



## **TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

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R. Stanley Rupnik, Executive Director & Chief Investment Officer

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### **MINUTES**

#### **Board Meeting**

**December 13, 2024**

A meeting of the Board of Trustees of the Teachers' Retirement System of the State of Illinois was held on December 13, 2024, at NIU Naperville, 1120 E. Diehl Rd., Naperville, Illinois. Vice President Andy Hirshman called the meeting to order at 8:40 AM. Roll call attendance was taken with the following Trustees present: Trustee Beth Anderson, Trustee Kevin "Duffy" Blackburn, Trustee Joe Blomquist (departed at 11:31 AM), Trustee Marsha Byas, Trustee Mike Goetz, Trustee Andy Hirshman (Vice President), Trustee Mia Jazo-Harris, Trustee David Miller, Trustee Fred Peronto, Trustee Larry Pfeiffer, Trustee Tony Sanders, and Trustee Doug Strand. Trustees Matt Hunt (President) and Maureen Mena were absent. A quorum was present.

Others in attendance: Stan Rupnik, Executive Director & Chief Investment Officer; Sally Antonacci, Executive Officer; Chelsea Duis, Executive Administrator; Deron Bertolo, Chief Financial Officer; Emily Peterson, General Counsel; Cynthia Fain, Senior Legal Counsel; Michelle Kissel, Director of Human Resources; Claire Kramer, Organizational Effectiveness Specialist; Chris Flagg, Benefits Counseling Supervisor; Suzy Ganey, Senior Benefits Counselor; Emily Menichetti, Senior Software Quality Engineer; Melissa Keehn, Deferred Compensation Plan Analyst; Kyle Thornton, Senior Systems Administrator; Bo Baptist, Senior Systems Administrator; Becky Gratsinger of RVK Inc. (Investment Consultant); and Matt Strom of Segal (Actuarial Consulting Services).

Remote attendees: Stacy Smith, Director of Internal Audit & Risk; Gloria Lasley, Chief Operating Officer; Lori Dour, Chief Benefits Officer; John Gerding, Director of Information Technology; Ghiané Jones, Deputy Chief Investment Officer; Bob Jiroutek, Director of Risk and Investment Operations; and Jessica Culotti of Reinhart Boerner Van Deuren (Fiduciary Counsel).

Visitors: Elston Flowers, IEA-Retired, and Rob Kozlowski, Pensions and Investments.

#### Remote Attendance Request

Trustee Larry Pfeiffer was unable to attend in person due to a family or other emergency. In accordance with the Open Meetings Act, 5 ILCS 120, Section 7, permission was requested for Trustee Pfeiffer to attend via remote attendance. A motion was made by Trustee Strand and seconded by Trustee Blomquist to allow Trustee Pfeiffer to attend via remote attendance. Motion carried by unanimous voice vote.

#### Public Comment

None.

## Minutes

A draft of the October 25, 2024, minutes of the Board meeting was sent to the Board members for review. On a motion by Trustee Blomquist, seconded by Trustee Jazo-Harris, the minutes were approved by unanimous voice vote. Documentation is on file.

A draft of the October 25, 2024, executive session minutes of the Board meeting was sent to the Board members for review. On a motion by Trustee Jazo-Harris, seconded by Trustee Byas, the minutes were approved by unanimous voice vote. Documentation is on file.

## Committee Reports

### *Deferred Compensation Plan Committee*

Trustee Strand (Committee Vice Chair) reported that the Deferred Compensation Plan Committee met on December 12, 2024. On a motion by Trustee Blackburn, seconded by Trustee Strand, it was resolved:

To approve the proposed Amended and Restated Teachers' Retirement System of the State of Illinois 457(b) Deferred Compensation Supplemental Saving Plan (SSP).

Motion carried by roll call with affirmative votes from Trustees Anderson, Blackburn, Blomquist, Byas, Goetz, Hirshman, Jazo-Harris, Miller, Peronto, Pfeiffer, Sanders, and Strand.

### *Audit Committee*

Trustee Duffy Blackburn (Committee Chair) reported that the Audit Committee met on December 12, 2024. The Committee had no action items to bring to the Board.

