



MINUTES

**Meeting of the Board of Trustees
of the State Universities Retirement System
Friday, Jan. 29, 2021, 11:50 a.m.
State Universities Retirement System**

Via remote access only due to COVID-19 statewide restrictions

The following trustees were present: Mr. John Atkinson, chair, Mr. Richard Figueroa, Ms. Jamie-Clare Flaherty, Mr. Scott Hendrie, Dr. Fred Giertz, Mr. John Lyons, Dr. Steven Rock, Mr. Collin Van Meter, Mr. Anthony Vasquez, and Mr. Mitch Vogel.

Others present, Mr. Martin Noven, Executive Director; Mr. Doug Wesley, Chief Investment Officer (CIO); Ms. Ellen Hung, Deputy CIO; Mr. Shane Willoughby, Mr. Joe Duncan, Senior Investment Officers; Mr. Brian DeLoria, Investment Officer; Ms. Kelly Valle, Investment Analyst; Ms. Tracy Bennett, Investment Compliance Analyst; Ms. Bianca Green, General Counsel; Ms. Anna Dempsey, Investment Counsel, Ms. Heather Kimmons, Associate General Counsel; Ms. Brenda Dunn, Chief Human Resources Officer; Ms. Suzanne Mayer, Chief Benefits Officer; Mr. Jefferey Saiger, Chief Technology Officer; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; Ms. Kelly Carson, Ms. Chelsea McCarty, and Ms. Annette Ackerman, Executive Assistants; Mr. Michael Calabrese of Foley and Lardner; Mr. Matthew McCue of Emerging Manager Monthly; Ms. Linda Brookhart, SUAA; and Ms. Elizabeth Essex.

Board of trustees roll call attendance was taken. Trustee Ammons, absent; Trustee Atkinson, present; Trustee Figueroa, present; Trustee Flaherty, Present; Trustee Giertz, present; Trustee Hendrie, present; Trustee Lyons, present; Trustee Rock, present; Trustee Van Meter, present; Trustee Vasquez, present; and Trustee Vogel, present.

Trustee Ammons joined the meeting at 12:49 p.m.

Trustee Flaherty left the meeting at 1:40 p.m.

Trustee Figueroa and Trustee Ammons left the meeting at 2:00 p.m.

Trustee Giertz and Trustee Van Meter left the meeting at 3:45 p.m.

APPROVAL OF MINUTES

Trustee Atkinson presented the minutes from the board of trustee meetings of December 4, 2020.

Trustee Vasquez made the following motions:

- That the minutes from the December 4, 2020 Board of Trustees meeting be approved as presented.

Trustee Rock seconded the motion.

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

APPROVAL OF CLOSED SESSION MINUTES

Trustee Atkinson presented the closed session minutes from the SURS Board of Trustees' meeting of December 4, 2020.

Trustee Rock made the following motion:

- That the closed session minutes from the December 4, 2020 Board of Trustees meeting remain closed.

Trustee Vasquez seconded and the motion.

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

CHAIRPERSON'S REPORT

Chairman Atkinson thanked the staff for their work and high level of efficiency during the pandemic.

EXECUTIVE DIRECTOR'S REPORT

Mr. Noven asked Ms. Suzanne Mayer, Chief Benefits Officer, to provide an update regarding the Retirement Savings Plan. Mr. Noven briefly updated the trustees on current operations during the pandemic.

**APPROVAL OF AMENDMENTS TO SURS BYLAWS, COMMUNICATIONS POLICY,
INVESTMENT POLICY, INVESTMENT PROCUREMENT POLICY, EXECUTIVE
DIRECTOR POLICY, EXECUTIVE STAFF POLICY, INVESTMENT COMMITTEE
CHARTER AND GOVERNANCE COMMITTEE CHARTER**

Trustees, SURS executive staff and fiduciary counsel reviewed each proposed red-line amendment and discussed whether various changes or edits were needed. The trustees tabled the proposed amendments which included Amendment No. 3, No. 5, and Section 5.1 of the SURS Ethics Policy because they felt additional review and/or changes were needed. The trustees took formal action on the proposed amendments listed below.

Trustee Flaherty moved:

- To approve proposed Amendment No. 1 in the form originally presented.

Trustee Vasquez seconded and was followed with a roll call vote.

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

Trustee Vasquez moved:

- To approve proposed Amendment No. 6 in the form originally presented.

Trustee Hendrie seconded and was followed with a roll call vote.

Trustee Ammons	-	aye
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

Trustee Vogel moved:

- To approve proposed Amendment No. 7 in the alternate form agreed upon by the board to include the agreed upon changes as read into the record.

Trustee Hendrie seconded and was followed with a roll call vote.

Trustee Ammons	-	aye
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

Trustee Giertz moved:

- To approve proposed Amendment No. 15 in the alternate form agreed upon by the board to include the agreed upon changes as read into the record.

Trustee Rock seconded and was followed with a roll call vote.

Trustee Ammons	-	aye
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

Trustee Van Meter moved:

- To approve proposed Amendment No. 16 in the form originally presented.

Trustee Ammons seconded and was followed with a roll call vote.

