



## **MINUTES**

**Meeting of the Board of Trustees of the  
State Universities Retirement System  
2:30 p.m., Thursday, April 23, 2015  
Northern Trust  
50 South LaSalle Street, Global Conference Center  
Chicago, Illinois 60603**

The following Trustees were present: Mr. Craig McCrohon, Chair; Ms. Lindsay Anderson, Ms. Jacqueline Berger, Mr. Dennis Cullen, Dr. John Engstrom, Mr. Richard Figueroa, Mr. Paul R. T. Johnson Jr., Ms. Dorinda Miller, Mr. Antonio Vasquez and Mr. Mitchell Vogel.

Others present: Mr. W. Bryan Lewis, Executive Director; Mr. Michael Weinstein, General Counsel; Mr. Daniel Allen, Chief Investment Officer; Mr. Douglas Wesley, Deputy Chief Investment Officer; Ms. Kimberly Pollitt and Mr. Joseph Duncan, Senior Investment Officers; Mr. Alex Ramos and Mr. Shane Willoughby, Investment Officers; Ms. Lou Ann Fillingham, Senior Investment Accounting Officer; Mr. Albert Lee, Associate General Counsel; Ms. Lori Kern, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Mr. Douglas Moseley, Ms. Kristin Finney-Cook, Mr. Michael Wong, Mr. Kevin Cress and Mr. Kevin Leonard of NEPC; Ms. Patti Somerville-Koulouris of the Northern Trust Company; Mr. Jim Baker and Mr. Elliott Mallen of UNITE HERE; Ms. Angela Myers of Loop Capital; Ms. Sarah Boeckman of Burke, Burns & Pinelli.

Board of Trustee roll call attendance was taken. Trustee Anderson, present; Trustee Berger, present; Trustee Cullen, present; Trustee Engstrom, present; Trustee Figueroa, present; Trustee Johnson, present; Trustee McCrohon, present; Trustee Miller, present; Trustee Vasquez, present; Trustee Vogel, present.

## **CHAIRPERSON'S REPORT**

Trustee Lindsay Anderson thanked Mr. Michael Weinstein for all the hard work he has done for SURS and congratulated him on his upcoming retirement.

Trustee Anderson provided an update on the SURS Board Vacancy noting that all interested parties had to contact SURS by April 15, 2015, to formally express interest in the vacancy and that the candidate applications and statement of qualification and/or resumes are due to SURS on Monday, May 4, 2015. Once the applications and statement of qualification and/or resumes are received, the information will be disseminated to the entire Board for consideration. Trustee Anderson would like to propose that the next steps would be to set up a special meeting of the

full Board after May 4, 2015, to review the candidate's information and meet with each candidate prior to the June meeting. She asked the full Board for their suggestions or comments regarding the next steps. Discussion continued and it was noted that only elected Trustees can vote on this vacancy; however, all Board members may weigh in on the discussion and the Board concurred. Trustee Anderson will work with staff to set up a meeting date and time after all information has been received from the potential candidates.

Ms. Mary Patricia Burns addressed the Board regarding a complaint that the Trustees received regarding the effective date of the Money Purchase Factor Change and informed the Board that this complaint has been addressed by staff. Ms. Burns provided an overview of the education and outreach efforts that SURS has conducted since February 2015, as well as education events scheduled through the end of the current fiscal year. A copy of the staff memorandum entitled "Money Purchase Factor Change Education Update" dated April 23, 2015, is incorporated as a part of these Minutes as [Exhibit 1](#).

### **EXECUTIVE DIRECTOR'S REPORT**

Ms. Burns mentioned Senate Resolution 317 which urges TRS and SURS to provide a detailed analysis of the financial impact that the Governor's proposal of moving Tier 1 members to Tier 2 would have on members. Mr. Bryan Lewis noted that he has been working with staff to get a better understanding of the scope of this request and has been working with Ms. Kristen Houch, Mr. Phyllis Walker and the Actuary in order to ensure that all concerns are addressed.