### *Investment Committee*

Trustee David Miller (Committee Chair) reported that the Investment Committee met on December 12, 2024, and presented the Investment Committee consent agenda. On a motion by Trustee Byas, seconded by Trustee Peronto, it was resolved to present the following items as the consent agenda action:

1. To approve the fiscal year 2025 Global Equity Review Plan as presented.
2. To select StepStone to provide private equity investment consulting services for a contract not to exceed five years.
3. To select StepStone to provide real estate and real asset investment consulting services for a contract not to exceed five years.
4. To approve the Investment Policy, as presented.

Motion carried by roll call with affirmative votes from Trustees Anderson, Blackburn, Blomquist, Byas, Goetz, Hirshman, Jazo-Harris, Miller, Peronto, Pfeiffer, Sanders, and Strand.

### Legislative Committee

Trustee Anderson (Committee Chair) reported that the Legislative Committee met on December 13, 2024. On a motion by Trustee Jazo-Harris, seconded by Trustee Peronto, following discussion, it was resolved:

To approve the Legislative Platform as presented.

Motion carried by roll call with affirmative votes from Trustees Anderson, Blackburn, Blomquist, Byas, Goetz, Hirshman, Jazo-Harris, Miller, Peronto, Pfeiffer, Sanders, and Strand.

### Working Groups Update

Trustees Fred Peronto and David Miller gave updates regarding the Technology Working Group and Investment Working Group respectively. Stan Rupnik, Executive Director & Chief Investment Officer, noted the Strategic Plan Working Group has not met since the last board meeting.

### Strategic Plan

Claire Kramer, Organizational Effectiveness Specialist; Chris Flaggs, Benefits Counseling Supervisor; Suzy Ganey, Senior Benefits Counselor; Emily Menichetti, Senior Software Quality Engineer; and Melissa Keehn, Deferred Compensation Plan Analyst, provided an update on the Aspiring Leaders Program. Documentation is on file.

### **RECESS**

The meeting recessed at 10:02 AM and resumed at 10:17 AM.

### Executive Director's Report

#### State Actuary Report

Matt Strom of Segal presented Cheiron's preliminary report regarding the proposed certification prepared by Segal Consulting of the required state contribution to TRS for fiscal year 2026. Cheiron found the actuarial assumptions and methods used in the draft June 30, 2024, Actuarial Valuation to be reasonable and certified contribution was properly calculated in accordance with State law. Cheiron concurred with Segal's reporting of an alternative funding policy but suggested a modified funding policy that would reach full funding in a more plausible manner; however, Cheiron acknowledged that changing the funding method is under the jurisdiction of State law and not TRS. Documentation is on file.

Final Certification of FY26 Contribution

As required by State statute, the Board must certify the state funding requirements in final form following review by the state actuary, Cheiron. On a motion by Trustee Sanders, seconded by Trustee Blackburn, it was resolved:

To accept the results of the June 30, 2024, actuarial valuation report as presented by the System’s actuary, Segal Consulting:

- In accordance with Illinois statute, an FY 2026 state funding amount of \$6,495,717,664, including \$200,000 for minimum retirement benefits.
- In accordance with the board’s funding policy, an FY 2026 state funding amount of \$10,734,362,004, including \$200,000 for minimum retirement benefits.

The actuarial valuation report and these amounts have been submitted and accepted by the State Actuary.

Motion carried by roll call with affirmative votes from Trustees Anderson, Blackburn, Blomquist, Byas, Goetz, Hirshman, Jazo-Harris, Miller, Peronto, Pfeiffer, Sanders, and Strand.

Financials

The financial reports for the quarter ended September 30, 2024, were sent to trustees for review. Documentation is on file. On a motion by Trustee Blomquist, seconded by Trustee Peronto, it was resolved:

To approve the unaudited financial statement and schedule of expenditures for the quarter ending September 30, 2024, as presented.

Motion carried by roll call with affirmative votes from Trustees Anderson, Blackburn, Blomquist, Byas, Goetz, Hirshman, Jazo-Harris, Miller, Peronto, Pfeiffer, Sanders, and Strand.

Offices Update

Stan Rupnik provided an update regarding TRS office space needs for current and future TRS staff.

Forward Board Calendar

On a motion by Trustee Anderson, seconded by Trustee Miller, it was resolved to approve the remaining meeting dates for FY2026 as presented.