Trustee Ammons	-	aye
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	aye
Trustee Giertz	-	aye
Trustee Hendrie	-	aye

Trustee Lyons - aye
Trustee Rock - aye
Trustee Van Meter - aye
Trustee Vasquez - aye
Trustee Vogel - aye

Trustee Vogel moved:

- To approve proposed Amendment No. 17 in the form originally presented.

Trustee Figueroa seconded and was followed with a roll call vote.

Trustee Ammons - aye
Trustee Atkinson - aye
Trustee Figueroa - aye
Trustee Flaherty - absent
Trustee Giertz - aye
Trustee Hendrie - aye
Trustee Lyons - aye
Trustee Rock - aye
Trustee Van Meter - aye
Trustee Vasquez - aye
Trustee Vogel - aye

Trustee Vogel moved:

- To approve proposed Amendment No. 19 in the alternate form agreed upon by the board to include the agreed upon changes as read into the record.

Trustee Rock seconded and was followed with a roll call vote.

Trustee Ammons - aye
Trustee Atkinson - aye
Trustee Figueroa - aye
Trustee Flaherty - absent
Trustee Giertz - aye
Trustee Hendrie - aye
Trustee Lyons - aye
Trustee Rock - aye
Trustee Van Meter - aye
Trustee Vasquez - aye
Trustee Vogel - aye

Trustee Rock moved:

- To approve proposed Amendment “Powers” in section [14] of the SURS Bylaws in the alternate form agreed upon by the board to include the agreed upon changes as read into the record.

Trustee Ammons seconded and was followed with a roll call vote.

Trustee Ammons	-	aye
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	absent
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

A copy of the amendments Titled Foley Recommended Amendments – Compiled” are included as part of these minutes as [Exhibit 1](#).

REVIEW OF COMMITTEE ACTIONS

Investment Committee:

On behalf of the Investment Committee, Trustee Vasquez presented the committee actions.

The Investment Committee recommends to the board:

- That based on the recommendation of the Investment Committee, the SURS Board of Trustees approve the revised Investment Policy document for the defined benefit plan, as presented.

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	absent
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

- That based on the recommendation of the Investment Committee, the SURS Board of Trustees approve an additional commitment of \$100 million to Carlyle Property Investors, subject to successful completion of subscription documents.

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	absent
Trustee Giertz	-	aye
Trustee Hendrie	-	aye

Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	abstain

- That based on the recommendation of the Investment Committee, the SURS Board of Trustees consent to the assignment of the Investment Management Agreement dated September 12, 2014, between the State Universities Retirement System and Parametric Clifton, subject to satisfactory completion of legal review.

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	aye
Trustee Flaherty	-	absent
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

OVERVIEW OF FUNDING CONSIDERATIONS

Mr. Michael Calabrese provided a brief report of the funding considerations to the board. He discussed the choices and considerations the members would be making and concluded that he would provide the board with a memo on best methods to provide guidance to members.

CLOSED SESSION

Trustee Vasquez moved that the board of trustees go into closed session pursuant to 2(c)(11) of the Illinois Open Meetings Act. Trustee Rock seconded and the motion carried on a roll call vote.

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	absent
Trustee Flaherty	-	absent
Trustee Giertz	-	aye
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

OPEN SESSION

Upon motion by Trustee Vogel that was seconded by Trustee Van Meter, the board resumed the meeting in open session.

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	absent
Trustee Flaherty	-	absent
Trustee Giertz	-	absent
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	aye
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

PUBLIC COMMENT

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

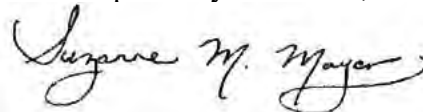
TRUSTEE COMMENT

There were no trustee comments.

There was no further business brought before the board and Trustee Vogel moved that the meeting be adjourned. The motion was seconded by Trustee Vasquez and carried with all trustees present voting in favor.

Trustee Ammons	-	absent
Trustee Atkinson	-	aye
Trustee Figueroa	-	absent
Trustee Flaherty	-	absent
Trustee Giertz	-	absent
Trustee Hendrie	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye
Trustee Van Meter	-	absent
Trustee Vasquez	-	aye
Trustee Vogel	-	aye

Respectfully submitted,



Ms. Suzanne Mayer

Interim Executive Director and Interim Secretary, Board of Trustees

SMM:cm/aa

Amendments 1, 3, 5 (Per Board's Direction of 11/17/20)

Amendment No. 1:

Amend the first paragraph of section IV of the SURS Communication Policy as follows:

The Chairperson or his or her designee generally serves as the spokesperson for the System with respect to issues for which the Board is responsible, unless the Chairperson designates ~~the Executive Director, the Chief Investment Officer or~~ another Trustee or member of the staff to serve as the spokesperson on a specific issue. The Executive Director or other staff member, if serving as spokesperson, shall consult with the Chairperson to the extent feasible prior to, or as soon as practical after making the Vice Chair, if the Chairperson is not available, significant public statements on behalf of the System. All such public statements shall be consistent with applicable law and Board policy. Notwithstanding the foregoing, the Executive Director and Chief Investment Officer and their designees are authorized to communicate with external parties ~~related to,~~ without consulting with or reporting to the Chairperson, regarding routine matters associated with their respective positions for which they have been delegated responsibility.

