanimous voice vote.



Stan Rupnik, Executive Director & Chief Investment Officer

Approved: 10/25/2024