February 26-27, 2026	Chicago or Chicago Suburbs
April 23-24, 2026	Springfield, IL
June 11-12, 2026	Chicago or Chicago Suburbs

Fiduciary Education

Jessica Culotti of Reinhart Boerner Van Deuren presented education on Proxy Voting. Documentation is on file.

Board Education

Stan Rupnik and Emily Peterson, General Counsel, presented education on internal governance practices. Documentation is on file.

*(Trustee Blomquist departed at 11:31 AM.)*

Working Group Extensions

Stan Rupnik provided an update on the Investment Working Group, Strategic Plan Working Group, and Technology Working Group. Documentation is on file. On a motion by Trustee Goetz, seconded by Trustee Anderson, it was resolved:

To extend the existing Investment Working Group, Strategic Plan Working Group, and Technology Working Group, subject to the limitations noted by fiduciary counsel.

Motion carried by unanimous voice vote.

Governance Update

Stan Rupnik provided background on the staff delegation model. Discretion thresholds will continue to be reviewed annually. Documentation is on file.

On a motion by Trustee Goetz, seconded by Trustee Anderson, it was resolved:

- To maintain the current discretion thresholds, as presented.

<b>Asset Class</b>	<b>Threshold</b>
<b>Global Public Equity</b> <i>(including US Equity &amp; Int'l Equity)</i>	\$500 million
<b>Income</b>	\$500 million for public debt mandates \$250 million for private debt
<b>Private Equity</b>	\$300 million
<b>Real Estate &amp; Real Assets</b>	\$300 million for commingled funds \$500 million for separately managed accounts
<b>Diversifying Strategies</b>	\$250 million

- To continue portfolio rebalance activity as necessary, with notification for significant rebalance activity given to the Investment Committee Chair and Vice Chair.
- To note delegation authority does not apply to commitments managed by one of the System’s investment consultants. Recommendations for such commitments will be presented to the Board for approval.

Motion carried by roll call with affirmative votes from Trustees Anderson, Blackburn, Byas, Goetz, Hirshman, Jazo-Harris, Miller, Peronto, Pfeiffer, Sanders, and Strand.

#### Board Travel/Education Requests

On a motion by Trustee Peronto, seconded by Trustee Jazo-Harris, it was resolved to approve:

- Travel for Trustee Andy Hirshman to attend the Pension Bridge Private Credit in Carlsbad, CA, on February 11-12, 2025.

Motion carried by roll call with affirmative votes from Trustees Anderson, Blackburn, Byas, Goetz, Hirshman, Jazo-Harris, Miller, Peronto, Pfeiffer, Sanders, and Strand.

#### **RECESS**

The meeting recessed at 12:05 PM and resumed at 12:18 PM.

#### Executive Session

A motion was made by Trustee Goetz, seconded by Trustee Peronto, that the Board enter into executive session to discuss matters as authorized and permitted under the following exceptions set forth by the Open Meetings Act: The appointment, employment, compensation, discipline, performance, or dismissal of specific employees or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee or legal counsel for the public body, to determine its validity [5 ILCS 120/2(c)(1)]; litigation, when an action against, affecting, or on behalf of the public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent [5 ILCS 120/2(c)(11)]; and meetings between internal or external auditors and governmental audit committees, finance committees, and their equivalents, when discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards [5 ILCS 120/2(c)(29)].

Motion carried by roll call with affirmative votes from Trustees Anderson, Blackburn, Byas, Goetz, Hirshman, Jazo-Harris, Miller, Peronto, Pfeiffer, Sanders, and Strand.

The public meeting closed at 12:20 PM.

No action was taken during executive session.

The public meeting reconvened at 12:54 PM. Roll call attendance was taken with the following trustees present: Trustees Anderson, Blackburn, Byas, Goetz, Hirshman, Jazo-Harris, Miller, Peronto, Pfeiffer, Sanders, and Strand. Trustees Blomquist, Hunt, and Mena were absent.

Trustee Concerns

None.

Adjournment

There being no further business to be brought before the Board, a motion was made by Trustee Blackburn, seconded by Trustee Sanders, to adjourn the meeting at 12:56 PM. Motion carried by unanimous voice vote.



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Stan Rupnik, Executive Director & Chief Investment Officer

Approved: 02/21/2025