Amendment No. 3:

Amend the sixth paragraph of section IV of the SURS Communication Policy as follows:

To ensure the accuracy of materials prepared by ~~trustees~~ Trustees for publication or general distribution, which are related to the affairs of the System, and to ensure the System is not inadvertently placed at risk, ~~trustees should provide such material to the Executive Director, or his or her designee, for review prior to distribution or publication unless it contains a disclaimer that the trustee is writing solely as an individual and not as an official representative~~ Trustees shall not use system resources to create written material for general distributions to the membership or general public. Rather, any requests for the creation of distribution of such materials shall be made to the Executive Director, or to the Board. This paragraph shall not be construed to restrict the right of Trustees to communicate with their constituencies or the general membership when doing so as candidates for re-election to the Board, so long as they refrain from stating or implying that such election-related communications are made on behalf of the Board of the System, or from engaging in other communications where they make clear that they are speaking solely on their own behalf and not on behalf of the System.

Amdnement No. 5

Amend section III of the SURS Communication Policy as follows:

Except as provided below, Trustees shall direct questions regarding any aspect of the System's operations, or the interests and rights of individual members, to the Executive Director ~~or,~~ who shall ensure timely and effective response with input from the appropriate staff ~~member.~~ members.

Trustees may direct questions of a legal nature directly to the General Counsel, questions related to Audit matters to the Chief Internal Auditor, and questions related to investments directly to the Chief Investment Officer, but the Executive Director shall be informed of such inquiries unless it is clearly inappropriate to do so. In the performance of their duties, ~~trustees~~ Trustees may also communicate directly with the System's advisors and consultants, such as fiduciary counsel, investment consultant, lobbyists and external auditors, but shall not direct their activities unless such authority is delegated to the Trustee by the Board. Every effort ~~will~~ shall be made to timely comply with any request for information received from a ~~trustee~~ Trustee. If the Executive Director believes that fulfilling a Trustee's request to staff will require more than one hour of the time of the staff or outside advisors or consultants, then the Executive Director shall discuss the matter with the requesting Trustee, to determine whether it is possible to narrow the request to reduce the time required to one hour or less. If such discussions are unsuccessful, the Executive Director shall refer the matter to the Board Chair, who shall determine whether, and the extent to which, the staff will be required to fulfill the request.

~~If appropriate, the Executive Director shall ensure that information that has been requested by the Board or by a trustee is made available to all trustees.~~ If appropriate, the Executive Director or other staff responsible for responding to the inquiry shall ensure that information that has been requested by the Board or by a Trustee is made available to all Trustees.

Amendments 6 (Staff Proposal)

Amendment No. 6:

Amend the portion of Section 1.1 of the SURS Bylaws entitled “Meeting conduct and agendas” as follows:

Meeting conduct and agendas. The Board of Trustees will conduct its meetings in accordance with the Illinois Open Meetings Act.

Meeting agendas will be prepared ~~by~~ at the direction of the Chairperson, who shall ~~in consultation~~ consult with and give direction to the Executive Director. The matters included for discussion and action shall include those submitted by:

- Any Trustee, with the concurrence of any other Trustee
- A Board Committee
- The Chairperson
- ~~The Executive Director~~

Agenda items may only be removed or postponed for consideration at the next scheduled meeting by the person or committee that added the item or by a majority of the Board.

Amendment 7 (Post-Retreat)

Amendment No. 7:

Add the following Section 4 to the SURS Bylaws, and renumber the remaining sections:

Section 4 Duties of the Board

Board members are SURS fiduciaries and shall discharge their duties in the exclusive interest of members and annuitants for the purpose of providing authorized benefits to participants and their beneficiaries. The Board, directly or through its designees, shall discharge all of its duties as assigned to it in applicable sections of the Illinois Pension Code and as otherwise imposed by law. By way of clarification and without limitation, the Board shall directly:

- (a) Adopt and periodically review rules, regulations, policies, and amendments to these Bylaws as deemed appropriate for the operation of the system;
- (b) Be responsible for the selection, job description, assignment of duties, placement of constraints on the authority of, performance evaluation, compensation, and discipline, including dismissal, of the Executive Director;
- (c) Select, set the compensation of, and if necessary dismiss, the Chief Investment Officer;
- (d) Provide oversight and direction to the Executive Director to ensure that effective management practices are followed in the organization;
- (e) Approve the annual operating budget;
- (f) Ensure that the Executive Staff provides an appropriate working environment for staff members;
- (g) Receive reports from the staff, investment counsel, consultants, and others regarding the investment portfolio;
- (h) Direct and approve the investment of SURS assets (except as otherwise delegated), Review investment performance, asset mix, portfolio characteristics, cash flow, and transactions, and monitor compliance with investment policies and guidelines;
- (i) Ensure the establishment of a system for equitable and effective hiring, evaluation, compensation, and termination of employees;
- (j) Establish and define the roles of committees to make recommendations to the Board and help carry out the Board's responsibilities; however, such committees may not exercise authority of the Board as a whole unless the Board delegates such authority to such committee in these Bylaws or in the applicable committee

charter, and the Board may consider or take any action otherwise specified to be taken or considered by a committee created pursuant to these Bylaws;

- (k) Delegate authority to the staff through the Executive Director;
- (l) In consultation and cooperation with the Executive Director, ensure that the Internal Auditor has:
 - (i) Unfettered access to all information that he or she may require to assist the Board in providing oversight of staff's activities;
 - (ii) The opportunity and duty to independently report to the Board and/or the Chairperson, without interference or negative repercussions, his or her findings with respect to any material violations of law or policy or other malfeasance, misfeasance, or nonfeasance by staff, which reports shall include information as to any actions already taken to address such violations by the Executive Director or other staff members with responsibility for the matter.
- (m) Set salary ranges for staff positions, in consultation with the Administration Committee and Executive Director;-
- (n) Perform any other duties imposed on the Board by law or reasonably necessary to the fulfillment of its fiduciary duties, unless the performance of such duties has been properly delegated by the Board.

