



MINUTES
Rules and Personnel Committee
October 29, 2018

A meeting of the Rules and Personnel Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on October 29, 2018 at the Hyatt Regency O'Hare, 9300 W. Bryn Mawr Avenue, Rosemont. Mark Bailey, Chair, called the meeting to order at 11:45 a.m. A quorum was present.

Roll Call attendance was taken with the following committee members present: Mark Bailey, Chair; Mark Splitstone, Vice Chair; Cinda Klickna, Laura Pearl, and Mark Shaw (arrived at 12:00 p.m.). Trustees present: Andy Hirshman, Fred Peronto, Dan Winter, Matt Hower, Tracy Kearney, Larry Pfeiffer, John Bloomfield, and Tony Smith.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Marcy Dutton, Chief Legal Counsel; Carlton Lenoir, Chief Benefits Officer; Kathleen Farney, Director of Research; Deron Bertolo, Director of Investment Accounting; Stacy Smith, Director of Internal Audit; Dave Urbanek, Director of Communications; Bob Jiroutek, Risk Officer; Scottie Beville, Sr. Investment Officer; Tammy Green, Executive Assistant; and Tiffany Reeves, Reinhart (Fiduciary Counsel);

Visitors present: Loretta Tisdell, IEA-Retired; Bob Lyons, IRTA; and Douglas Strand, IRTA.

Minutes

A draft of the August 16, 2018 minutes of the Rules and Personnel Committee meeting was sent to committee members for review. On a motion by Laura Pearl, seconded by Mark Splitstone, and by unanimous voice vote, the minutes were approved as printed.

TRS Administrative Rules

TRS staff proposed amendments to the TRS administrative rules that will create a new Subpart S for the administration of the buyout programs as required by Public Act 100-0587 which became effective June 4, 2018. Documentation is on file.

- Section 1650.3300 - establishes general provisions and defines terms for the buyout programs;

- Section 1650.3310 - interprets and clarifies the law establishing the AAI Buyout Program whereby retiring Tier I members may elect to receive a lump sum buyout payment equal to 70% of the difference of the present value of the 3% automatic annual increase to retirement annuity and survivor benefits in exchange for a reduced 1.5% automatic annual increase;
- Section 1650-3320 - interprets and clarifies the law establishing the Accelerated Pension Benefit (APB) Buyout Program whereby inactive members may elect to receive a lump sum buyout payment equal to 60% of the present value of pension benefits in lieu of receiving pension benefits;
- Section 1650-3330 – QILDRO administration with Buyout Programs.

Members proposed additional revisions to the rules and requested that they be re-submitted for review at the next meeting, along with a pamphlet describing the Accelerated Annual Increase (AAI) program. TRS is not responsible for funding the AAI Program. Under state law, funding for the AAI Program is generated solely by the sale of up to \$1 billion in state bonds. The sale of these bonds is the responsibility of the Governor’s Office Management and Budget (GOMB).

In addition, staff proposed revisions to Subpart L: Board Election Procedures. Documentation is on file.

- Section 1650-1010 - update TRS’s website, www.trsil.org, where trustee candidate petition forms may be obtained; and
- Section 1650-1050 - modify ballot signature card verification information from full social security number to Member ID or last 4 digits of the social security number.

RECESS

The meeting recessed at 12:16 p.m. and reconvened at 12:20 p.m.

EXECUTIVE SESSION

A motion was made by Laura Pearl, seconded by Cinda Klickna, that the Rules and Personnel Committee enter into executive session for the purpose of discussing the appointment, employment, compensation, discipline, performance, or dismissal of specific employees as permitted under the following exception set forth in the Open Meetings Act which authorizes the closing of the meeting to the public: 5 ILCS 120/2(c)(1). Roll call resulted in affirmative voice votes from Trustees Bailey, Splitstone, Klickna, Pearl and Shaw.

No action was taken during executive session. A motion was made by Cinda Klickna, seconded by Mark Splitstone, that the Rules and Personnel Committee come out of

executive session. Roll call resulted in affirmative voice votes from Trustees Bailey, Splitstone, Klickna, Pearl, and Shaw. Motion CARRIED.

Executive Session Minutes

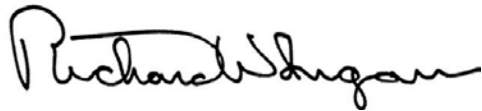
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Standing Committees – Update

Trustee Bloomfield was appointed by the governor on October 24, 2018 to serve as a member of the TRS Board of Trustees. In order to give him an opportunity to serve on a committee, Trustee Hirshman agreed to vacate his position on the legislative committee. A motion was made by Laura Pearl, seconded by Cinda Klickna, that the rules and personnel committee recommend to the Board to appoint Mr. Bloomfield to serve on the TRS legislative committee, replacing Trustee Hirshman. The motion passed by unanimous voice vote.

ADJOURNMENT

On a motion by Cinda Klickna, seconded by Laura Pearl, and by unanimous vote, the meeting adjourned at 12:51 p.m.

A handwritten signature in black ink, appearing to read "Richard W. Ingram". The signature is fluid and cursive, with the first name being the most prominent.

Richard W. Ingram, Executive Director

Approved: 6/13/19