

JUDGES RETIREMENT SYSTEM OF ILLINOIS

MEETING NO. 294

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

MARCH 30, 2007

The regular meeting of the Board of Trustees of the Judges Retirement System convened on Friday, March 30, 2007, at 10:00 A.M. in Room N-1810 of the 160 North LaSalle Street Building in Chicago.

Roll call was taken with the following trustees in attendance:

Justice Thomas E. Hoffman, Chairman
Justice John J. Bowman, Vice Chairman
Justice Frederick Kapala,
Proxy for Chief Justice Robert Thomas

Chief Judge Timothy Evans and State Treasurer Alexi Giannoulis entered the meeting after roll call was taken.

Others Present:

Timothy Blair, Acting Secretary
William Atwood, Director,
Illinois State Board of Investment
Cheryl Bullerman, Recording Secretary
Stephen Bochenek, Attorney
John F. Reynolds, Hearing
Frank R. Reynolds, Attorney for John F. Reynolds
Verna Campbell, Victoria's Transcription Services, Inc.
Audrey Skaja, Victoria's Transcription Services, Inc.

Chairman Hoffman presided and called the meeting to order with a quorum present.

REPORT OF THE ILLINOIS STATE BOARD OF INVESTMENT

William Atwood, Director of the Illinois State Board of Investment distributed the draft Executive Summary for the period ending February 28, 2007, and addressed the Board. Mr. Atwood advised the total fund return for the period was 9.8%. He then reviewed the performance of the various asset classes as compared to the benchmark.

After entertaining questions raised by the trustees, Chairman Hoffman thanked him for his informative report and excused him from the remainder of the meeting. On motion by Trustee Evans, seconded by Vice Chairman Bowman, and by unanimous vote, the report of the Illinois State Board of Investment for the period ending February 28, 2007, was accepted. Official copies of this report are maintained in the office of the Illinois State Board of Investment.

MINUTES OF PREVIOUS MEETING

Chairman Hoffman presented the minutes of Meeting No. 293 held January 26, 2007, for approval. Copies of the minutes were previously furnished to the Board members for preliminary review.

On motion by Vice Chairman Bowman, seconded by Trustee Kapala, and by unanimous vote, the minutes of the January 26, 2007 meeting were approved as submitted.

READING OF COMMUNICATIONS

There were no communications to be read.

REPORT OF CHAIRMAN

Chairman Hoffman indicated he had nothing to report at this time.

REPORT OF SECRETARY.

Funding Proposals. Acting Executive Secretary Blair informed the trustees of the governor's funding proposal for the state funded pension systems. The proposal is to transfer the proceeds from the sale of the lottery to the pension systems and to issue \$15.7 billion in pension obligation bonds. The System's actuaries are reviewing these proposals for the long term cost impact.

Court Cases. Currently there are no cases pending.

Approval of Retirement Annuities, Refunds, and Deaths. Mr. Blair called the trustees' attention to the listing of three retirement annuities and three survivor annuities for approval. Mr. Blair then reviewed the list of refunds which reflected three survivor annuity refunds.

On motion by Trustee Evans, seconded by Vice Chairman Bowman, and unanimously passed, the Board approved these applications for annuities and refunds, attached as Exhibits A.

Report on Deaths of Members. Mr. Blair continued his report with a review of the listing of four members whose deaths were reported subsequent to the last meeting. This report is attached as Exhibit B.

FY 2008 BUDGET AND OPERATIONAL PLAN

The meeting continued with the presentation of the administrative budget for the fiscal year July 1, 2007 through June 30, 2008. Copies of the executive summary, as well as a detailed budget, were previously furnished to the trustees for their review prior to this meeting.

The budget request for the next fiscal year for the Judges and General Assembly Retirement Systems is \$929,600, which represents a 15.3% increase over the current fiscal year budget.

The JRS/GARS budget allocation is based on the number of members and annuitants. In addition, direct allocations are made whenever possible for specific expenses of the individual Systems. The proposed budget as submitted to the trustees for review reflects a 70%/30% split.

Items having a cost impact on the FY 08 budget include personal services and related line items.

Following discussion, Vice Chairman Bowman moved tentative approval of the preliminary FY 2008 consolidated budget request of \$929,600, subject to approval of the Board of Trustees of the General Assembly Retirement System. Trustee Kapala seconded the motion. The motion carried with an affirmative vote of all trustees.

UNFINISHED BUSINESS

There was no unfinished business to be brought before the Board during this meeting.

NEW BUSINESS

John F. Reynolds, Hearing. Former Judge John F. Reynolds, accompanied by his attorney, Frank R. Reynolds, appeared before the Board at this time. Also present was the System's attorney, Stephen Bochenek. A record of this hearing has been made a part of former Judge Reynolds' file.

At 12:00 noon, upon motion by Trustee Evans, seconded by Trustee Kapala, and by the affirmative vote of all trustees, the Board entered into executive session to discuss the request of John F. Reynolds.

The open session of this meeting resumed at 12:55 P.M.

Chairman Hoffman advised that the matter of John F. Reynolds will be continued until the next meeting of the Board.

ADJOURNMENT

With no further business to be brought before the Board, on motion by Trustee Evans, and seconded by Trustee Kapala, the meeting adjourned at 1:00 P.M. Chairman Hoffman announced the next regularly scheduled Board meeting will be Friday, July 27, 2007.

Acting Secretary

Date: _____

APPROVED:

Chairman