Unless the Board provides otherwise, an individual Trustee has no authority with respect to the System apart from his or her participation of actions of the Board or its Committees, and shall refrain from purporting to exercise any such authority in his or her individual capacity, or from representing that he or she has unilateral authority to act on behalf of the System. The preceding sentence shall not be construed to prohibit a Trustee from requesting information or guidance in connection with the performance of his or her duties as a Trustee, from the Executive Director, the Chief Investment Officer, the General Counsel or any of their designees, or from the System's outside professional advisors.

Individual Trustees are not to become involved in the operational management of the System, except as requested by the ~~CEO~~ Executive Director or directed by the Board. "Operational Management" shall mean the carrying out of any duty, function, or task validly delegated to any employee, vendor, consultant, contractor, or other party on behalf of the System.

Amendment Corresponding to Slide 22

Amendment No. 15

Amend Section 12 of the SURS Bylaws as follows:

| ~~Robert's-Rosenberg's~~ Rules of Order, as adopted and amended from time to time by the Board, shall govern the procedure for all meetings of the Board and its committees, except to the extent otherwise provided in these Bylaws, the Illinois Compiled Statutes or the Illinois Administrative Code.

Amendment 16 (Post-retreat)

Amendment No. 16

Make the following amendments to the SURS Investment Procurement Policy:

Amend Section 3 as follows:

3. Applicability of RFP Procedures

The RFP procedures in this Policy apply to all Expenditures, including but not limited to, hiring of Consultants, Investment Advisers, custodians, proxy voting service providers and defined contribution service providers other than (i) sole source procurements (ii) emergency procurements, and (iii) at the discretion of the Board, contracts that are nonrenewable and one year or less in duration, so long as the contract has a value of less than \$20,000. All exceptions granted under this section must be published on the SURS web site, shall name the person authorizing the procurement, and shall include a brief explanation of the reason for the exception.

Unless specifically waived by the Board, effective July 1, 2018, the following Expenditures shall be subject to this Policy as proscribed below:

- i. fund-of-funds investments shall be subject to the procurement requirements of this Policy at least once every five years; and
- ii. follow-on funds that are managed in distinct entities from prior investments shall be subject to the procurement requirements of this Policy. For the avoidance of doubt, any follow-on fund recommended by a Specialty Consultant shall be subject to Section ~~6~~7 of this Policy.

Amend Section 4.h as follows:

- h. Following Staff's and/or Consultant's recommendation, if the amount of the contemplated investment or commitment will exceed \$50 million, the Investment Committee shall interview the respondents recommended or direct that additional respondents be invited for interview. If the contemplated investment or commitment is \$50 million or less, the recommended respondents shall be invited to make final written submissions to the Investment Committee, but live interviews shall not be required unless the Investment Committee so directs. The Investment Committee shall approve a recommendation to the Board for selection of a respondent for the Expenditure. The Investment Committee may, in good faith, decline to recommend any respondent following such interviews. The Investment Committee may recommend a recommencement of the RFP process for such potential Expenditure, or terminate the search entirely.

Amend Section 7.d as follows:

- d. In recommending any investment to the Investment Committee/Board, the Specialty Consultant shall prepare a detailed report for the Investment Committee/Board outlining the utilized competitive process and its due diligence of the potential investment. As part of the recommendation process the Specialty Consultant and Staff will secure and review all statutorily required disclosures and provide those disclosures to the Investment Committee/Board for consideration prior to taking action on the recommendation. If the contemplated investment or commitment is \$50 million or less, the recommended respondents shall be invited to make final written submissions to the Investment Committee, but live interviews shall not be required unless the Investment Committee so directs. The Specialty Consultant can recommend a follow-on fund commitment. The General Partner of any follow-on fund previously recommended by the Specialty Consultant and approved by the Board will not be required to present to the Investment Committee.

Amendments 17 and 19 (Post-retreat)

Amendment No. 17

Amend Section 2.1 of the SURS Bylaws as follows:

Quorum Requirements and Voting of Board Committees

The quorum and voting requirements for committees established by the Board shall be as set forth in this section.

Quorum. To the extent not otherwise specifically established, the quorum requirement for a committee of the Board is the least number more than 50% of the membership of the committee. If required at any meeting of a committee for purposes of establishing a quorum, the Chairperson may serve as a member of the committee for that meeting. The Board Chair, or the Committee Chair if the Board Chair has not done so, may appoint another Trustee or Trustees to the committee on an ad hoc basis to the extent necessary to establish a quorum. A smaller number may meet and adjourn to some other time or until a quorum is obtained. No motion, resolution, or other action shall be effective unless a quorum is present.

