

**JUDGES' RETIREMENT SYSTEM OF ILLINOIS
MEETING NO. 338
MINUTES OF A REGULAR MEETING
OF THE BOARD OF TRUSTEES**

January 12, 2018

A meeting of the Board of Trustees of the Judges' Retirement System convened on Friday, January 12, 2018, at 10:00 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 Mary S. Schostok, Chairperson
Judge John C. Anderson
Judge Debra Walker, Proxy for Chief Justice Lloyd Karmeier
Rodrigo Garcia, Proxy for State Treasurer Michael Frerichs

Absent was:

Justice James R. Moore, Vice-Chairperson

Others present:

Timothy B. Blair, Administrative Secretary
Jeff Houch, Assistant to Secretary
Angie Ackerson, JRS Division Manager
Jayne Waldeck, Former JRS Manager
William Atwood, Director, Illinois State Board of Investment
David Zaloga, Illinois State Board of Investment
Alex Rivera, Consulting Actuary, Gabriel, Roeder, Smith & Co.
Ryan Gunderson, Consulting Actuary, Gabriel, Roeder, Smith & Co.

With a quorum present, Justice Schostok called the meeting to order at 10:05 a.m. She began by welcoming Angie Ackerson, the new Manager of the JRS.

PUBLIC COMMENTS

Justice Schostok asked if any members of the public wished to address the Board. There were no members of the public in attendance.

REPORT OF THE ILLINOIS STATE BOARD OF INVESTMENT (ISBI)

William Atwood, ISBI Executive Director, distributed copies of the Quarterly Review dated September 30, 2017, and noted the value of the portfolio on that date was almost \$17.8 billion. He began his review of performance by stating that for the year ended September 30, 2017, the portfolio returned 12.1% (net of fees), outperforming the benchmark return of 11.4% over that period. Director Atwood reported that during the period the Fixed Income portfolio returned 0.7% (benchmark returned 1.0%) and the Equity portfolio gained 18.9% (benchmark returned 18.7%).

Director Atwood concluded his review of asset class performance and Justice Schostok asked if there were any questions. Hearing none, Judge Walker moved to approve Director Atwood's report and Judge Anderson seconded the motion, which passed unanimously. A copy of the ISBI Quarterly Review is maintained in the ISBI office and made a part of these minutes as *Exhibit A*.

MINUTES OF PREVIOUS MEETING

The minutes of Meeting No. 337 held on October 20, 2017, were presented by Justice Schostok for approval. Copies of these minutes were previously submitted to all trustees for preliminary review. On a motion by Judge Walker, seconded by Judge Anderson, the minutes of Meeting No. 337 were unanimously approved.

REPORT OF CONSULTING ACTUARIES

Alex Rivera and Ryan Gunderson of Gabriel, Roeder, Smith & Company (GRS), Consulting Actuaries, distributed the final version of the FY 2017 Actuarial Valuation, as well as the final FY 2018 recertified State contribution and the final FY 2019 certified State contribution.

State Actuary's Report. Mr. Rivera began his presentation by noting the State Actuary concluded that the assumptions and methodology used for the FY 2017 Actuarial Valuation are reasonable and that the certified contributions were calculated in accordance with State law. Mr. Rivera briefly reviewed the remainder of the State Actuary's recommendations and the GRS/JRS response to those recommendations. The letter outlining the State Actuary's recommendations and the GRS/JRS response to these recommendations is attached and made a part of these minutes as *Exhibit B*.

FY 2018 Recertification and FY 2019 Certification. Mr. Rivera distributed the final draft of the FY 2017 Actuarial Valuation and noted there were no significant changes from the draft reviewed at the October Board meeting. He added that there were no changes from the preliminary FY 2018 recertification and the preliminary FY 2019 certification, both of which had previously been approved by the Board. Secretary Blair noted that after the completion of the FY 2018 valuation, an in-depth experience analysis of all actuarial assumptions would be conducted in accordance with statute, which requires an experience analysis every 3 years.

Justice Schostok asked if there were any questions. Seeing none, she asked for a motion to approve the FY 2017 Actuarial Valuation and the FY 2018 and FY 2019 State contribution amounts. Judge Walker moved to approve the FY 2017 Actuarial Valuation and to recertify an FY 2018 State contribution of \$135,962,000 and to certify an FY 2019 State contribution of \$140,469,000. Judge Anderson seconded the motion and all present voted in the affirmative.

READING OF COMMUNICATIONS

Justice Schostok asked Secretary Blair if there were any communications to be presented to the Board. Secretary Blair had no communications to report.

REPORT OF CHAIRPERSON

Justice Schostok had nothing to report.

REPORT OF ANY TRUSTEE

Judge Anderson reported the George Mason Law School was holding a conference on Pension Economics in New Orleans and noted that similar George Mason Law School conferences had been very informative.

REPORT OF SECRETARY

FY 2018 Funding Update. Secretary Blair informed the Board that JRS had received all State contributions, including the January 2018 contribution. He added that he expected the February contribution to be delayed until April.

REPORT OF THE MANAGER

Annuities and Refunds for Approval. Jayne Waldeck, former JRS Manager, reported twelve retirement annuities and four survivor annuities processed since the October meeting, totaling \$183,396.93 per month. She then reviewed four survivor annuity contribution refunds, including one due to the death of the member after retirement, totaling \$136,527.82. Judge Walker moved to approve the annuities and refunds as presented. Judge Anderson seconded the motion and it passed unanimously.

Deaths of Members. Ms. Waldeck reported the deaths of eight JRS members since the October meeting. This report is made a part of these minutes as *Exhibit C*.

OLD BUSINESS

No old business was reported.

NEW BUSINESS

No new business was reported.

ADJOURNMENT

There being no further business to be brought before the Board, Judge Walker moved to adjourn at 10:55 a.m. The motion was seconded by Judge Anderson and passed unanimously.

Timothy B. Blair, Secretary

Date: _____

APPROVED:

Chairperson Mary S. Schostok