



## **MINUTES**

**Meeting of the Personnel & Resource Committee  
of the Board of Trustees of the  
State Universities Retirement System  
10:00 a.m., Friday, December 13, 2013  
Northern Trust  
50 South LaSalle Street, London Room B9  
Chicago, Illinois 60603**

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

Others present: Mr. William Mabe, Executive Director; Mr. Michael Weinstein, General Counsel; Mr. Daniel Allen, Chief Investment Officer; Mr. Douglas Wesley, Deputy Chief Investment Officer; Ms. Phyllis Walker, Chief Financial Officer; Mr. Steve Hayward, Director of Internal Audit; Mr. Albert Lee, Associate General Counsel; Mr. Jeffrey Houch, Legislative Liaison; Ms. Pamela Butler, Director of Outreach; Ms. Angela Lieb, Director of Member Services; Ms. Lori Kern and Ms. Karen Hipskind, Executive Assistants; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Ms. Linda Brookhart of SUAA; Dr. John Shuler, of SURSMAC; Ms. Patti Somerville-Koulouris of the Northern Trust Company; and Ms. April Van Buren of WBEZ Radio.

Personnel & Resource Committee roll call attendance was taken. Trustee Berger, present; Trustee Miller, present; Trustee Vasquez, present.

## **APPROVAL OF MINUTES**

Trustee Antonio Vasquez presented the Minutes from the Personnel & Resource Committee meeting of September 13, 2013. Trustee Dorinda Miller moved:

- That the Minutes from the September 13, 2013 Personnel and Resource Committee meeting be approved as presented.

Trustee Jacqueline Berger seconded and the motion carried with all Trustees present voting in favor.

## **CHAIRPERSON'S REMARKS**

Trustee Vasquez noted that over the years the SURS Staff has grown significantly and with this comes change. Trustee Vasquez indicated that Mr. Mabe would expand on this during his Organizational Update.

## **ORGANIZATIONAL UPDATE**

Mr. Mabe noted that the SURS Management team is going through “Strategic Leadership for a Lean Culture Training” in order to increase skills and knowledge regarding continuous improvement, employee engagement and communication. In January, all remaining staff will receive eight hours of training on “Teamwork, Communication, and Conflict Resolution.” Mr. Mabe noted that the training has been enjoyable and he feels that the skills learned in this training proved to be useful as staff worked through the recent Medicare Advantage period.

A copy of the Staff memorandum entitled “Employee Training Update” and the University of Illinois BIS Outline entitled “Strategic Leadership for a Lean Culture and Creating and Sustaining a Lean Culture at SURS” are incorporated as a part of these Minutes as [Exhibit 1](#) and [Exhibit 2](#).

Mr. Mabe reported that the organization is currently conducting an RFP for a Staff Compensation Study. Mr. Mabe expressed that the organization and responsibilities have significantly grown over the past several years and he wants to ensure that compensation within the organization reflects that change. Discussion ensued regarding challenges in terms of being able to provide a competitive compensation program as well as identifying and addressing salary inequities and the maintenance of future salary increases for employees. SURS expectation is to achieve a compensation program that is easy to understand, easy to administer, and is fair. The goal is to bring the preliminary results and recommendations of the study to the Committee at the March meeting with plans to implement the suggested changes in the June budget.

A copy of the Staff memorandum entitled “Compensation Study Update” is incorporated as a part of these Minutes as [Exhibit 3](#).

Mr. Mabe reported that SURS has recently participated in a CEM benchmarking study. This study will benchmark SURS with other plans/peers with respect to performance and service levels regarding calls, claims processing and other customer services areas providing insights into best practices. This study focuses on understanding SURS business, obtaining standardized performance metrics from SURS and our peers, and explains the results relative to a custom peer group in order to help us understand where the organization ranks in comparison amongst our peers. Preliminary results from this study should be available in early March and if so, they would be presented to the Committee at the March meeting.

Mr. Mabe noted that the Executive Leadership Team has been working on succession planning by looking at ways to identify, develop and retain talent in order to fill key positions within the organization. It is apparent that there are several critical positions within the

organization and there is a need to capture institutional knowledge associated with these critical positions to ensure that employees are being properly developed and prepared to step into other roles as needed. In attending the Lean Leadership Six Sigma training, staff has begun to identify, evaluate and capture the processes of these critical positions within individual job descriptions. Succession planning is an evolving process and staff will continue to provide the Committee periodic updates.

In evaluating and developing SURS succession plan, it became obvious that space limitations will continue to be a challenge within the organization. The question and concern has been raised as to whether or not SURS has enough staff to handle additional work and is there enough space in the Champaign office to accommodate all of the upcoming staffing changes. Once SURS has a rough succession plan in place, the additional space requirement options will be considered and addressed.

A copy of the Staff memorandum entitled “Succession Planning Update” and “SURS Succession Planning 5-Step Process 2014 and Beyond” are incorporated as a part of these Minutes as [Exhibit 4](#) and [Exhibit 5](#).

Mr. Mabe introduced Ms. Angie Lieb, Director of Member Services, and asked her to speak to the Committee about the recent Medicare Advantage Plan changes and how it impacted SURS staff and the amount of work that was required for this project.

Ms. Lieb stated that she was very proud of how SURS staff stepped up and handled the recent Medicare Advantage election period. During this period, phone calls increased by 87%, front desk reception traffic increased by 400%, and email requests from participants and annuitants were up by 200%. Ms. Lieb explained to the Committee over 23,000 SURS annuitants will be affected by this change. To date, over 14,300 forms have been processed and SURS is currently caught up with all of the forms received. Ms. Lieb assured the Committee that SURS is doing our best to continuously reach out to these annuitants to educate them on this issue, help them complete their forms and continuously provide them with most up-to-date information, as it becomes available.

Trustee Engstrom also commended the SURS staff on their efforts in this project. He stated that he was one of the SURS annuitants that had to make this election and he received quick feedback from SURS staff stating that his form had been received and processed in a timely fashion.

A copy of the staff memorandum entitled “State of Illinois Medicare Advantage Plans” is incorporated as a part of these Minutes as [Exhibit 6](#).

Mr. Mabe then asked Angie Lieb to give a brief overview of the preparations being made by SURS staff with respect to pension reform.

Ms. Lieb indicated that a pension reform kick-off meeting was held this past week in which it was determined that each section of the law will be evaluated for any foreseeable problems, questions, and clarification. Ms. Lieb noted that a formal pension reform steering committee

has been created and will continue to meet as needed. Currently, there are many unanswered questions and staff will be working diligently to resolve and understand these items. Ms. Lieb stated that even though a court case could be filed, SURS staff is continuing to move forward in all aspects of implementing pension reform.

**PUBLIC COMMENT**

There were no public comments presented to the Personnel & Resource Committee.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William E. Mabe". The signature is written in a cursive style with a large, stylized initial "W".

Mr. William E. Mabe  
Secretary, Board of Trustees

WEM:lk