

**GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS
MEETING NO. 279**

**MINUTES OF REGULAR MEETING
OF THE BOARD OF TRUSTEES**

January 7, 2025

A regular meeting of the Board of Trustees of the General Assembly Retirement System of Illinois was held on Tuesday, January 7, 2025, at 9:00 a.m. in Room 349C of the Stratton Office Building, 401 South Spring Street, Springfield, Illinois.

Roll Call was taken with the following trustees in attendance:

Senator Robert Martwick, Chairperson
Representative Kam Buckner (remote)
Representative Barbara Hernandez (remote)
Senator Napoleon Harris (remote)
Senator Chapin Rose (remote)
Representative Tom Ryder, Retired

Absent was:

Representative Norine Hammond, Vice-Chairperson

Others in attendance were:

Timothy B. Blair, Secretary
Jeff Houch, Associate Secretary
Angie Ackerson, GARS Division Manager
Samantha Goetz, SRS General Counsel
Dipesh Mehta, ISBI Executive Director and Chief Investment Officer (remote)
Jennifer Koelle, ISBI Senior Investment Officer – Public Markets (remote)

With a quorum present, Chairman Martwick called the meeting to order at 9:15 a.m.

REPORT OF THE ILLINOIS STATE BOARD OF INVESTMENT (ISBI)

Dipesh Mehta, ISBI Executive Director stated that ISBI's asset allocation policy had been updated to increase exposure to private equity by 1% and decrease exposure to emerging markets by the same amount. He noted that the portfolio's market value totaled \$27.3 billion as of September 30, 2024, an increase of \$3.6 billion over the prior 12 months.

Mr. Mehta informed the Board that 46% of invested assets are managed by emerging and minority-owned firms, adding the portfolio returned 16.8% for the year ended September 30, 2024, outperforming the policy benchmark and the allocation benchmark. He then introduced Jennifer Koelle, ISBI Senior Investment Officer, to review the performance of selected asset classes.

Ms. Koelle began by reporting that the portfolio returned 4.4% for the quarter ending September 30, 2024, lagging the benchmark return of 4.6% for the period, adding that the portfolio outperformed for the year ending September 30, 2024, returning 16.8% compared to the benchmark return of 16.6%. Ms. Koelle reported the U.S. Equity portfolio was the strongest

asset class, returning 35% for the year ending September 30, 2024. She noted the Foreign Equity portfolio returned 25.1% for the prior year, beating the index by 0.3% and the Emerging Markets Equity portfolio lagged the benchmark, returning 24.0% for the year while the benchmark returned 26.1% for the period.

Ms. Koelle concluded her report by noting that the Private Equity portfolio gained 4.1% for the year, lagging the relevant benchmark by 1.0% while the Infrastructure portfolio returned 11.1%, significantly outperforming the benchmark return of 6.0%.

Chairman Martwick asked if any trustees had any questions and seeing none, thanked Director Mehta and Ms. Koelle for the report. Representative Ryder moved to approve the ISBI report, and Chairman Martwick seconded the motion. The motion was approved unanimously. A copy of the September 30, 2024 ISBI Quarterly Update is maintained in the ISBI office and made part of these minutes as *Exhibit A*.

WRITTEN APPEAL OF ANNAZETTE COLLINS BENEFIT SUSPENSION

Chairman Martwick referred the Board to the material provided by Senator Collins appealing the suspension of her GARS retirement benefit due to her felony conviction. He asked Associate Secretary Houch to provide the details of the suspension and the relevant statutes, board policies and procedures regarding felony convictions. After the relevant information had been explained to the trustees, discussion ensued involving the Board's policies and procedures and the development of those policies and procedures over the last several years.

After discussion and questions, Representative Ryder offered a motion to deny the appeal of Senator Collins to have her benefit reinstated, but to allow GARS staff to reinstate the benefit if the Attorney General's Office provides an opinion that Senator Collins felony conviction was not related to her time as a State Senator, with the Board of Trustees considering reinstatement at the Board meeting after the Attorney General's opinion is received. Senator Martwick seconded the motion, and a roll call vote was taken. All trustees voted in the affirmative.

