



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 Legislative Committee Meeting February 23, 2011

A meeting of the Legislative Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on February 23, 2011 at the Springfield office of the Illinois Teachers' Retirement System, 2815 West Washington Street. Jan Cleveland, Chair, called the meeting to order at 1:15 p.m. A quorum was present.

Roll Call attendance was taken with the following committee members present: Jan Cleveland (Chair), Cinda Klickna (Vice Chair), Marcia Boone, Bob Lyons, and Sid Marder. Other trustees present: Cynthia O'Neill, Molly Phalen, Janice Reedus, and Sonia Walwyn.

Others present: Dick Ingram, Executive Director; Stacy Smith, Director of Internal Audit; Stan Rupnik, CIO; Tom Gray, General Counsel; Cynthia Fain, Sr. Asst. General Counsel; Kathleen Farney, Director of Research; Gina Larkin, Director of Human Resources; Jana Bergschneider, Director of Administration; Sally Sherman, Director of Member Services; Greg Turk, Director of Investments; Deron Bertolo, Director of Investment Operations; Tassi Maton, Internal Auditor; Dave Urbanek, Public Information Officer; Sue Billington, Executive Assistant; Tammy Green, Asst. to Exec. Director; Andrew Bodewes, Legislative Consultant; and Pat O'Hara, Cavanagh & O'Hara (Fiduciary Counsel).

Visitors present: Shirley Dodds, IRTA Rep.; Don Davis, IRTA Rep.; Dennis Murfin, IRTA Rep.; Jack Tucker, IEA-R; Christine Williamson, Pensions & Investments; Harry Bailey, Cheevers & Company; and Angela Myers, Loop Capital Markets.

APPROVAL OF MINUTES

A draft of the minutes from the December 8, 2010 Legislative Committee was sent to members of the committee for review. On a motion by Marcia Boone, seconded

by Cinda Klickna, and by unanimous voice vote, the minutes were approved as printed.

RECESS

The meeting recessed at 1:17 p.m. and reconvened at 5:00 p.m.

LEGISLATIVE UPDATE

Andrew Bodewes, Legislative Consultant, mentioned President Cullerton and Leader Cross' proposals that were discussed during separate meetings that he and Director Ingram had with each. President Cullerton proposed phasing in a greater share of the annual cost of current benefits to school districts. There was no discussion with President Cullerton about changing benefits at this time. Leader Cross proposed reducing benefits and increasing contributions for active members.

Mr. Bodewes provided an update on current legislation that affects the TRS constituency. Documentation is on file. House Bill 145 requires pension systems perform a full divestment from Iran. A motion was made by Cinda Klickna, seconded by Sid Marder, that the committee recommend to the Board of Trustees to oppose House Bill 145. The motion passed by a unanimous voice vote.

House Bill 146 applies the Tier 2 salary caps (social security wage base of \$106,800) to current actives effective July 1, 2011. Discussion followed. Pat O'Hara, fiduciary counsel, provided an opinion as to when the committee should take a position on proposed legislation. A lengthy discussion ensued, with the committee directing staff to voice the committee's opinion and to point out the impact the bill would have on the System.

House Bill 2941 provides that there may be no revision of trust funds or a return of employer contributions unless permitted by statute. The bill specifies that a participant's right to his normal retirement benefit is non-forfeitable on his attainment of retirement. A motion was made by Cinda Klickna, seconded by Marcia Boone, that the committee recommend to the Board of Trustees to support House Bill 2941. The motion passed by a unanimous voice vote.

STAKEHOLDER FORUM

The stakeholder forum was held in Springfield on January 28, 2011 with record attendance. Surveys indicated a bigger facility is necessary for participants near Lisle. Staff will look into a no cost location with video capabilities. Trustee Boone suggested the IFT headquarters in Westmont.

ADJOURNMENT

On a motion by Marcia Boone, seconded by Cinda Klickna, and by unanimous vote, the meeting adjourned at 6:10 p.m.

Richard W. Ingram, Executive Director

Approved _____