

GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS

MEETING NO. 242

MINUTES OF THE REGULAR MEETING OF THE

BOARD OF TRUSTEES

APRIL 18, 2012

A regular meeting of the Board of Trustees of the General Assembly Retirement System was held on Wednesday, April 18, 2012, and convened at 9 a.m. in Room A-1 of the Stratton Office Building, Springfield, Illinois.

Roll call was taken with the following trustees present:

Senator James Clayborne, Jr., Chairman
Senator Don Harmon
Representative Elaine Nekritz
Representative David Harris
Representative Karen May

Absent was:

Senator Bill Brady
Representative Philip Collins, Retired

Others in attendance were:

Timothy B. Blair, Executive Secretary
Jayne L. Waldeck, Manager
William Atwood, 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, of the Illinois State Board of Investment (ISBI), addressed the Board. He referred the Board's attention to the Flash Report dated February 29, 2012. The total portfolio's market value was \$11,386,043,377. Mr. Atwood emphasized to the Board that the markets and portfolio are in a high degree of volatility and added the Board has made structural changes to the Real Estate portfolio. Following a brief review of the different asset classes and the associated fiscal year to date performance, questions were entertained by Mr. Atwood. Following some discussion, Trustee Harmon moved to adopt the report. Trustee Harris seconded the motion and all were in favor. Chairman Clayborne thanked Mr.

Atwood for his informative report and excused him from the remainder of the meeting. A copy of this report is maintained in the office of the Illinois State Board of Investment and made a part of these minutes as Exhibit A.

ELECTION OF OFFICERS

Chairman Clayborne announced the annual election of officers for the year was in order and opened the meeting for nominations. Trustee Harmon moved to nominate Senator Clayborne for reelection to the office of Chairman. Trustee Nekritz seconded the motion. Trustee May moved to nominate Representative Harris to the office of Vice Chairman. Trustee Nekritz seconded that motion as well. There being no further nominations, Trustee Harmon moved to reelect Chairman Clayborne as chairman of the Board of Trustees as well as elect Representative Harris as Vice Chairman. Trustee Nekritz seconded the motion and all were in favor.

MINUTES OF PREVIOUS MEETING

Chairman Clayborne presented the minutes of Meeting No. 241 held on October 26, 2011, for approval. Copies of the minutes were previously submitted to the trustees for preliminary review. Trustee Harris moved for acceptance of the minutes and Trustee Nekritz seconded his motion. Trustee May voted present since she was not at the October 26, 2011 meeting. The motion passed unanimously.

REPORT OF CHAIRMAN

Chairman Clayborne had nothing to report.

REPORT OF ADMINISTRATIVE SECRETARY

Financial Statements and Report of Administrative Expenses. The financial statements for the period ending December 31, 2011 and March 31, 2012 were submitted by Secretary Blair. He indicated that employer contributions from the Office of the Comptroller are only a month behind through March 2012, the System having received \$6.5 million out of a certified employer contribution of \$10.5 million for the year. He pointed out that GARS has withdrawn \$7.2 million from the ISBI so far in FY 12 to pay benefits. Receipts for the first nine months totaled \$15,030,538.12.

Total annuities through March 31, 2012 were \$14,351,315.76. In reviewing the Schedules contained in the Financial Statements, Secretary Blair explained the Excess Benefit Fund. He also reviewed the Statement of Investment Account with ISBI which shows the timing of the withdrawals from ISBI. The total projected withdrawals from ISBI during fiscal year 2012 are \$8,225,000. The GARS administrative expense budget for FY 12 is \$303,620. Secretary Blair estimates that we will probably lapse approximately \$3,300.

Following some discussion and review of the reports submitted, Trustee Harris moved to adopt the Statement of Budget, Expenses and Balances as well as the Financial Reports through December 31, 2011 and March 31, 2012. Trustee Harmon seconded the motion and all were in favor. These reports are attached as Exhibit B.

FY 13 Administrative Budget. Secretary Blair called the trustees' attention to the Executive Summary of the FY 13 Budget Request. He explained that the request is an increase from \$303,620 to \$315,400, mainly due to the increase in the certified employer contribution rate of SERS. Secretary Blair explained the personnel budget and the requested increases. Trustee May commented that it "looks bad" to have a 3% increase in salary for personnel. Secretary Blair assured the trustees that if he is able to give increases, they are expected to be 2%, as he will make sure raises are the same as those provided to the employees of SERS. He further informed the Board members that the Judges' Retirement System's Board of Trustees approved the FY 13 Budget pending approval by the GARS Board, as many administrative expenses are shared by JRS and GARS.

Trustee Harmon moved for approval of the FY 13 budget. Trustee Nekritz seconded the motion and all were in favor.

REPORT OF MANAGER

Annuities and Refunds for Approval. Division Manager Jayne Waldeck directed the trustees' attention to the reports reflecting three retirement annuities totaling \$15,095.24 per month. Also reviewed were two survivor annuities paid since the last board meeting totaling \$5,363.08 per month. In addition, four survivor refunds were processed totaling \$81,559.66 as well as two error refunds totaling \$11,489.33 and two termination refunds totaling \$31,604.26. There being no questions regarding the payments, Trustee Nekritz moved for approval of the payment of annuities and refunds. Trustee May seconded the motion and all were in favor. The above reports are attached as Exhibit C.

UNFINISHED BUSINESS

There was no unfinished business to be discussed.

NEW BUSINESS

Secretary Blair submitted a Resolution to be presented to Sandor Goldstein, of Goldstein and Associates, who served as the GARS actuary from 1987 until 2012. Trustee Nekritz moved to adopt the Resolution with Trustee Harris seconding the motion. All were in favor.

Secretary Blair informed the Board members that it was his intention to coordinate an intra-agency agreement between SERS and GARS for actuarial services for FY 13.

ADJOURNMENT

There being no further business to be brought before the Board, Trustee Harris moved to adjourn at 10:45 a.m. The motion was seconded by Trustee Nekritz and passed with an affirmative vote of those trustees present.

The next meeting is scheduled for the first Wednesday of veto session in November of 2012.

Secretary

Date: _____

APPROVED:

Chairman