



MINUTES

Meeting of the Executive Committee of the Board of Trustees of the State Universities Retirement System

**11:00 a.m., Tuesday, January 19, 2016
State Universities Retirement System
1901 Fox Drive
Main Conference Room
Champaign, IL**

The following Trustees were present: Ms. Lindsay Anderson, Chair; Mr. Aaron Ammons, Mr. Dennis Cullen (by conference call), Dr. John Engstrom, Dr. Fred Giertz, Mr. Craig McCrohon (by conference call), Ms. Dorinda Miller.

Others present: Mr. W. Bryan Lewis, Executive Director; Mr. Andrew Matthews Chief Operating Officer; Ms. Bianca Green, General Counsel; Ms. Kristen Houch, Legislative Liaison; Mr. Albert J. Lee, Associate General Counsel; Ms. Allison Kushner, Compliance and Governance Officer; Ms. Lori Kern and Ms. Monique Cullotta, Executive Assistants; Ms. Mary Pat Burns of Burke, Burns & Pinelli (via conference call).

Executive Committee roll call attendance was taken. Trustee Anderson, present; Trustee Cullen, present (via conference call); Trustee Engstrom, present; Trustee McCrohon, present (via conference call), Trustee Miller, present.

Trustee Dorinda Miller made the following motion:

- That the Trustees be allowed to participate via conference call pursuant to Section 7(c) of the Open Meetings Act.

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

EXTERNAL LOBBYIST SEARCH

Ms. Kristen Houch provided an update regarding the Legislative Consultant RFP process and both Ms. Houch and Mr. Bryan Lewis remarked that after conducting a thorough review process, they would recommend retention of Janet Jones Associates and Zahn Governmental Solutions, LLC. Discussion continued and Ms. Houch further commented that both of these firms employ their expertise and knowledge of the legislative process to: conduct legislative intelligence; prepare witnesses for committee testimony; develop and execute strategy to pass, amend, or

defeat legislation; track and negotiate legislation; conduct committee and floor roll calls; and assist with the annual SURS/SUAA legislative outreach event.

Trustee Engstrom made the following motion:

- That Janet Jones and Associates and Zahn Governmental Solutions, LLC, be retained as legislative consultants, subject to successful completion of contract negotiations with a contract expiration date of 06/30/17, and at the same or better rates than the current contracts.

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

EXECUTIVE SEARCH FIRM

Mr. Bryan Lewis provided an update regarding the status of the Executive Search Firm RFI. The request for information yielded five responses from executive search firms interested in assisting with the search. Responses were received from Korn Ferry, David Barrett Partners, The Hollins Group, Egon Zehnder and Heidrick & Struggles.

Heidrick & Struggles, which is based in Chicago, has expertise with public plans, corporate plans, foundations and endowment, and family offices. A recommendation was then presented to the Board for approval that Heidrick & Struggles be the selected provider to assist with filling the Chief Investment Officer position.

Trustee Craig McCrohon made the following motion:

- That Heidrick & Struggles be retained as the Executive Search Firm to assist the Board of Trustees with filling the position of Chief Investment Officer, subject to successful completion of contract negotiations.

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

BOARD ADMINISTRATION

Mr. Lewis provided a brief overview of the upcoming Trustee Educational Forum agenda that is scheduled for February 5, 2106. He noted that the educational sessions will include:

- Board Governance Best Practices – Mr. Rick Funston
- Self-Managed Plan (SMP) Education – Fidelity Investments and TIAA CREF
- Diversity Opportunities - NAIC
- Principles For Responsible Investments – PRI

REVIEW OF CLAIMS & 6% APPEALS

Discussion regarding the current 6% appeal process and how it is presented to the Committee was discussed. In trying to be responsive to the Committee's request for additional information on these complex issues, Ms. Green has prepared documents that she thinks are responsive to

their prior requests; however, she would like feedback from the Committee as to how to proceed. Ms. Mary Patricia Burns remarked that we should present the appeals scheduled to be heard today and noted that she would continue to work with staff on refining the process until the Committee was satisfied.

Ms. Green presented the findings and conclusions of the Executive Director in the 6% Appeals involving the following claimants: Rosemary Grossley (Chicago City Colleges); Karen Sandler (Chicago City Colleges); Karen Sandler (Chicago City Colleges); Adelaida Hernandez (Chicago City Colleges); David Hinkle (Chicago City Colleges); Janice Turcotte (Chicago City Colleges); Jacqueline Longquist (Chicago City Colleges); Jacqueline Longquist (Chicago City Colleges); Vallie Henry (Chicago City Colleges).

After discussion amongst the Trustees, Ms. Green presented for the Committee's consideration a proposed Decision setting forth the Committee's findings of facts and conclusions of law on each of the 6% Appeals. These documents were also emailed to the two Committee members participating via conference call.

After due consideration of the proposed findings of facts and conclusions of law, Trustee Miller moved:

- That the Decision in the matter of Rosemary Grossley be affirmed and adopted as the final administrative decision of the Committee.

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

Trustee Cullen moved:

- That the Decision in the matter of Karen Sandler be affirmed and adopted as the final administrative decision of the Committee.

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

Trustee Lindsay Anderson moved:

- That the Decision in the matter of Adelaida Hernandez be affirmed and adopted as the final administrative decision of the Committee.

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

Trustee Anderson moved:

- That the Decision in the matter of David Hinkle be affirmed and adopted as the final administrative decision of the Committee.

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

Trustee Anderson moved:

- That the Decision in the matter of Janice Turcotte be affirmed and adopted as the final administrative decision of the Committee.

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

Trustee Anderson moved:

- That the Decision in the matter of Jacqueline Longquist be affirmed and adopted as the final administrative decision of the Committee.

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

Trustee Cullen moved:

- That the Decision in the matter of Stephen Jackson be affirmed and adopted as the final administrative decision of the Committee.

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

Trustee Miller moved:

- That the Decision in the matter of Vallie Henry be affirmed and adopted as the final administrative decision of the Committee.

Trustee Anderson seconded and the motion carried with all Trustees present voting in favor, except for Trustee Engstrom who abstained.

PUBLIC COMMENT

There were no public comments presented to the Executive Committee.

Since there was no further business before the Committee, Trustee Engstrom 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. W. Bryan Lewis
Secretary, Board of Trustees

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