Voting. Any ~~member of the Board~~ Trustee who is not a member of a committee may attend the meetings of ~~any such committees established by the Board, and may participate in the discussion at such meeting, but shall not be counted for purposes of establishing a quorum, and may not vote unless appointed as an ad hoc member of the Committee.~~ Any member of the Board attending a committee meeting, whether or not a member of that committee, may make motions and may vote.

The provisions of this section do not apply to the Executive Committee, which is governed by Section 13 of these Bylaws.

Amendment No. 19:

Amend Section 16.1 of the SURS Bylaws as follows:

Meetings of the Standing Committees

The Administration, Audit and Risk, Board Governance, Investment, Corporate Governance, Legal and Legislative, and Diversity committees shall meet at least quarterly, and such meetings shall generally occur at least two weeks prior to the next regularly scheduled meeting of the full Board at which actions recommended by the committee are expected to be presented for final approval by the Board. The Secretary shall transmit a report of a committee's actions to the full Board as soon as practicable after each committee meeting. Special meetings of each committee may be called by the Committee Chair or any two members thereof upon not less than ~~three-five~~ business days' notice to all Trustees, ~~unless exigent circumstances requires shorter notice, which in any case shall comply with the Open Meetings Act,~~ stating the place, date, and hour of the

meeting, which notice may be written, emailed, or oral, and, if mailed, shall be deemed to be delivered four business days subsequent to the day when deposited in the United States mail addressed to the member of the committee at his or her address. Any member of a committee may waive notice of any meeting and no notice of any meeting need be given to any member thereof who attends in person. All meetings of each committee shall be noticed and conducted in conformance with the Illinois Open Meetings Act.

Amend the paragraph entitled “Powers” in Section [14] of the SURS Bylaws, as follows:

Powers. The Executive Committee shall have the following powers:

(a) The Executive Committee shall have the power to decide matters referred to it by the Claims Panel pursuant to Section [16] of these Bylaws;

(b) Solely to the extent necessary to respond to matters of exigency that require timely action to protect the System’s interests or those of its members, and that cannot be timely addressed at a meeting of the Board, the Executive Committee shall possess all the powers of the Board when in session, except as provided in this ~~section~~ paragraph (b). All actions taken by the Executive Committee pursuant to this paragraph (b) shall be discussed and reviewed at the next regularly scheduled meeting of the Board, and either affirmed, modified, or reversed by the Board at such meeting, unless such actions cannot be reversed or modified as a matter of law or contract.

The Executive Committee shall not have the power, pursuant to this paragraph (b), to:

- Overrule, revise, or modify any previous acts of the Board,
- Invade the jurisdiction of any permanent or special committee of the Board,
- Lease, sell, or purchase real estate, unless previously specifically authorized by the Board in session or by a majority of the Board members individually in writing,
- Make changes, revise, modify, or overrule these Bylaws or any Committee Charter,
- Make permanent action to review or revise SURS employee compensation or performance matters,
- Permanently remove the Executive Director or Chief Investment Officer, but the Executive Committee may suspend such officer for good cause, and may make a recommendation that the Board terminate him or her, which suspension and/or recommendation the Board shall consider at its next regularly scheduled meeting.
- Take action on any matter regarding legislative matters without specific Board approval.

Amend Section 5.1 of the SURS Ethics Policy as follows:

5.1 Sanctions

5.1.1 Employees

Any Employee found to have violated any provision of this Policy, or to have knowingly furnished false or misleading information in any investigation, hearing or inquiry held pursuant to this Policy, shall be subject to employment sanctions, including discharge. The provisions of this Policy shall not limit the power of officials to otherwise discipline Employees. Any Board Member who intentionally files a false or misleading Statement of Economic Interests, or knowingly fails to disclose a conflict of interest as described in this Policy, or otherwise knowingly violates any fiduciary duty, may be subject to equitable or remedial relief in accordance with the applicable provisions of the Code.

5.1.2 Trustees

If a Board Member or member of the Executive Staff (as defined in the Executive Staff Policy) believes, based upon direct knowledge or information received from others, that another Board Member has materially violated a governing principle related to their duties owed to the System and its members, as set forth in this Policy or elsewhere as provided in the System's Bylaws or policies, or by applicable law or rule, the matter shall be reported to the Chairperson of the Committee on Governance (as used in this Section 5.1, the "Chairperson"), who shall consult with the Ethics Officer. If, after such consultation, which may include such factual investigation as the Chairperson deems appropriate, it appears to the Chairperson that there is a reasonable likelihood that a material violation has occurred, the matter shall be scheduled on the agenda of the next Governance Committee meeting. If the Board Member in question is a member of the Governance Committee, he or she shall leave the dais during the discussion, and shall not be entitled to vote on the matter or any motions that may arise related thereto, but may speak to the allegations. If necessary to establish a quorum in light of the exclusion of the Trustee in question being unable to fully participate in consideration of the matter, the Chairperson of the Board or the Chairperson of the Committee may appoint another Trustee as an ad hoc member of the Committee for consideration of the item, as provided in the Bylaws.

