



Teachers' Retirement System of the State of Illinois

2815 West Washington Street | P.O. Box 19253 | Springfield, Illinois 62794-9253

Richard W. Ingram, Executive Director

<http://trs.illinois.gov>

(800) 877-7896 | for the hearing impaired: (866) 326-0087

MINUTES Board of Trustees Executive Session – January 31, 2014

The Board of Trustees of the Illinois Teachers' Retirement System met in executive session on January 31, 2014 at the office of Cetera Financial Specialists, 200 N. Martingale, Schaumburg, IL. A motion was made by Mike Busby, seconded by Mark Bailey, that the Board enter into executive session for the purpose of discussing pending litigation 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) (11). Roll call resulted in affirmative voice votes from Trustees Bailey, Busby, Campbell, Kaplan, Klickna (via telephone), Leggett, Lyons (via telephone), O'Neill (via telephone), Vasquez, Walwyn (arrived 2:11 p.m.), and Koch. Motion CARRIED. A motion carried that Trustee Klickna, who was unable to physically attend the meeting due to illness, be allowed to participate by telephone. Trustees Lyons and O'Neill joined by telephone but did not attend for purposes of a quorum or OMA purposes. Executive session was declared at 2:05 p.m.

Present: Dick Ingram, Executive Director and Pat O'Hara, Cavanagh & O'Hara (Fiduciary Counsel)

Present at Springfield TRS office: Tom Gray, General Counsel; Cynthia Fain, Sr. Assistant General Counsel; and Tammy Green, Assistant to the Executive Director.

Litigation

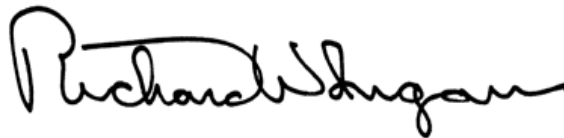
A special meeting of the TRS Board of Trustees was called to discuss the lawsuits that have been filed challenging the constitutionality of the new pension reform law. Pat O'Hara, fiduciary counsel, explained the Board's responsibility regarding the litigation. President Koch and Director Ingram reported that they have met with representatives of the Attorney General's office. Since TRS is the AG's client, according to the Constitution and state statute, the Board shall let the AG have an autonomous role of representing the System in regards to the legislation. The Board's fiduciary scope has

been restricted due to an unusual set of circumstances. A lengthy discussion was held regarding the proper role for TRS in this matter. Fiduciary counsel advised that TRS not provide advice or respond to specific requests relating to the new law. The Board requested that a representative from the AG's office attend a future board meeting. At the request of the Board, fiduciary counsel and Director Ingram drafted the following statement to be posted on the TRS website.

To our Members from the Trustees and Staff of TRS

We understand that you may be both anxious and curious about the various lawsuits that have been filed challenging the constitutionality of the recent changes to the Pension Code. Please know that we are sympathetic to your concerns. Under the Illinois Constitution and state statute, the Attorney General represents TRS, as well as all the other defendants named in these lawsuits, as they do for all matters of litigation. The TRS Board is required to defer to the Office of the Attorney General with respect to the conduct of the case and will not be making any comment on the ongoing litigation. The staff at TRS continues to prepare for the implementation of the law effective June 1, 2014 unless or until we are directed otherwise by the court.

No action was taken during executive session. A motion was made by Sharon Leggett, seconded by Enrique Vasquez, that the Board come out of executive session. Roll call resulted in affirmative voice votes from Trustees Bailey, Busby, Campbell, Kaplan, Klickna (via telephone), Leggett, Vasquez, Walwyn, and Koch. Motion CARRIED. The executive session meeting adjourned at 3:15 p.m.

A handwritten signature in black ink that reads "Richard W. Ingram". The signature is written in a cursive, flowing style with a large initial "R".

Richard W. Ingram, Executive Director

Approved: 4/14/14

Approved for public release: 2/19/15