Mr. Lewis provided a brief Legislative Update and remarked that this has been a relatively active legislative session and stated that he has been in constant contact with the SURS legislative team throughout the session. A complete summary of the staff "Legislative Update April 2015" is incorporated as a part of these Minutes as [Exhibit 2](#).

Mr. Michael Weinstein reported that the attorney's fees have been resolved in the Kanerva case. He remarked that CMS is currently in the process of transferring money to SURS so that refunds can be distributed to members. This process will be completed by June 15, 2015.

### **REVIEW OF COMMITTEE ACTION**

Trustee Anderson commented that there have been questions in regards to the use of resolutions and/or motions. She indicated that this is a Board process and if this is going to be changed, it warrants further conversation. Trustee John Engstrom remarked that he agrees and believes this process should be discussed further before reviewing or approving them today. Trustee Anderson suggested that this topic be placed on the Agenda for the June meeting. Discussion as to whether or not this process would apply only to the Investment Committee or all committees continued and it was the consensus of the Board that this item be tabled until the June meeting.

#### **Investment Committee**

On behalf of the Investment Committee, Trustee Craig McCrohon moved:

- That a commitment of \$35 million be authorized, contingent on successful contract negotiations, to Crow Holdings Capital
- That a commitment of \$35 million be authorized, contingent on successful contract negotiations, to Blue Vista Capital Management, LLC.
- That a commitment of \$35 million be authorized, contingent on successful contract negotiations, to Brookfield Asset Management Inc.

Trustee Paul R.T Johnson, Jr. seconded and the motions carried with all Trustees present voting in favor except for Trustee Richard Figueora who abstained.

On behalf of the Investment Committee, Trustee McCrohon moved:

- That Fidelity Investments be retained as an investment service provider for the SURS Self-Managed Plan.
- That TIAA-CREF be retained as an investment service provider for the SURS Self-Managed Plan.

Trustee Johnson seconded and the motions carried with all Trustees present voting in favor except for Trustee Anderson who abstained.

### **BOARD TRAVEL**

Trustee Mitchell Vogel moved:

- Motion to spread the email poll taken on April 8, 2015, in regards to the SURS Board of Trustee Travel Authorization to attend the 2015 Skybridge Alternatives (SALT) Conference May 5-8, 2015 in Las Vegas Nevada, on the record. Votes in the affirmative: Trustees Cullen, Engstrom, Johnson, McCrohon, Miller, Vogel; voting against, Trustee Anderson. Trustees Berger, Figueora, and Vasquez did not respond to the poll. The motion passed with the affirmative vote of a majority of the Board.

Trustee Johnson seconded and the motions carried with all Trustees present voting in favor except for Trustee Anderson who abstained.

Trustee Richard Figueora moved:

- That the Board of Trustees travel to attend conferences or trainings listed on the April 2015, list of Upcoming Training Opportunities be approved and that all resulting allowable expenses consistent with the SURS Travel policy be reimbursed.
- That the Board of Trustees travel to NEPC client and educational conference be approved and that all resulting allowable expenses be reimbursed.

Trustee Johnson seconded and the motions carried with all Trustees present voting in favor.

A copy of the staff memorandum, entitled “Board Training Requirements and Travel Approval” which includes the list of upcoming training opportunities as of April 13, 2015 is incorporated as a part of these Minutes as [Exhibit 3](#).

**PUBLIC COMMENT**

There were no public comments presented to the Board of Trustees.

Since there was no further business before the Board, Trustee Vogel moved that the meeting be adjourned. The motion was seconded by Trustee Antonio Vasquez and carried with all Trustees present voting in favor.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mr. W. Bryan Lewis". The signature is written in a cursive, flowing style.

Mr. W. Bryan Lewis  
Secretary, Board of Trustees

WBL:lk