If, after discussion, the Committee determines that a material violation has occurred (whether or not the Committee recommends remedial action), or that further discussion is necessary, the matter shall be set for discussion at the next meeting of the full Board. If the Committee does not find that a material violation has occurred, the Chair of the Committee shall so report at the next regular meeting of the full Board. Upon an appropriate motion, if any, the Board may, by majority vote of those Board members eligible to attend and vote (excluding the Board Member in question), decide to consider action notwithstanding the Committee's declining to recommend further action.

If, after a full discussion of the matter, which discussion may include a response to the allegations by the Board Member in question, and a questioning of such Member by the other Board Members, the Board determines that a governing principle has been materially violated, the Board may, by majority vote of those Board Members eligible to attend and vote (excluding the Board Member in question), publicly censure that Board Member. Censure will be recorded in the minutes of the

Board meeting. Censure may include the Board Member's removal from any position of authority and/or committee membership, and such other actions as the Board may approve, consistent with applicable law

Rosenberg's Rules of Order Modified for SURS Board and Committee Meetings

Introduction

The rules of procedure at meetings should be simple enough for most people to understand.

These rules have been simplified, slimmed down for the 21st Century, yet retaining the basic tenets of order to which we have grown accustomed. This is built on a foundation supported by the following four pillars:

- 1. Rules should establish order.** The first purpose of rules of parliamentary procedure is to establish a framework for the orderly conduct of meetings.
- 2. Rules should be clear.** Simple rules lead to wider understanding and participation. Complex rules create two classes: those who understand and participate; and those who do not fully understand and do not fully participate.
- 3. Rules should be user friendly.** That is, the rules must be simple enough that the public is invited into the body and feels that it has participated in the process.
- 4. Rules should enforce the will of the majority while protecting the rights of the minority.** The ultimate purpose of rules of procedure is to encourage discussion and to facilitate decision making by the body. In a democracy, majority rules. The rules must enable the majority to express itself and fashion a result, while permitting the minority to also express itself, but not dominate, while fully participating in the process.

Establishing a Quorum

The starting point for a meeting is the establishment of a quorum. SURS' requirements for a quorum are set forth in Section 2 of the SURS Bylaws.

The Role of the Chair

While all members of the body should know and understand the rules of parliamentary procedure, it is the chair of the body who is charged with applying the rules of conduct of the meeting. The chair should be well versed in those rules. For all intents and purposes, the chair makes the final ruling on the rules every time the chair states an action. In fact, all decisions by the chair are final unless overruled by the body itself. However, all decisions of the chair are potentially subject to overruling by the body, pursuant to a properly seconded motion to have the body make a different ruling.

Since the chair runs the conduct of the meeting, it is usual courtesy for the chair to play a less active role in the debate and discussion than other members of the body. This does not mean that the chair should not participate in the debate or discussion. To the contrary, as a member of the body, the chair has the full right to participate in the debate, discussion and decision-making of

the body. What the chair should do, however, is strive to be the last to speak at the discussion and debate stage. The chair should not make or second a motion unless the chair is convinced that no other member of the body will do so at that point in time.

The Basic Format for an Agenda Item Discussion

SURS Board meetings shall have a written, published agenda in compliance with the Open Meetings Act. The meeting shall be governed by the agenda and the agenda constitutes the body's agreed-upon roadmap for the meeting. Each agenda item can be handled by the chair in the following basic format:

First, the chair should clearly announce the agenda item number and should clearly state what the agenda item subject is.

Second, the chair should invite the appropriate person or persons to report on the item, including any recommendation that they might have.

Third, the chair should ask members of the body if they have any technical questions of clarification. At this point, members of the body may ask clarifying questions to the person or persons who reported on the item, and that person or persons should be given time to respond. Members of the body may also engage in discussion at this point.

Fourth, the chair should invite a motion. The chair should announce the name of the member of the body who makes the motion.

Fifth, the chair should determine if any member of the body wishes to second the motion. The chair should announce the name of the member of the body who seconds the motion. A second is required before the Board may consider and act upon a motion.

Sixth, if the motion is made and seconded, the chair should make sure everyone understands the motion. If clarification is needed, this is done in one of three ways: 1. The chair can ask the maker of the motion to repeat it; 2. The chair can repeat the motion; or 3. The chair can ask the secretary or the clerk of the body to repeat the motion.

Seventh, the chair takes a vote, in compliance with the Bylaws and applicable law.

Eighth, the chair should announce the result of the vote.

Motions in General

Motions are the vehicles for decision making by a body. Motions are made in a simple two-step process. First, the chair should recognize the member of the body. Second, the member of the body makes a motion by preceding the member's desired approach with the words "I move ... " A typical motion might be: "I move that we give a 10-day notice in the future for all our meetings." The chair usually initiates the motion in one of three ways:

1. Inviting the members of the body to make a motion, for example, "A motion at this time would be in order."

2. Suggesting a motion to the members of the body, “A motion would be in order that we give a 10-day notice in the future for all our meetings.”

3. Making the motion. As noted, the chair has every right as a member of the body to make a motion, but should normally do so only if the chair wishes to make a motion on an item but is convinced that no other member of the body is willing to step forward to do so at a particular time.

