

**JUDGES' RETIREMENT SYSTEM OF ILLINOIS
MEETING NO. 313
MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF TRUSTEES**

JANUARY 29, 2012

A regular meeting of the Board of Trustees of the Judges' Retirement System convened on Friday, January 29, 2012, 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 John Bowman, Vice-Chairman
Justice Themis N. Karnezis, Proxy for Chief Justice Thomas L. Kilbride
Chief Judge Timothy Evans
Bridget Byron, Proxy for State Treasurer Dan Rutherford

Others present:

Timothy B. Blair, Secretary
Jayne L. Waldeck, Manager, Judges' Retirement System
William Atwood, Director, Illinois State Board of Investment
Karen Ortale, Shorthand Reporter

MINUTES OF PREVIOUS MEETING

The minutes of Meeting No. 312 held on October 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 Bowman and seconded by Trustee Karnezis, the Board unanimously approved the minutes of the October 28, 2011, meeting as submitted.

REPORT OF THE ILLINOIS STATE BOARD OF INVESTMENT (ISBI)

William Atwood, Executive Director of ISBI, distributed copies of the Flash Report dated December 31, 2011, to the Board. He directed the trustees' attention to the one year performance of the various asset classes within the portfolio and answered several questions pertaining to the portfolio in comparison to the benchmark. He indicated that the market was basically flat for the year (slightly below the benchmark) and noted that non-U.S. Equity manager Vontobel has added a lot of value to the portfolio.

Director Atwood informed the trustees that ISBI met in December and made an allocation to a global bond fund to add diversification to the portfolio. Following his report, questions were entertained by Director Atwood. Chairman Hoffman thanked him for his informative report and excused him from the remainder of the meeting. Trustee Bowman moved to accept the ISBI report. Trustee Evans seconded the motion and all were in favor.

A copy of the Flash Report is maintained in the ISBI offices and made a part of the minutes of the meeting as Exhibit A.

READING OF COMMUNICATIONS

There were no communications to be submitted for the Board's review.

REPORT OF THE CHAIRMAN

Chairman Hoffman informed those present that he had nothing to report.

REPORT OF THE SECRETARY

Financial Statements – December 31, 2011. Secretary Blair reported the receipt of employer contributions totaling slightly more than \$23.5 million between July 1, 2011 and December 31, 2011. He explained that JRS is about six weeks behind in the receipt of FY 12 employer contributions, which is a considerable improvement when compared to the delay experienced over the last several fiscal years.

For the first 6 months of FY 12, JRS has drawn down \$22.5 million from ISBI, which is considerably less than projected at the beginning of the year. The Financial Statement indicates total receipts in excess of \$54 million (including ISBI withdrawals) and benefit payments in excess of \$52 million. The cash balance at the end of the period was \$19 million.

The Statement of Budget, Expenses and Balances on Schedule 4 reflected the total JRS Budget of \$784,680. He informed the Board he foresees no problems that will adversely impact the final 6 months of the FY 12 budget. Secretary Blair further directed the Board's attention to Schedule 5 and 6 showing the Reconciliation of the Treasurer's Report for both the trust fund and the excess benefit fund through December 31, 2011.

Following review of the Financial Statements for the period ending December 31, 2011, Trustee Karnezis moved to approve the statements as submitted with Trustee Evans seconding his motion. All were in favor. Official copies of these financial statements have been placed on file and made part of the minutes of this meeting as Exhibit B.

REPORT OF MANAGER

Annuities and Refunds for Approval. Ms. Waldeck reviewed the listings of twelve retirement annuities processed since the last meeting totaling \$99,785.23 per month. Following review of the list, Trustee Evans moved for approval with Trustee Karnezis seconding the motion. All were in favor. She also reported three survivor annuity benefits were processed in the amount of \$20,624.35 per month. Trustee Evans moved for approval of the payment of the survivor annuities with Trustee Karnezis seconding his motion. All were in favor. Also submitted for the review of the Board were two survivor annuity refunds in the amount of \$85,675.12. Trustee Evans moved to approve the payment of these refunds with Trustee Karnezis seconding the motion. The motion passed unanimously.

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

NEW BUSINESS

In November 2005, an error in the calculation of the retirement benefit of Judge Scott Mansfield resulted in a monthly retirement benefit higher than that provided by statute. Judge Mansfield was notified of the error in 2007 and chose to appeal the reduction of his monthly retirement annuity.

Secretary Blair submitted copies of Judge Scott Mansfield's written appeal of the reduction in the amount of his monthly retirement benefit and the subsequent overpayment of retirement benefits that remains outstanding. Judge Mansfield submitted written evidence documenting his appeal, which was reviewed by the trustees prior to the meeting. Karen Ortale, a shorthand reporter, was present at the meeting to take a transcript of Judge Mansfield's hearing before the Board.

Following the hearing, Trustee Bowman moved to accept Judge Mansfield's evidence and Secretary Blair was informed to forward the evidence and written transcript of the hearing to the System's attorney, Steve Bochenek, so that a final administrative decision could be drafted to be considered by the Board at the next meeting of the Trustees.

UNFINISHED BUSINESS

There was no unfinished business to be discussed.

ADJOURNMENT

Chairman Hoffman requested that the next scheduled meeting of the Board of Trustees, originally scheduled for March 30, 2012, be rescheduled for Friday, April 6, 2012. Trustee Karnezis made a motion to move the meeting to April 6, 2012. Trustee Bowman seconded the motion and all were in favor. There being no further business to be brought before the Board, Trustee Karnezis moved to adjourn at 11:16 a.m. and his motion was seconded by Trustee Evans.

Timothy B. Blair, Secretary

Date: _____

APPROVED:

Chairman