



MINUTES
Rules and Personnel Committee
August 16, 2018

A meeting of the Rules and Personnel Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on August 16, 2018 at the Springfield office of the Illinois Teachers' Retirement System, 2815 W. Washington Street. Mark Bailey, Chair, called the meeting to order at 10:05 a.m. A quorum was present.

Roll Call attendance was taken with the following committee members present:
Mark Bailey, Chair; Cinda Klickna, Mark Splitstone, and Laura Pearl.
Trustees Present: Andy Hirshman, Fred Peronto, Dan Winter, Matt Hower, Tracy Kearney, Larry Pfeiffer, Mark Shaw, and Tony Smith.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Marcy Dutton, Chief Legal Counsel; Cynthia Fain, Sr. Legal Counsel; Jana Bergschneider, Chief Financial Officer; Gina Larkin, Chief Human Resources Officer; Tom Smith, Chief Technology Officer; Carlton Lenoir, Chief Benefits Officer; Kathleen Farney, Director of Research; Deron Bertolo, Director of Investment Accounting; Stacy Smith, Director of Internal Audit; Christina Baker, Sr. Internal Auditor; Lauren Russell, Internal Auditor; Dave Urbanek, Director of Communications; Rich Frankenfeld, Director of Outreach; Tammy Green, Executive Assistant; Sue Billington, Executive Assistant; and Tiffany Reeves, Reinhart (Fiduciary Counsel).

Visitors present: Janet Kilgus, IEA-Retired.

Approval of Minutes

A draft of the May 24, 2018 minutes of the Rules and Personnel Committee meeting was sent to members of the committee for prior review. On a motion by Trustee Pearl, seconded by Trustee Klickna, and by unanimous voice vote, the minutes were approved as presented.

Standing Committees 2018-2019

At the June 2018 meeting, the Board re-elected Trustee Randy Winters to serve as chair of the investment committee during fiscal year 2019. Trustee Winters was not reappointed by the governor before his term as investment chair commenced on July 15. A motion was made by Cinda Klickna, seconded by Mark Splitstone, that the committee recommend to the Board to elect Andy Hirshman to serve as chair of the investment committee during FY 19. The

motion passed by a unanimous voice vote. A motion was made by Laura Pearl, seconded by Cinda Klickna, that the committee recommend to the Board to elect Matt Hower to serve as vice chair of the investment committee during FY 19. The motion passed by a unanimous voice vote.

In addition, a vacancy exists within the rules and personnel committee. A motion was made by Laura Pearl, seconded by Mark Splitstone, that the committee recommend to the Board to elect Mark Shaw to serve on the rules and personnel committee during FY 19. The motion passed by a unanimous voice vote.

TRS Administrative Rules

Staff proposed revisions to TRS administrative rules to implement the 6% to 3% change to the employer excess cost threshold as required by Public Act 100-0587 which became effective June 4, 2018. Documentation is on file. A motion was made by Laura Pearl, seconded by Mark Splitstone, that the committee recommend to the Board to promulgate the proposed amendments through the JCAR process, as presented. The motion passed by a unanimous voice vote. The amended rules will accomplish the following:

- establishes the calculation method applicable to the 3% employer excess cost;
- sets forth the circumstances which would result in an otherwise exempt agreement losing its exemption from the 3% employer excess cost threshold; and
- establishes the maximum time period for exemptions from the 3% employer cost threshold for those who notify their TRS covered employer of an intent to retire under either an exempt contract or policy.

EXECUTIVE SESSION

A motion was made by Cinda Klickna, seconded by Mark Splitstone, 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 Mark Bailey, Chair; Cinda Klickna, Mark Splitstone, and Laura Pearl. Motion CARRIED.

No action was taken during executive session. A motion was made by Mark Splitstone, seconded by Laura Pearl, that the Rules and Personnel Committee come out of executive session. Roll call resulted in affirmative voice votes from Trustees Bailey, Klickna, Splitstone, and Pearl. Motion CARRIED.

Executive Session Minutes

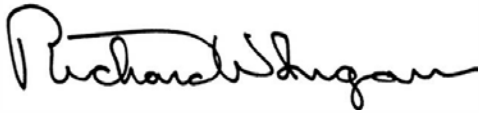
A draft of the May 24, 2018 executive session minutes of the Rules and Personnel Committee meeting was sent to members for prior review. On a motion by Trustee Klickna, seconded by Trustee Splitstone, and by unanimous voice vote, the minutes were approved as presented.

Personnel

A motion was made by Cinda Klickna, seconded by Laura Pearl, that the committee recommend to the Board to extend Director Ingram's employment contract by one-year through June 30, 2023. The motion passed by a unanimous voice vote.

ADJOURNMENT

On a motion by Laura Pearl, seconded by Mark Splitstone, and by unanimous vote, the meeting adjourned at 12:04 p.m.

A handwritten signature in black ink, appearing to read "Richard W. Ingram". The signature is fluid and cursive, with a large initial "R" and "I".

Richard W. Ingram, Executive Director

Approved: 10/29/18