The Three Basic Motions There are three motions that are the most common and recur often at meetings:

The basic motion. The basic motion is the one that puts forward a decision for the body’s consideration. A basic motion might be: “I move that we create a five-member committee to plan and put on our annual fundraiser.”

The motion to amend. If a member wants to change a basic motion that is before the body, they would move to amend it. A motion to amend might be: “I move that we amend the motion to have a 10-member committee.” A motion to amend takes the basic motion that is before the body and seeks to change it in some way.

The substitute motion. If a member wants to completely do away with the basic motion that is before the body, and put a new motion before the body, they would move a substitute motion. A substitute motion might be: “I move a substitute motion that we cancel the annual fundraiser this year.”

“Motions to amend” and “substitute motions” are often confused, but they are quite different, and their effect (if passed) is quite different. A motion to amend seeks to retain the basic motion on the floor, but modify it in some way. A substitute motion seeks to throw out the basic motion on the floor, and substitute a new and different motion for it. The decision as to whether a motion is really a “motion to amend” or a “substitute motion” is left to the chair. So if a member makes what that member calls a “motion to amend,” but the chair determines that it is really a “substitute motion,” then the chair’s designation governs.

A “friendly amendment” is a practical parliamentary tool that is simple, informal, saves time and avoids bogging a meeting down with numerous formal motions. It works in the following way: In the discussion on a pending motion, it may appear that a change to the motion is desirable or may win support for the motion from some members. When that happens, a member who has the floor may simply say, “I want to suggest a friendly amendment to the motion.” The member suggests the friendly amendment, and if the maker and the person who seconded the motion pending on the floor accepts the friendly amendment, that now becomes the pending motion on the floor. If either the maker or the person who seconded rejects the proposed friendly amendment, then the proposer can formally move to amend.

Multiple Motions Before the Body

There can be up to three motions on the floor at the same time. The chair can reject a fourth motion until the chair has dealt with the three that are on the floor and has resolved them. This

rule has practical value. More than three motions on the floor at any given time is confusing and unwieldy for almost everyone, including the chair.

When there are two or three motions on the floor (after motions and seconds) at the same time, the vote should proceed first on the last motion that is made. For example, assume the first motion is a basic “motion to have a five-member committee to plan and put on our annual fundraiser.” During the discussion of this motion, a member might make a second motion to “amend the main motion to have a 10-member committee, not a five-member committee to plan and put on our annual fundraiser.” And perhaps, during that discussion, a member makes yet a third motion as a “substitute motion that we not have an annual fundraiser this year.” The proper procedure would be as follows:

First, the chair would deal with the third (the last) motion on the floor, the substitute motion. After discussion and debate, a vote would be taken first on the third motion. If the substitute motion passed, it would be a substitute for the basic motion and would eliminate it. The first motion would be moot, as would the second motion (which sought to amend the first motion), and the action on the agenda item would be completed on the passage by the body of the third motion (the substitute motion). No vote would be taken on the first or second motions.

Second, if the substitute motion failed, the chair would then deal with the second (now the last) motion on the floor, the motion to amend. The discussion and debate would focus strictly on the amendment (should the committee be five or 10 members). If the motion to amend passed, the chair would then move to consider the main motion (the first motion) as amended. If the motion to amend failed, the chair would then move to consider the main motion (the first motion) in its original format, not amended.

Third, the chair would now deal with the first motion that was placed on the floor. The original motion would either be in its original format (five-member committee), or if amended, would be in its amended format (10-member committee). The question on the floor for discussion and decision would be whether a committee should plan and put on the annual fundraiser.

To Debate or Not to Debate

The basic rule of motions is that they are subject to discussion and debate. Accordingly, basic motions, motions to amend, and substitute motions are all eligible, each in their turn, for full discussion before and by the body. The debate can continue as long as members of the body wish to discuss an item, subject to the decision of the chair that it is time to move on and take action.

There are exceptions to the general rule of free and open debate on motions. The exceptions all apply when there is a desire of the body to move on. The following motions are not debatable (that is, when the following motions are made and seconded, the chair must immediately call for a vote of the body without debate on the motion):

Motion to adjourn. This motion, if passed, requires the body to immediately adjourn to its next regularly scheduled meeting.

Motion to recess. This motion, if passed, requires the body to immediately take a recess. Normally, the chair determines the length of the recess.

Motion to fix the time to adjourn. This motion, if passed, requires the body to adjourn the meeting at the specific time set in the motion. For example, the motion might be: “I move we adjourn this meeting at midnight.”

Motion to table. This motion, if passed, requires discussion of the agenda item to be halted and the agenda item to be placed on “hold.” The motion can contain a specific time in which the item can come back to the body. “I move we table this item until our regular meeting in October.” Or the motion can contain no specific time for the return of the item, in which case a motion to take the item off the table and bring it back to the body will have to be taken at a future meeting.

Motion to limit debate. The most common form of this motion is to say, “I move the previous question” or “I move the question” or “I call the question” or sometimes someone simply shouts out “question.” As a practical matter, when a member calls out one of these phrases, the chair can expedite matters by treating it as a “request” rather than as a formal motion. The chair can simply inquire of the body, “any further discussion?” If no one wishes to have further discussion, then the chair can go right to the pending motion that is on the floor. However, if even one person wishes to discuss the pending motion further, then at that point, the chair should treat the call for the “question” as a formal motion, and proceed to it.

