

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS

MEETING NO. 232

MINUTES OF THE ANNUAL MEETING OF THE BOARD OF TRUSTEES

APRIL 18, 2007

The annual meeting of the Board of Trustees of the General Assembly Retirement System convened on Wednesday, April 18, 2007, in Senate Conference Room 317 in the State House, Springfield.

The following trustees were in attendance:

Senator James Clayborne, Vice Chairman
Senator Don Harmon
Representative Richard Bradley
Representative Philip W. Collins

Absent were:

Representative Kurt Granberg, Chairman
Senator Bill Brady

Others Present:

Timothy Blair, Acting Secretary
Jayne Waldeck, Acting Manager
Scott Richards, Chief Investment Officer,
Illinois State Board of Investment
Cheryl Bullerman, Recording Secretary

In the absence of Chairman Granberg, Vice Chairman Clayborne presided and, with a quorum present, called the meeting to order at 9:55 A.M.

REPORT OF THE ILLINOIS STATE BOARD OF INVESTMENT

Scott Richards, Chief Investment Officer of the Illinois State Board of Investment, distributed copies of a draft executive summary as of February 28, 2007, and addressed the Board.

Mr. Richards reported that the total fund return for the fiscal year to date is 9.8%. He then briefly reviewed the performance of the various individual asset classes.

After addressing questions, Mr. Richards was thanked for his informative report and excused from the remainder of the meeting.

On motion by Trustee Collins, seconded by Trustee Bradley and unanimously passed, the trustees accepted the report of the Illinois State Board of Investment. Official copies of this report are maintained in the office of the Illinois State Board of Investment.

ELECTION OF OFFICERS

Vice Chairman Clayborne announced the annual election of officers for the ensuing year was in order and opened the meeting for nominations. Thereupon, Trustee Harmon moved to nominate Representative Kurt Granberg for reelection to the office of Chairman, and Senator James Clayborne for reelection to the office of Vice Chairman. The nominations were seconded by Trustee Collins. There being no further nominations, Trustee Bradley moved the nominations be closed, seconded by Trustee Harmon.

Vice Chairman Clayborne called for a vote of the trustees present, which resulted in the unanimous reelections of Chairman Granberg and Vice Chairman Clayborne.

MINUTES OF PREVIOUS MEETINGS

Vice Chairman Clayborne presented the minutes of the regular meeting 230 held on November 15, 2006, and the special meeting 231 held on November 29, 2006 for approval. Copies of the minutes were previously submitted to the trustees for preliminary review.

There being no additions or corrections, on motion by Trustee Harmon, seconded by Trustee Collins, and by unanimous vote, the minutes of meeting 230 and meeting 231 were approved as submitted.

REPORT OF THE CHAIRMAN

There was no report.

REPORT OF ADMINISTRATIVE SECRETARY

Financial Statements and Report of Administrative Expenses for the Second and Third Quarters of Fiscal Year 2007 The financial reports for the second quarter ending December 31, 2006 and the third quarter ending March 31, 2007 were presented for approval.

There being no questions regarding the reports as filed, Trustee Collins moved acceptance of the second and third quarter financial reports as presented. Trustee Harmon seconded the motion, which resulted in an affirmative vote of all trustees present. Copies of these statements are attached as Exhibits A & B.

Applications for Retirement & Survivors' Annuities and Refunds

Acting Secretary Blair reviewed the listing of twelve retirement annuity applications and four survivors' annuity applications for approval.

The report continued with a review of three termination and three error refund applications.

There being no questions regarding the payments, Trustee Harmon moved to approve the applications for annuities and refunds, attached as

Exhibits C. Trustee Bradley seconded the motion, which prevailed by an affirmative vote of all trustees present.

FY 2008 ADMINISTRATIVE BUDGET

The meeting continued with the presentation of the administrative budget for the fiscal year July 1, 2007 through June 30, 2008. Copies of the executive summary, as well as a detailed budget, were previously furnished to the trustees for their review prior to this meeting. A letter dated March 30, 2007 from Justice Hoffman, Chairman of the JRS Board, was reviewed, reflecting JRS Board approval of the FY 2008 budget, contingent upon approval by the GARS Board.

The budget request for the next fiscal year for the Judges and General Assembly Retirement Systems is \$929,600, which represents a 15.3% increase over the current fiscal year budget.

The JRS/GARS budget allocation is based on the number of members and annuitants. In addition, direct allocations are made whenever possible for specific expenses of the individual Systems. The proposed budget as submitted to the trustees for review reflects a 70%/30% split.

Items having a cost impact on the FY 08 budget include personal services and related line items.

Following discussion, Trustee Bradley moved approval of the preliminary FY 2008 consolidated budget request of \$929,600. Trustee Collins seconded the motion, which prevailed by the affirmative vote of all trustees.

UNFINISHED BUSINESS

There was no unfinished business to be addressed.

NEW BUSINESS

There was no new business to be presented.

ADJOURNMENT

There being no further business to be brought before the board, Trustee Collins moved to adjourn at 10:30 A.M. Trustee Harmon seconded the motion, and all were in favor.

The next meeting of the Board is scheduled for the first Wednesday of the 2007 fall veto session.

Acting Secretary

Date

APPROVED:

Chairman