

**JUDGES' RETIREMENT SYSTEM OF ILLINOIS  
MEETING NO. 310  
MINUTES OF THE REGULAR MEETING  
OF THE  
BOARD OF TRUSTEES**

**APRIL 1, 2011**

The regular meeting of the Board of Trustees of the Judges' Retirement System convened on Friday, April 1, 2011, at 10 a.m. in Room N-1810 of the Michael Bilandic Building, 160 North LaSalle Street, Chicago, Illinois.

Roll call was taken with the following trustees in attendance:

Justice Thomas E. Hoffman, Chairman  
Justice Themis N. Karnezis, Proxy for Chief Justice Thomas L. Kilbride  
Chief Judge Timothy Evans  
Edmund P. Michalowski, Proxy for State Treasurer Dan Rutherford

Absent was:

Justice John J. Bowman, Vice-Chairman

Other present:

Timothy B. Blair, Secretary  
Jayne L. Waldeck, Manager, Judges' Retirement System  
Scott Richards, Illinois State Board of Investment

**REPORT OF THE ILLINOIS STATE BOARD OF INVESTMENT (ISBI)**

Scott Richards, ISBI, distributed copies of the Flash Report dated February 28, 2011, to the Board members present. He reviewed the various subclasses within the total fixed income portfolio, as well as the total U.S. Equity, International Equity, Real Estate and Private Equity portfolios. Mr. Richards emphasized that the Large Cap Investment Manager BDHS had been terminated since the last meeting and that the small cap sector has lifted performance. Within the Core Fixed Income class, Mr. Richards indicated that both Amalgamated CLF and ILLICO were on the watch list. He specified that within the Real Estate Market, timely numbers are unavailable since there is a delay in obtaining that information from the managers. The total portfolio is up 17.9% fiscal year to date. Following his report, Chairman Hoffman excused Mr. Richards from the remainder of the meeting. A copy of the Flash Report is maintained in the office of the Illinois State Board of Investment.

Following the ISBI report, Trustee Michalowski explained the Treasurer's concern regarding the financial condition of the fund and his commitment to serving on the JRS Board of Trustees. In addition, Secretary Blair informed the Board members of a few proposals

supported by Comptroller Judy Baar Topinka, who also serves as the Chairwoman of the State Employees' Retirement System. One proposal would provide an optional defined contribution plan in which employees, including judges, could choose to enter rather than entering the defined benefit plan. Another proposal is to allow the Comptroller to pay a portion of a bill, including the employer contributions to one of the retirement systems, rather than waiting until she is able to pay the entire bill.

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

The minutes of Meeting No. 309 held on January 28, 2011, were presented by Chairman Hoffman for approval. Copies of these minutes were previously submitted to all trustees for preliminary review. On motion by Trustee Karnezis and seconded by Trustee Evans, the Board unanimously approved the minutes of the January 28, 2011 meeting as submitted.

#### **READING OF COMMUNICATIONS**

Secretary Blair informed the Board that there has been nothing additional received from the IRS regarding our Determination Letter. Discussion was held with no action taken.

#### **REPORT OF THE CHAIRMAN**

Chairman Hoffman had nothing to report.

#### **REPORT OF THE SECRETARY**

**Preliminary Review of FY 2012 JRS Budget.** Secretary Blair referred the trustees' attention to the FY 2012 budget request of \$782,160 for the Judges' Retirement System. The proposed changes to the FY 2012 budget include an increase from the FY 2011 budget in personal services, as well as increases in the retirement, FICA and group insurance line items. These increases are due primarily to the hiring of a new full-time employee. All vacancies in JRS have now been filled. The request reflects a decrease in contractual services since there will be no need for temporary or contractual employees in FY 2012.

The FY 2012 budget request includes the addition of Project C regarding the imaging of member files. Member files will be converted from paper files to electronic images in order to increase security, provide for faster member service and quicker recovery in case of a disaster. The total cost to JRS is expected to be approximately \$15,000.

Following some discussion, Trustee Karnezis moved to approve the FY 2012 JRS budget with Trustee Evans seconding the motion. All were in favor.

## REPORT OF MANAGER

Annuities and Refunds for Approval. Ms. Waldeck reviewed the listings of 5 retirement annuities processed since the last meeting totaling \$62,574.32 per month. Following review of the list, Trustee Karnezis moved for approval with Trustee Evans seconding the motion. All were in favor. She also reported one survivor annuity benefit was processed in the amount of \$7,292.84 per month. Trustee Evans moved for approval of the payment of the survivor annuity with Trustee Karnezis seconding his motion. All were in favor. Also submitted for the review of the Board were two error refunds, one death before retirement refund, one death after retirement refund, one termination refund and two survivor annuity refunds totaling \$351,936.76. Trustee Karnezis moved to approve the payment of these refunds with Trustee Evans seconding the motion. The motion passed unanimously.

Deaths of Members. Ms. Waldeck reviewed the list of four members whose deaths were reported during this period. This report is made part of these minutes as Exhibit A.

## NEW BUSINESS

Civil Union Legislation. Secretary Blair informed the Board members present that a Board policy will be presented for approval at the next meeting regarding the new law recognizing civil unions in Illinois. The new law becomes effective June 1, 2011.

## ADJOURNMENT

There being no further business to be brought before the Board, Trustee Karnezis moved to adjourn at 11:05 a.m., seconded by Trustee Evans. Chairman Hoffman announced the next scheduled meeting will be Friday, July 29, 2011 at 10 a.m.

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Timothy B. Blair, Secretary

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

APPROVED:

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Chairman