When a member of the body makes such a motion (“I move the previous question”), the member is really saying: “I’ve had enough debate. Let’s get on with the vote.” When such a motion is made, the chair should ask for a second, stop debate, and vote on the motion to limit debate.

A motion to limit debate could include a time limit. For example: “I move we limit debate on this agenda item to 15 minutes.”

The motion to limit debate requires a two-thirds vote of the body. A similar motion is a motion to object to consideration of an item. This motion is not debatable, and if passed, precludes the body from even considering an item on the agenda. It also requires a two-thirds vote.

Majority Votes and Particular Motions

In a democracy, a simple majority vote determines a question. A tie vote means the motion fails. So in a seven-member body, a vote of 4-3 passes the motion. A vote of 3-3 with one abstention means the motion fails. If one member is absent and the vote is 3-3, the motion still fails.

Motion to object to the consideration of a question. Normally, such a motion is unnecessary since the objectionable item can be tabled or defeated straight up. However, when members of a body do not even want an item on the agenda to be considered, then such a motion is in order. It is not debatable.

Tie Votes

What about tie votes? In the event of a tie, the motion always fails since an affirmative vote is required to pass any motion. For example, in a five-member body, if the vote is two in favor and two opposed, with one member absent, the motion is defeated.

The Motion to Reconsider

There is a special and unique motion that requires a bit of explanation all by itself; the motion to reconsider. A tenet of parliamentary procedure is finality. After vigorous discussion, debate and a vote, there must be some closure to the issue. And so, after a vote is taken, the matter is deemed closed, subject only to reopening if a proper motion to reconsider is made and passed.

A motion to reconsider requires a majority vote to pass like other garden-variety motions, but there are two special rules that apply only to the motion to reconsider.

First, is the matter of timing. A motion to reconsider must be made at the meeting where the item was first voted upon. A motion to reconsider made at a later time is untimely. (The body, however, can always vote to suspend this rule and allow a motion to reconsider to be made at another time.)

Second, a motion to reconsider may be made only by certain members of the body. Accordingly, a motion to reconsider may be made only by a member who voted in the majority on the original motion. If such a member has a change of heart, he or she may make the motion to reconsider (any other member of the body — including a member who voted in the minority on the original motion — may second the motion). If a member who voted in the minority seeks to make the motion to reconsider, it must be ruled out of order. The purpose of this rule is finality. If a member of minority could make a motion to reconsider, then the item could be brought back to the body again and again, which would defeat the purpose of finality.

If the motion to reconsider passes, then the original matter is back before the body, and a new original motion is in order. The matter may be discussed and debated as if it were on the floor for the first time.

Courtesy and Decorum

The rules of order are meant to create an atmosphere where the members of the body and the members of the public can attend to business efficiently, fairly and with full participation. At the same time, it is up to the chair and the members of the body to maintain common courtesy and decorum. Unless the setting is very informal, it is always best for only one person at a time to have the floor, and it is always best for every speaker to be first recognized by the chair before proceeding to speak.

The chair should always ensure that debate and discussion of an agenda item focuses on the item and the policy in question, not the personalities of the members of the body. Debate on policy is healthy, debate on personalities is not. The chair has the right to cut off discussion that is too personal, is too loud, or is too crude.

Can a member of the body interrupt the speaker? The general rule is “no.” There are, however, exceptions. A speaker may be interrupted for the following reasons:

Privilege. The proper interruption would be, “point of privilege.” The chair would then ask the interrupter to “state your point.” Appropriate points of privilege relate to anything that would interfere with the normal comfort of the meeting. For example, the room may be too hot or too cold, or a blowing fan might interfere with a person’s ability to hear.

Order. The proper interruption would be, “point of order.” Again, the chair would ask the interrupter to “state your point.” Appropriate points of order relate to anything that would not be considered appropriate conduct of the meeting. For example, if the chair moved on to a vote on a motion that permits debate without allowing that discussion or debate.

Appeal. If the chair makes a ruling that a member of the body disagrees with, that member may appeal the ruling of the chair. If the motion is seconded, and after debate, if it passes by a simple majority vote, then the ruling of the chair is deemed reversed.

Call for orders of the day. This is simply another way of saying, “return to the agenda.” If a member believes that the body has drifted from the agreed-upon agenda, such a call may be made. It does not require a vote, and when the chair discovers that the agenda has not been followed, the chair simply reminds the body to return to the agenda item properly before them. If the chair fails to do so, the chair’s determination may be appealed.

Withdraw a motion. During debate and discussion of a motion, the maker of the motion on the floor, at any time, may interrupt a speaker to withdraw his or her motion from the floor. The motion is immediately deemed withdrawn, although the chair may ask the person who seconded the motion if he or she wishes to make the motion, and any other member may make the motion if properly recognized.

Special Notes About Public Input

The rules outlined above will help make meetings very public-friendly. But in addition, and particularly for the chair, it is wise to remember three special rules that apply to each agenda item:

Rule One: Tell the public what the body will be doing.

Rule Two: Keep the public informed while the body is doing it.

Rule Three: When the body has acted, tell the public what the body did.