MINUTES OF PREVIOUS MEETING

Chairman Martwick presented the minutes of Meeting No. 278 held on October 25, 2024, for approval. Copies were previously submitted to the trustees for review. Representative Ryder moved to approve the October 25, 2024 minutes. The motion was seconded by Chairman Martwick and all voted in the affirmative.

REPORT OF CHAIRMAN MARTWICK

Chairman Martwick offered no report.

REPORT OF ANY TRUSTEE

There were no reports offered.

REPORT OF ADMINISTRATIVE SECRETARY

State Actuary's 2024 Report and System Responses. Secretary Blair reviewed the State Actuary's recommendations and the responses to those recommendations. He noted the State

Actuary recommended a funding plan that finances the annual normal cost and amortizes the GARS unfunded liabilities within a reasonable period. Secretary Blair reminded the trustees that the GARS Board adopted an Actuarially Determined Contribution (ADC) policy in 2015 that is consistent with the State Actuary's recommendation.

The State Actuary also recommended smoothing the impact of assumption changes over a three-year period to align with the experience studies that are performed every three years. Secretary Blair stated the System concurs with this recommendation and added that changing the current funding plan and smoothing the effect of assumption changes over three years requires statutory changes.

Secretary Blair referenced the letter outlining the State Actuary's recommendations and the GRS and GARS responses, which are made a part of these minutes as *Exhibit B*.

FY 24 Actuarial Valuation and FY 26 Employer Certification. Secretary Blair told the Board there were no changes to the final FY 24 Actuarial Valuation from the draft approved at the October 2024 Board meeting. He requested that the Board approve the FY 24 Actuarial Valuation and certify the FY 26 employer contribution of \$26,501,000, or 208.386% of projected payroll. He noted that the State contribution consists of approximately \$1.716 million for the employer's portion of expected normal cost and \$24.785 million due to the unfunded liabilities.

Representative Ryder moved to approve the June 30, 2024 Actuarial Valuation and certify the FY 26 State contribution of \$26.501 million. Chairman Martwick seconded the motion, and it passed unanimously.

September 30, 2024 Financial Statements. Secretary Blair stated that in the first quarter of FY 25 total receipts were \$10.3 million, with the Comptroller's Office using a new statutory funding provision to make 4 ½ months of employer contributions in the first quarter of FY 25. For the quarter disbursements totaled nearly \$7.2 million, and the cash balance increased from \$6.2 million at the end of FY 24 to almost \$9.4 million on September 30, 2024.

Chairman Martwick moved to adopt the September 30, 2024 financial statements and Senator Harris seconded the motion. All voted in favor. Copies of these Financial Statements are on file and made a part of these minutes as *Exhibit C*.

FY 25 Funding Update. Secretary Blair repeated that the Comptroller's Office made 4 1/2 months of state contributions to GARS in the first quarter of FY 25.

REPORT OF MANAGER

Angie Ackerson provided that since the last Board meeting, GARS staff processed two survivor annuities equaling \$6,697.914 per month; no retirement annuities or refunds were processed. Chairman Martwick moved to approve the annuities as presented. Senator Harris seconded the motion, and it was approved unanimously.

UNFINISHED BUSINESS

Secretary Blair informed the Board that he would send letters to the legislative leaders requesting appointments to the GARS Board of Trustees for the 104th General Assembly.

NEW BUSINESS

There was no new business.

PUBLIC COMMENTS

Chairman Martwick asked if there were any members of the public in attendance who wished to address the Board. There were no members of the public in attendance and no comments were submitted.

ADJOURNMENT

Chairman Martwick reminded the Trustees that the next Board meeting would be on Wednesday, April 9, 2025, at 9 a.m. Representative Ryder offered a motion to adjourn the meeting, which was seconded by Senator Harris. The meeting adjourned at 10:45 a.m.

Timothy B. Blair, Administrative Secretary

Date: _____

APPROVED:

Senator Robert F. Martwick, Chairman