



MINUTES
Board of Trustees
March 1, 2018

The regular meeting of the Board of Trustees of the Illinois Teachers' Retirement System was held on March 1, 2018 at the Springfield Office of the Illinois Teachers' Retirement System, Springfield. President Tony Smith called the meeting to order at 1:35 p.m. with a quorum present.

Roll Call attendance was taken with the following trustees present: Mark Bailey, Andy Hirshman, Matt Hower, Tracy Kearney, Laura Pearl, Fred Peronto, Larry Pfeiffer, Mark Splitstone, Dan Winter, Randy Winters, Cinda Klickna, Vice President and Dr. Tony Smith, President.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Greg Turk, Director of Investments; Stacy Smith, Director of Internal Audit; Marcy Dutton, Chief Legal Counsel; Carlton Lenoir, Chief Benefits Officer; Dave Urbanek, Director of Communications; Tammy Green, Executive Assistant; Mike Krems, TorreyCove (Private Equity Consultant); Becky Gratsinger, Marcia Beard, and Ian Bray, RVKuhns (Investment Consultant); Andrew Bodewes, Legislative Consultant; Keith Johnson and Tiffany Reeves, Reinhart (Fiduciary Counsel).

Visitors present: Christine Williamson, Pensions & Investments; Angela Myers, Loop Capital Markets; Mark Carnevale, BNY Mellon; Sandy Hagan, IEA-R; and Jim Bachman, IRTA.

APPROVAL OF MINUTES

A draft of the December 14, 2017 minutes of the regular board meeting was sent to the trustees for prior review. On a motion by Dan Winter, seconded by Cinda Klickna, the minutes were approved by unanimous voice vote.

INVESTMENT COMMITTEE REPORT

President Smith presented the consent agenda. All items listed under the consent agenda are enacted by one motion with a roll call vote. No separate discussion of these items is held unless a request is made prior to voting on the motion. Trustee Pfeiffer moved that the Board approve the consent agenda as stated. Trustee Hirshman seconded the motion and it passed unanimously with a roll call vote from Trustees Bailey, Hower, Hirshman, Kearney, Pearl, Peronto, Pfeiffer, Splitstone, Winter, Winters, Klickna, and Smith. Motion CARRIED. The following motions were approved by action taken in the consent agenda motion.

1. Revise the blended mandate index to the 70% Barclays Capital U.S. 1-3 Year Government Index and 30% Barclays Capital US Floating Rate Note under 5-Year Index effective February 1, 2018.
2. Approve the Courtland Partners change of control and consent to the continuation of its investment advisory agreement with StepStone Group Real Estate LP on existing terms.

End of Consent Agenda

EXECUTIVE DIRECTOR'S REPORT

Actuarial Education

Segal Consulting provided an overview of Actuarial Standards of Practice; comparison of ERISA and public plan rules; review of TRS actuarial assumptions and funding history. Documentation is on file.

Legislative Update

Andrew Bodewes, Legislative Consultant, provided a summary of House and Senate bills that are of interest to TRS. Documentation is on file.

Board Retreat

Director Ingram proposed an agenda for the upcoming Board retreat to be held in Springfield, April 26-27, 2018. Documentation is on file.

Quarterly Financial Statements

The financial reports for the quarter ended December 31, 2017 were sent to trustees for review. Documentation is on file. On a motion by Mark Bailey, seconded by Matt Hower, it was resolved:

To approve the financial statement and administrative expenses for the quarter ending December 31, 2017, as presented.

Roll call resulted in affirmative voice votes from Trustees Bailey, Hirshman, Hower, Kearney, Pearl, Peronto, Pfeiffer, Splitstone, Winter, Winters, Klickna, and Smith. Motion CARRIED.

Informational documentation on file:

- Facts and Challenges of Tier 3. The General Assembly created Tier 3 in July 2017 but it is unknown when Tier 3 will be available to TRS members.
- Historical background of why Illinois teachers are not in social security and the effect of placing TRS members in social security.
- Member Services Report for the quarter ending December 31, 2017
- Employer Services Report for the period July 15, 2017 through January 12, 2018

Board Travel

On a motion by Matt Hower, seconded by Fred Peronto, it was resolved:

To approve out-of-state travel for trustees to attend the following conferences:

- Pension Fund Trustee Training, Washington D.C.,
March 12, 2018 (Trustee Klickna)
- Pension Bridge Conference, San Francisco,
April 10-11, 2018 (Trustees Klickna and Hirshman)

Roll call resulted in affirmative voice votes from Trustees Bailey, Hirshman, Hower, Kearney, Pearl, Peronto, Pfeiffer, Splitstone, Winter, Winters, Klickna, and Smith. Motion CARRIED.

Approval of Executive Session Minutes/Semi-Annual Review of Minutes/
Destruction of Audio Recordings

A draft of the December 14, 2017 executive session minutes of the Investment Committee was sent to the trustees for prior review. In addition, the Board received a memorandum from the System's legal counsel regarding the confidentiality of executive session minutes pursuant to the Open Meetings Act. On a motion by Mark Bailey, seconded by Andy Hirshman, and by unanimous voice vote, the minutes were approved as presented including minutes for public release and destruction of audio recordings per Board Bylaw, Article III, Section 8.

Public Release

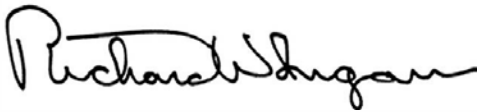
June 22, 2017	Board
August 22, 2017	Board
October 27, 2017	Board

Destruction of Audio Recordings

February 17, 2016	Rules & Personnel
February 18, 2016	Board
May 20, 2016	Board
August 25, 2016	Audit
August 26, 2016	Board
August 26, 2016	Investment

ADJOURNMENT

There being no further business to be brought before the Board, a motion was made by Mark Bailey, seconded by Cinda Klickna, to adjourn the meeting at 3:30 p.m. The motion passed by unanimous voice vote.



Richard W. Ingram, Executive Director

Approved: 5/25/18