



MINUTES

**Meeting of the Board of Trustees of the
State Universities Retirement System
12:00 p.m., Friday, March 21, 2014
State Universities Retirement System
1901 Fox Drive, Main Conference Room
Champaign, Illinois 61820**

The following Trustees were present: Chair; Ms. Lindsay Anderson, Dr. John Engstrom, Mr. Paul R. T. Johnson Jr., Mr. Andrew Matthews, Mr. Craig McCrohon, Ms. Dorinda Miller, Mr. Peter Newell and Mr. Antonio Vasquez.

Others present: Mr. William Mabe, Executive Director; Mr. Michael Weinstein, General Counsel; Mr. Daniel Allen, Chief Investment Officer; Ms. Phyllis Walker, Chief Financial Officer; Mr. Steve Hayward, Director of Internal Audit; Mr. Albert Lee, Associate General Counsel; Mr. Jeff Houch Legislative Liaison; Ms. Beth Spencer, Communications Manager; Ms. Angela Lieb, Director of Member Services; Ms. Pamela Butler, Director of Outreach; Mr. Chris Hansen, Director of Operations; Mr. Doug Steele, Director of Application Development/Research; Ms. Brenda Dunn, Director of Human Resources; Ms. Lori Kern and Ms. Karen Hipskind, Executive Assistants; Ms. Mary Pat Burns of Burke, Burns & Pinelli; and Ms. Patti Summerville of Northern Trust.

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

APPROVAL OF MINUTES

Trustee Lindsay Anderson presented the Minutes from the Board meetings of December 13, 2013, and February 6, 2014. Trustee Tony Vasquez moved:

- That the Minutes from the December 13, 2013 Board meeting be approved, as presented.
- That the Minutes from the February 6, 2014 Board meeting be approved, as presented.

Trustee Paul R.T. Johnson seconded and the motion carried with all Trustees present voting in favor.

CHAIRPERSON'S REPORT

Trustee Anderson indicated that there is no Chairperson report at this time.

EXECUTIVE DIRECTOR'S REPORT

Mr. Mabe indicated that there is no Executive Director report at this time.

REVIEW OF COMMITTEE ACTION

Investment Committee

On behalf of the Investment Committee, Trustee Craig McCrohon moved in the form of a consent Agenda:

1. That a commitment of \$100 million be authorized, contingent on successful contract negotiations, to the Adams Street 2014 Global Fund LP.
2. That a commitment of \$50 million be authorized, contingent on successful contract negotiations, to the Macquarie Infrastructure Partners III, L.P. Fund.
3. That Parametric Clifton be retained as cash overlay services provider, contingent on successful contract negotiations.

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

Corporate Governance – No Action.

Audit Committee – No Action.

On behalf of the Personnel & Resource Committee, Trustee Antonio Vasquez moved:

4. That the Board approve the SURS Concealed Carry Policy and delegate authority to the Executive Director of SURS to promulgate additional policies, regulations and procedures related to and consistent with the Policy, the Act and other application laws and regulations.

Trustee Dorinda Miller seconded and the motion carried with all Trustees voting in favor.

Governmental Affairs Committee

On behalf of the Governmental Affairs Committee, Trustee Anderson moved:

5. That the Board approves the proposed draft rulemaking allowing for electronic voting in Trustee Elections, substantially in the form presented.
6. That the Board approves the proposed draft rulemaking defining the phrase “annualized rate of earnings” substantially in the form presented.
7. That the Board approves the proposed draft rulemaking increasing the small procurement and contract requirement limits to \$50,000 and \$25,000, respectively, substantially in the form presented.

Trustee John Engstrom seconded and the motion carried with all Trustees voting in favor.

Board Governance Committee

On behalf of the Board Governance Committee, Trustee Anderson moved:

8. That the Board revokes any prior delegation of duties to stakeholder groups and directs the Executive Director to develop the necessary process to ensure stakeholder input is secured regarding matters that affect their collective interest and advise the Board of those concerns.

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

STATUS OF INSURANCE BROKERAGE SEARCH

Mr. Mabe gave the board an update regarding the status of the recent Insurance Brokerage RFP that was completed. Mr. Mabe reported that the RFP process was conducted consistent with SURS' normal due diligence practices and the SURS Insurance Brokerage Search team has chosen Mesirow Insurances Services, Inc. as SURS Insurance broker with respect to Fiduciary Liability insurance and Tave Risk Management as the Insurance Service broker for SURS Property and Casualty insurance.

BOARD TRAVEL

Mr. Daniel Allen presented the Board with travel and conference opportunities for the Board's review and approval. He reported that pursuant to Public Act 96-0006, the Trustees are required to have 8 hours of annual training. A majority of the Board must approve all Board travel in order to qualify for reimbursement of expenses in accordance with the Board's Travel Approval and Expense Reimbursement Policy. Staff develops a list of upcoming training opportunities and this list is then presented to the Trustees with their regular meeting materials. Trustee Engstrom requested that the "American Accounting Association" conference be added to this list and Trustee Vasquez asked that the "Accredited Investment Fiduciary Training Program" be added. Ms. Burns agrees that it would be wise to add both of these conferences to the list of upcoming training opportunities.

Mr. Allen noted that if educational opportunities arise that the Board has not approved, please contact Ms. Lori Kern and she could provide the proper form and procedure for obtaining Board approval outside of the quarterly meeting.

Trustee McCrohon moved:

- That the Board of Trustees travel to attend conferences or trainings listed in the March 2014 Board Training Requirement and Travel memo, as amended, be approved and that all resulting allowable expenses consistent with SURS travel policy be reimbursed.
- That the Board of Trustees travel to NEPC client and educational conferences be approved and that all resulting allowable expenses be reimbursed.

Trustee Johnson seconded and the motion carried with all Trustees voting in favor

A copy of the staff memorandum entitled "Amended Board Training Requirements and Travel Approval" which includes the list of upcoming training opportunities as of March 2014 are incorporated as a part of these Minutes as [Exhibit 1](#).

CLOSED SESSION

Since it was decided that confidential discussion of the General Counsel's Litigation Report and the Closed Session Minutes was not necessary, the Board remained in open session.

OPEN SESSION

GENERAL COUNSEL'S LITIGATION REPORT

Mr. Weinstein presented the March 2014 Litigation Report updating the Board on pending litigation matters.

INFORMATIONAL ITEMS NOT REQUIRING BOARD ACTION

The following items were provided for reference and are incorporated as a part of these Minutes:

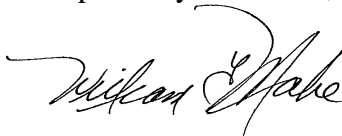
1. [Exhibit 2](#) - General Counsel's FOIA Report
2. [Exhibit 3](#) - Comparative Financial Reports and Budget Variance
3. [Exhibit 4](#) - Quarterly Administrative Expenses
4. [Exhibit 5](#) - Quarterly Expense Certification
5. [Exhibit 6](#) - Report on Refunds, Disability, Death, Survivor and Disability Retirement Allowance Claims
6. [Exhibit 7](#) - Self-Managed Plan Update for the Quarter ending December 31, 2013

PUBLIC COMMENT

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

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

Respectfully submitted,



Mr. William E. Mabe
Secretary, Board of Trustees

WEM:lk