

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS

MEETING NO. 238

MINUTES OF THE REGULAR MEETING OF THE

BOARD OF TRUSTEES

APRIL 21, 2010

A regular meeting of the Board of Trustees of the General Assembly Retirement System was held on Wednesday, April 21, 2010, and convened at 9 a.m. in the Senate Conference Room 627A of the State House, Springfield, Illinois.

Roll call was taken with the following trustees present:

Senator James Clayborne, Jr., Chairman
Representative Kevin A. McCarthy
Representative Dan Reitz
Representative Mark Beaubien, Jr.

Absent was:

Senator Bill Brady
Senator Don Harmon
Representative Philip Collins, Retired

Others in attendance were:

Timothy B. Blair, Acting Executive Secretary
Jayne L. Waldeck, Acting Manager
Sandor Goldstein, Consulting Actuary
William Atwood, Director, Illinois State Board of Investment

With a quorum present, the meeting was called to order by Chairman Clayborne.

REPORT OF THE ILLINOIS STATE BOARD OF INVESTMENT

William Atwood, Director of the Illinois State Board of Investment (ISBI), addressed the Board. He referred the Board's attention to the Flash Report dated March 31, 2010. The total portfolio's market value was \$10,422,758,989. He reviewed the Fiscal Year to Date percentages compared to the Benchmark for each of the asset classes. He then reviewed the allocation of an additional \$300,000 to get the ISBI to the target allocation of 10% of assets in Real Estate. After addressing questions raised by the Board members, Trustee Reitz moved to accept the report of the Illinois State Board of Investment. The motion was seconded by Trustee McCarthy and all were in favor. A copy of this report is maintained in the office of the Illinois State Board of Investment. Mr. Atwood was excused from the meeting.

ELECTION OF OFFICERS

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Chairman Clayborne opened the nominations for officers for the next year. For the position of Chairman, Trustee Beaubien nominated Senator Clayborne as Chairman of the Board, with Trustee McCarthy seconding the motion. There being no further nominations, nominations were closed for the position of Chairman. All trustees present voted in favor of retaining Senator Clayborne as Chairman.

Chairman Clayborne opened the nominations for the position of Vice Chairman. A motion was made by Trustee Reitz to nominate Trustee Beaubien as Vice Chairman of the GARS Board. The motion was seconded by Trustee McCarthy. Nominations were closed for the position of Vice Chairman. Chairman Clayborne moved to record both votes as unanimous on the same roll call. His motion was seconded by Trustee Reitz and all were in favor.

MINUTES OF PREVIOUS MEETING

Chairman Clayborne presented the minutes of Meeting No. 237 held on October 14, 2009, for approval. Copies of the minutes were previously submitted to the trustees for preliminary review.

With no further discussion, Trustee Reitz moved to approve the minutes as submitted. Trustee Beaubien seconded the motion which prevailed by the affirmative vote of all trustees present.

REPORT OF THE CHAIRMAN

Chairman Clayborne had nothing to report.

REPORT OF THE EXECUTIVE SECRETARY

Financial Statements and Report of Administrative Expenses. The financial statements for the period ending 12/31/09 and 03/31/10 were submitted by Acting Secretary Blair. He emphasized the Statement of Cash Receipts, Disbursements and Balances indicates that nearly \$10.4 million was transferred from the Illinois State Board of Investment after the bond sale in January. The total funds transferred from the ISBI from July 1, 2009 through March 31, 2010 totaled \$7.3 million to pay benefits. We expect to draw down only the benefits that will be needed this year. Details are contained on Schedule 1 of the statements explaining that more than \$3 million in contributions were transferred to ISBI than were drawn down. It is the goal of the system to attempt to maintain two months worth of benefits in reserve.

The budget for the GARS as of 03/31/10 totals \$341,760 (Schedule 4). He further reviewed Schedules 5 and 6 (Reconciliation of Treasurer's Report for the Pension Trust Fund as well as the Excess Benefit Fund). Trustee McCarthy moved for acceptance of the Financial Reports as presented with Trustee Beaubien seconding the motion. All were in favor. Official copies of the financial statements have been placed on file and made part of the minutes of this meeting as Exhibit A.

Senate Bill 1946. Acting Secretary Blair informed the Board of Trustees that there are administrative issues with Senate Bill 1946 that will hopefully be resolved in a "clean up bill" during the fall veto session. Most of the issues are technical in nature and are necessary to the administration of the bill.

FY-2011 Administrative Budget. Acting Secretary Blair reviewed the Judges' and General Assembly FY-2011 Budget. He specifically reviewed the Base for FY-2011 and the Budget Changes between the FY-2010 and the Total FY-2011. He drew the attention of the Board to the ending totals of 1943

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the budget change which reflected a decrease of \$40,900 between the JRS/GARS budget. A portion of that decrease was applicable to the General Assembly Retirement System Budget for FY-2011 which resulted in a total decrease of \$11,650. Following review of the changes to the FY-2011 Budget, Trustee Reitz moved to approve the FY-2011 Budget as presented. Trustee Beaubien seconded the motion which prevailed by an affirmative vote of all those present.

REPORT OF MANAGER

Annuities and Refunds for Approval. Acting Manager Jayne Waldeck directed the trustees' attention to the reports reflecting three retirement annuities totaling \$15,264.62. Also reviewed were one survivor contribution refund totaling \$3,558.11; and one termination refund totaling \$650.10.

There being no questions regarding the payments, Trustee Beaubien moved for approval of the payment of annuities and refunds. Trustee McCarthy seconded the motion and all were in favor. The above reports are attached as Exhibit B.

UNFINISHED BUSINESS

Update on George Ryan Lawsuit. Acting Secretary Blair informed the trustees present that the Illinois Supreme Court, with a vote of six to one, upheld the Board's termination of the retirement benefits of former Governor George H. Ryan.

NEW BUSINESS

No new business to report.

ADJOURNMENT

There being no further business to be brought before the Board, Trustee Beaubien moved to adjourn at 11 a.m. The motion was seconded by Trustee Reitz and passed with an affirmative vote of those trustees present.

The next regularly scheduled meeting will be held the first Wednesday of Veto Session.

Secretary
Date: _____

APPROVED:

Chairman