



## **MINUTES**

**Meeting of the Personnel & Resource Committee  
of the Board of Trustees of the  
State Universities Retirement System  
10:30 a.m., Friday, June 14, 2013  
The Northern Trust  
50 South LaSalle Street, London Room B9  
Chicago, Illinois 60603**

The following Trustees were present: Ms. Jacqueline Berger, Dr. John Engstrom, Mr. Paul R. T. Johnson Jr., 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. Chris Hansen, Director of Operations; Mr. Doug Steele, Director of Application & Development; Ms. Brenda Dunn, Director of Human Resources; Ms. Angela Lieb, Director of Member Services; Mr. Jeffrey Houch, Legislative Liaison; Ms. Lori Kern, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Ms. Patti Somerville-Koulouris of the Northern Trust Company; Ms. Linda Brookhart of SUAA; Ms. Janet Jones of Janet Jones & Associates; Mr. Steve Zahn of Governmental Consulting Solutions and Ms. Renaye Manley of Service Employees International Union.

Roll call attendance was taken. Trustee Berger, present; Trustee Miller, present; Trustee Vasquez, absent.

Trustee Paul Johnson moved:

- To go out of the regular order of business and allow the Personnel & Resource Committee to meet prior to the Governmental Affairs Committee.

Trustee Craig McCrohon seconded and the motion carried with all Trustees present voting in favor.

## **APPROVAL OF MINUTES**

Trustee Dorinda Miller presented the Minutes from the Personnel & Resource Committee meeting of March 14, 2013. Trustee Jacqueline Berger moved:

- That the Minutes from the March 14, 2013 Personnel & Resource Committee meeting be approved as presented.

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

### **CHAIRPERSON'S REPORT**

With the absence of Trustee Vasquez, the Chairperson Report was not presented.

### **ORGANIZATIONAL REVIEW**

Mr. William Mabe presented the SURS' Accomplishments for FY13 and the SURS' Strategic Plan for FY14. He noted that all of these documents will move the system more towards a performance culture. SURS has implemented several tools such as the Stoplight Performance Report, the new performance appraisals, job descriptions and new performance measurements. Staff has worked diligently on all of these tools to ensure alignment with SURS' Strategic Plan and budget.

Mr. Mabe discussed the 2014 Stoplight Performance Report pointing out that it is broken down into five categories including: Financial, Customer Service, Human Capital, Internal Process & Technology and Risk Management. The objectives listed on this report be used for measuring performance. Mr. Mabe outlined several organizational and technology changes as well as educational opportunities that have been implemented in order to streamline to the SURS' Strategic Plan.

Trustee Vogel asked what type of role SURS Staff played in developing these plans. Both Ms. Phyllis Walker and Ms. Angela Lieb indicated that staff was engaged in this process from start to finish. Ms. Angela Lieb further noted that the member services division has always had informal objectives; it was just a matter of formalizing the process and she indicated that there was a lot of cohesiveness and participation when creating these formal documents.

Copies of the "SURS' Fiscal Year Accomplishments," the "SURS' Living Our Mission," the "SURS' Strategic Plan Agenda 2014 and Beyond," the "Stoplight Performance Report - 2014," and the "U of I BIS Brochure," are incorporated as part of these Minutes as [Exhibit 1](#), [Exhibit 2](#), [Exhibit 3](#), [Exhibit 4](#) and [Exhibit 5](#).

Trustee Figueroa joined the meeting at 9:50 a.m. and Trustee Matthews at 10:00 a.m..

### **CLOSED SESSION**

Trustee Miller moved that:

- The Committee go into closed session under the Open Meetings Act pursuant to §2(c)(1) to consider staff compensation and contractual arrangements of SURS employees.

The motion was seconded by Trustee Berger and carried in a roll call vote:

Trustee Anderson - absent  
Trustee Berger - aye  
Trustee Engstrom - aye  
Trustee Figueroa - aye  
Trustee Johnson - aye  
Trustee Matthews - aye  
Trustee McCrohon - aye  
Trustee Miller - aye  
Trustee Vasquez - absent  
Trustee Vogel - aye

The Committee returned to open session.

### **RETURN TO OPEN SESSION**

Trustee Johnson moved that:

- An increase in salary and wages of 3.0% for those staff fully meeting job expectations and 1.8% to be utilized for promotion and individual superior performance recognition be approved for fiscal year 2014.

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

Trustee Matthews moved:

- That the Employment Agreement for William Mabe be approved as presented and that the Vice-Chair or Treasurer be authorized on behalf of the Board to execute and deliver such said Agreement.

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

### **FISCAL YEAR 2014 ADMINISTRATIVE EXPENES AND FISCAL YEAR 2014 CAPITAL EXPENDITURE BUDGET**

Ms. Walker presented the proposed Administrative Expense and Capital Budget for Fiscal Year 2014, noting that there has been an increase of 6.6% over the prior year's budget. Ms. Walker explained that rising benefit costs (insurance, pension, and payroll taxes) accounted for 74% of the increase in the overall personnel service costs. Ms. Walker also noted that insurance premiums prescribed by the Department of Central Management Services are the primary driver for the increases in the budget and this expense is not within SURS' control. SURS is required by statute to participate in the State Employees Group Insurance Act; 5

ILCS 375/1. For the past three years, the average employee premium costs have not increased; however, for this same time period, there have been significant increases in the employer cost of this coverage. Ms. Walker continued review of the above-mentioned budget highlighting notable changes in each area of the proposed budget.

At the conclusion of the budget discussion, Trustee Johnson moved:

- That the Fiscal Year 2014 Defined Benefit Administrative, SMP Expense budget be approved as presented.

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

Ms. Walker also presented the proposed Capital Expenditure Budget for Fiscal Year 2014.

Trustee Johnson moved:

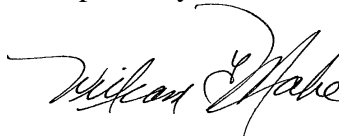
- That the Fiscal Year 2014 Capital Expenditure budget be approved as presented.

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

A copy of the “SURS Fiscal Year 2014 Administrative Expense and Capital Budget” is incorporated as a part of these Minutes as [Exhibit 6](#).

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

Respectfully submitted,



Mr. William E. Mabe  
Secretary, Board of Trustees

WEM:lk