

**GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS  
MEETING NO. 258  
MINUTES OF A REGULAR BOARD MEETING OF THE  
BOARD OF TRUSTEES**

**APRIL 18, 2018**

A regular meeting of the Board of Trustees of the General Assembly Retirement System convened at 9 a.m. on Wednesday, April 18, 2018, in Room 627A of the Capitol Building, Springfield, Illinois.

The following trustees were in attendance:

- Senator James Clayborne, Jr., Chairman
- Representative David Harris, Vice-Chairman
- Senator Don Harmon
- Senator Sue Rezin
- Representative Michael Zalewski
- Representative Robert Martwick
- Representative Daniel Pierce, Retired

Others in attendance were:

- Timothy B. Blair, Secretary
- Jeff Houch, Assistant to Secretary
- Angie Ackerson, GARS Manager
- Alex Rivera, Gabriel, Roeder, Smith & Company
- Ryan Gunderson, Gabriel, Roeder, Smith & Company
- Stephen J. Bochenek, System Attorney
- Timothy Bowen, Alliant Mesirow Insurance Services, Inc.

With a quorum present, Chairman Clayborne called the meeting to order at 9:00 am.

**PUBLIC COMMENTS**

Chairman Clayborne asked if there were any members of the public in attendance who wished to make comments. There were none.

**REPORT OF CONSULTING ACTUARIES**

Annual Review of Economic Assumptions. Alex Rivera and Ryan Gunderson, Consulting Actuaries, distributed copies of the annual GARS Economic Assumption Review, which provided an analysis of the investment return, inflation and salary growth assumptions. Mr. Rivera recommended maintaining the interest rate assumption at 6.75%, decreasing the inflation assumption from 2.75% to 2.50%, and decreasing wage inflation from 3.0% to 2.75%. He noted the recommended changes would have a very minor positive impact on the financial condition of GARS. Senator Harmon moved to approve the recommended assumption changes. Representative Harris seconded the motion, and all were in favor.

**FIDUCIARY LIABILITY INSURANCE**

Secretary Blair introduced Timothy Bowen, First Vice President for Alliant Mesirow Insurance Services. He informed that Board that the SERS Board initially purchased fiduciary insurance several years before, while the JRS Board decided to purchase fiduciary insurance two years ago. In 2016, both of those Boards invited two brokers to provide quotes from various insurers and Alliant Mesirow provided better coverage at a lower price than the other broker, not only for SERS and JRS, but also GARS.

Mr. Bowen presented a proposal to provide fiduciary liability insurance to the GARS Board. Mr. Bochenek asked him if the insurance carrier would consider including the overpayment of benefits coverage. Mr. Bowen replied that due to the System's low funded status, it is unlikely the insurer would agree to provide such coverage, but that he would negotiate with the carrier to provide this coverage. After further discussion, Representative Pierce offered the motion to purchase the \$3,000,000 ULLICO policy for 14 ½ months, beginning as soon as practical, at an annual premium rate of \$15,699. Senator Harmon seconded the motion. Chairman Clayborne requested a roll call vote be taken. Representative Harris voted no and all others voted in the affirmative.

#### **MINUTES OF PREVIOUS MEETING**

Chairman Clayborne presented the minutes of Meeting No. 257 held on January 12, 2018, for approval. Copies of the minutes were previously submitted to the trustees for preliminary review. Representative Harris moved to approve the minutes of the January 12, 2018 Board Meeting. Representative Pierce seconded the motion, and all were in favor.

#### **REMAND OF REPRESENTATIVE DENNIS HASTERT FELONY TERMINATION**

Secretary Blair distributed a packet of information regarding the remand of Representative Dennis Hastert's termination of GARS benefits to each Board member. The packet contained copies of the factual findings and legal conclusions presented for their review. After a brief discussion, Representative Zalewski made a motion to submit the facts and findings to the Attorney General's Office pursuant to the November remand. Representative Harris seconded the motion and it passed unanimously.

#### **REPORT OF CHAIRMAN CLAYBORNE**

Chairman Clayborne provided a brief update on recent actions of the Illinois State Board of Investment related to the Real Estate and Private Equity portfolios.

#### **REPORT OF ANY TRUSTEE**

There were no reports offered.

#### **REPORT OF ADMINISTRATIVE SECRETARY**

Secretary Blair briefly reviewed the March 31, 2018 financial statements and the FY19 preliminary operations budget request. He noted the proposed budget was a 2.76% increase, or \$10,525, from the FY 2018 budget. The requested budget was impacted by a \$5,150 decrease personnel services due to Jayne Waldeck's retirement and lowering the current position of assistant Manager to a lead worker after the retirement of the Assistant Manager in October 2018. Representative Martwick moved to approve the March 31, 2018 financial statements and the FY 2019 Preliminary Budget request. Representative Pierce seconded the motion and it passed unanimously.

**REPORT OF MANAGER**

Division Manager Angie Ackerson directed attention to the report reflecting five new retirement annuities totaling \$29,766.82 per month and five survivors' annuities totaling \$13,913.81 per month. She reported one termination refund and one error refund totaling \$14,189.15. After a brief discussion, Representative Martwick moved for approval. Representative Pierce seconded the motion, and all were in favor.

**UNFINISHED BUSINESS**

There was no unfinished business.

**NEW BUSINESS**

There was no new business.

**ADJOURNMENT**

There being no further business to be brought before the Board, Representative Martwick moved to adjourn at 10:30 a.m. The motion was seconded by Representative Harris and passed with an affirmative vote of all trustees.

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Timothy B. Blair, Administrative Secretary

Date: \_\_\_\_\_

APPROVED:

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Senator James Clayborne, Jr., Chairman