

**GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS
MEETING NO. 247**

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF TRUSTEES**

APRIL 9, 2014

A regular meeting of the Board of Trustees of the General Assembly Retirement System convened at 9 a.m. on Wednesday, April 9, 2014, in Room 627A Capitol Building, Springfield, Illinois.

Roll call was taken with the following trustees present:

Senator James Clayborne, Jr., Chairman
Representative David Harris, Vice-Chairman
Senator Don Harmon
Representative Elaine Nekritz
Representative Dan Burke
Representative Daniel Pierce, Retired

Absent was:

Senator Bill Brady

Others in attendance were:

Timothy B. Blair, Secretary
Scott Richards, Illinois State Board of Investment

With a quorum present, the meeting was called to order by Chairman Clayborne at 9 a.m.

PUBLIC COMMENTS

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

INTRODUCTION OF REPRESENTATIVE PIERCE

Chairman Clayborne introduced newly elected GARS Trustee Daniel Pierce, a retired State Representative, and welcomed him to the Board. Representative Pierce thanked Chairman Clayborne and the rest of the Trustees for the warm welcome and added that he looked forward to working with the Board.

REPORT OF THE ILLINOIS STATE BOARD OF INVESTMENT (ISBI)

Scott Richards, ISBI Senior Portfolio Manager addressed the Board. He referred the Board's attention to the ISBI Flash Report dated February 28, 2014 and noted the portfolio's total market value was \$14.501 billion, up from \$12.470 billion at February 28, 2013. Mr. Richards noted the total ISBI portfolio is up 13.3%, gross of fees, in FY 2014 through February 28, 2014, compared to the benchmark

return of 11.2% over the same time period. He continued by noting the Fixed Income portfolio was up 3.9%, gross of fees, while the U.S. Equity portfolio (excluding hedge funds) was up 19.2%, compared to their respective benchmark returns of 3.0% and 18.8%. The Hedge Fund portfolio was up 13.1%, compared to a benchmark return of 7.6%.

Mr. Richards continued the review of the asset classes by noting that through February 28, 2014, the Non-U.S. Equity portfolio had returned 18.8% (benchmark up 16.5%) while the Real Estate portfolio was up 7.7% (benchmark up 6.5%). He concluded his report by pointing out the Real Asset portfolio was up 8.0% (benchmark up 3.0%) and the Private Equity portfolio was up 9.7%.

Chairman Clayborne thanked Mr. Richards for his informative report and excused him from the remainder of the meeting. Representative Nekritz moved to accept the ISBI report as presented by Mr. Richards. Vice-Chairman Harris seconded the motion and all were in favor. A copy of this report is maintained in the ISBI Office and attached to these minutes as Exhibit A.

ELECTION OF OFFICERS

Chairman Clayborne announced the annual election of officers for 2014 was in order and opened the meeting for nominations for Chairman. Senator Harmon moved to nominate Chairman Clayborne for re-election and Representative Pierce seconded the motion. There being no other nominations, nominations were closed and all present voted to re-elect Chairman Clayborne. Chairman Clayborne thanked the Board and opened nominations for the office of Vice-Chairman.

Representative Nekritz moved to re-elect Vice-Chairman Harris. Chairman Clayborne seconded the motion. Seeing no further nominations, nominations were closed and Vice-Chairman Harris was unanimously re-elected. Vice-Chairman Harris thanked the Board for the unanimous support.

MINUTES OF PREVIOUS MEETING

Chairman Clayborne presented the minutes of Meeting No. 246 held on January 10, 2014, for approval. Copies of the minutes were previously submitted to the trustees for preliminary review. Vice-Chairman Harris moved for acceptance of the minutes. Senator Harmon seconded the motion and all were in favor.

REPORT OF CHAIRMAN

Chairman Clayborne had nothing to report.

REPORT OF TRUSTEES

The trustees had nothing to report.

REPORT OF SECRETARY

Financial Statements and Report of Administrative Expenses. The financial statements for the period ending December 31, 2013 were submitted by Secretary Blair. He briefly reviewed each schedule and told the Board the employer contributions have been received in a timely manner. Following a review of the reports submitted and a brief discussion Representative Burke moved to adopt the financial statements of December 31, 2013. Vice-Chairman Harris seconded the motion and all were in favor. These reports are made a part of these minutes as Exhibit B.

FY 2015 Preliminary Budget Request. Secretary Blair referred the trustees to the line items detailing the FY 2014 budget, projected FY 2014 spending, and the FY 2015 preliminary budget request. Specifically, the Personal Services, Group Insurance and Contractual line items reflect the biggest change in the budget from FY 2013 to FY 2014. Overall, the preliminary FY 2015 budget request is \$17,975, or 4.6%, more than the FY 2014 budget of \$385,450. Following a brief discussion, Representative Nekritz moved to approve the FY 2014 Preliminary Budget. Vice-Chairman Harris seconded the motion, which passed unanimously.

Annuities and Refunds for Approval. Secretary Blair directed the trustees' attention to the reports reflecting one new retirement annuity of \$5,536.55 per month and three survivor annuities totaling \$6,417.21 per month. In addition, four error refunds totaling \$120,997.85 were paid since the last meeting. There being no questions regarding these annuities and refunds, Vice-Chairman Harris moved for approval. Representative Nekritz seconded the motion and all were in favor. The above reports are attached to these minutes as Exhibit C.

UNFINISHED BUSINESS

There was no unfinished business to be discussed.

NEW BUSINESS

There was no new business to be discussed.

ADJOURNMENT

There being no further business to be brought before the Board, Vice-Chairman Harris moved to adjourn at 10:05 a.m. His motion was seconded by Senator Harmon and passed with an affirmative vote of those trustees present.

Chairman Clayborne reminded the Board the next meeting is scheduled for October 29, 2014.

Secretary

Date: _____

APPROVED:

Senator James Clayborne, Jr., Chairman