



## **MINUTES**

**Closed Meeting of the Administration Committee  
of the Board of Trustees of the  
State Universities Retirement System  
9:00 a.m., Friday, June 12, 2015  
The Northern Trust  
50 South LaSalle Street, Global Conference Center  
Chicago, Illinois 60603**

Upon a motion by Trustee Vasquez, seconded by Trustee Vogel and a unanimous roll call vote, the Administration Committee went into closed session under the Open Meetings Act pursuant to §2(c)(1) to consider employee matters relating to compensation.

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

Others present: Mr. W. Bryan Lewis, Executive Director; Ms. Brenda Dunn, Director of Human Resources; Ms. Lori Kern, Executive Assistant; and Ms. Mary Pat Burns of Burke, Burns & Pinelli.

### **FISCAL YEAR 2016 STAFF COMPENSATION**

Trustee Vasquez remarked that in a meeting with Mr. Lewis and Ms. Brenda Dunn, he asked that they increase the size of the SURS Performance Recognition Program/Star Awards due to the significant growth of the organization since inception of the program. He feels that the new number accurately reflects the size of the organization.

Ms. Brenda Dunn presented the Annual Staff Pay Review and provided a summary of planned staff salary increases for other organizations as provided by consulting firms, data from other public pension systems, and surveys from other colleges and universities in Illinois. Ms. Dunn continued by providing the SURS merit increase history for the past ten years, SURS salary data which encompasses years of service and average salaries for employee groups. Ms. Dunn reported that there are three employees who are currently at the maximum of their range so if we were to move the ranges by 1.7 percent that is the percentage of increase that those particular employees would be eligible to receive, if fully meeting job expectations. In addition, five employees are 2.5 percent or less from the maximum range and thirteen classification range maximums decreased based on the compensation study which was conducted last year.

Ms. Dunn explained the SURS Performance Recognition program which is used to recognize top performers annually and the Star Award Performance Recognition program is used to award note-worthy performance throughout the year. Ms. Dunn summarized that after conducting research, receiving updated information and looking at other sources such as the Hay Group and WorldatWork, the general industry standard is projecting a 3.0 percent increase. Ms. Dunn then presented the following Fiscal Year 2016 Personnel Budget recommendations:

- Move the minimums and maximums pay ranges by 1.7 percent
- 3 percent merit increase for employees fully meeting performance objectives
- \$98,000 for the SURS Performance Recognition Program/Star Awards
- \$30,000 for reclassifications and overtime
- One new employee for the call center

The Committee discussed the current system of awarding salary increases. After discussion, some trustees expressed their concern that the 3 percent merit increase recommended was too high, considering the current economic environment that the state is in; however, other trustees felt that the 3 percent merit increase was warranted. Discussion in regards to the merit increase ensued.

At this time, Ms. Brenda Dunn and Ms. Lori Kern were excused from the closed session meeting during the performance review/succession planning discussion.

### **PERFORMANCE REVIEWS/SUCCESSION PLANNING**

Mr. Lewis provided brief overviews of the executive leadership team's performance since he started in April and he asked the trustees for feedback. Trustee Anderson recused herself during the performance evaluation of Mr. Chris Hansen, the director of information technology. With IT security being on the forefront, the Committee asked Mr. Lewis to further examine the current IT functions and determine what improvements and changes need to be made in this area in order for the board to feel comfortable with IT security going forward.

Discussion moved to the performance of the chief investment officer (CIO) and Mr. Lewis remarked that he thinks there are opportunities for coaching in regards to communication and transparency with the CIO and Mr. Lewis remarked that he and the CIO discuss this on a regular basis; however, he would like feedback from the board so that he can set expectations going forward. Discussion continued and Mr. Lewis has identified areas in which he will get involved to assure that opportunities are being considered and evaluated in a timely manner. Mr. Lewis remarked that over the next year he would like to structure the investment team to match the investment allocation, and in doing this, it will help staff become more responsive to opportunities that are presented. The consensus of the Committee was that the board should set clear expectations and establish best practices for approaching investments for staff. Trustee McCrohon noted that by identifying and communicating clear goals or expectations for the staff, it will be easier to lead.

In conclusion, Mr. Lewis acknowledged that he is aware of the potential loss of individuals due to retirements at the executive level and he agrees that it is imperative that SURS continue to strengthen skill sets in areas such as investments, finance, operations and information technology.

**RETURN TO OPEN SESSION**

Upon a motion by Trustee Vasquez that was seconded by Trustee Figueroa and carried, the Administration Committee resumed its meeting in open session.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mr. W. Bryan Lewis". The signature is fluid and cursive, with a large initial "W" and "L".

Mr. W. Bryan Lewis  
Secretary, Board of Trustees

WBL:lk