

**GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS  
MEETING NO. 274**

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

**June 23, 2023**

A regular meeting of the Board of Trustees of the General Assembly Retirement System was held on Friday, June 23, 2023, at 10 a.m. in Room N502 of the Michael Bilandic Building, 160 North LaSalle Street, Chicago, Illinois, with a videoconference location at the System's Springfield Office, 2101 South Veterans Parkway, Springfield, Illinois.

Roll Call was taken with the following trustees in attendance in person or by video:

- Senator Robert Martwick, Chairman (Chicago location)
- Senator Napoleon Harris (Chicago location - added to the roll at 10:08 am)
- Senator Chapin Rose (by video)
- Representative Jonathan Carroll (by video)
- Representative Norine Hammond (Springfield office)
- Representative Lakesia Collins (Chicago location)
- Representative Tom Ryder, Retired (Springfield office)

Others in attendance were:

- Timothy B. Blair, Secretary (Chicago location)
- Angie Ackerson, GARS Manager (Springfield office)
- Jeff Tebeau, Consulting Actuary, Gabriel, Roeder, Smith & Company (Chicago location)

With a quorum present, Chairman Martwick called the meeting to order at 10:03 a.m.

Chairman Martwick requested a motion to permit remote participation by Trustees Carroll and Rose. Representative Hammond motioned to allow remote participation. The motion was seconded by Representative Ryder, and all voted in the affirmative.

**ELECTION OF 2023 OFFICERS – CHAIRPERSON AND VICE-CHAIRPERSON**

Chairman Martwick announced the annual election of officers for 2023 was in order and opened the meeting for nominations. Representative Hammond nominated Chairman Robert Martwick to remain Chairman in 2023. The motion was seconded by Representative Carroll. No more nominations for Chairman were offered. Chairman Martwick then nominated Representative Hammond as Vice-Chairperson and Representative Ryder seconded his motion. No more nominations were offered. Roll call was taken and the motion to elect Senator Martwick as Chairman and Representative Hammond as Vice-Chairperson was unanimous.

**PUBLIC COMMENTS**

Chairman Martwick asked if there were any members of the public who wished to make comments. There were none.

## **REPORT OF CONSULTING ACTUARIES**

Annual Review of Economic Assumptions. Jeff Tebeau, Consulting Actuary of Gabriel, Roeder, Smith & Company, presented the review of economic assumptions. He stated the review is done to determine if the economic assumptions used for the June 30, 2022, actuarial valuation are still adequate.

Mr. Tebeau stated they are recommending no changes to the current economic assumptions for the June 30, 2023 actuarial valuation, stating they recommend using the current GARS investment return assumption of 6.5%, the current price inflation assumption of 2.25%, and the current wage inflation assumption of 2.50% for the FY 23 valuation. Mr. Tebeau directed the Trustees to the GRS report which provided an analysis and supporting documentation for the recommendations. He noted that GRS reviews Meketa's capital market assumptions and short-term and long-term expectations in the analysis.

Mr. Tebeau provided additional details on the inflation assumption review. He noted that while the CPI-U increased by 9.06% for the 12-month period ending June 30, 2022, the CPI-U increased at an average rate of 2.53% over the last 20 years, 3.88% over the last five years, and 4.98% over the last three years. He stated the review included the expected inflation assumption of 12 independent investment consulting firms with a shorter time horizon and the average was 2.53%, while for a longer time horizon was an average of 2.49%.

At the conclusion of his presentation, Chairman Martwick asked if there were any questions. Seeing none, Chairman Martwick thanked Mr. Tebeau for his presentation and excused him from the remainder of the meeting. A copy of the GRS Economic Assumption Update Review for the June 30, 2023 actuarial valuation is maintained in the GARS office and made part of these minutes as *Exhibit A*.

## **REPORT OF ILLINOIS STATE BOARD OF INVESTMENT (ISBI)**

Due to time constraints, there was no report from ISBI staff.

## **MINUTES OF PREVIOUS MEETINGS**

Chairman Martwick presented the minutes of Meeting No. 273 held on January 10, 2023, for approval. Copies of the minutes were previously submitted to the trustees for preliminary review. Senator Harris moved to approve the minutes for the January 10, 2023 meeting and Representative Carroll seconded the motion. Four trustees were in favor, with Senator Rose and Representatives Collins and Hammond abstaining from voting as they were not members of the Board on January 10, 2023.

## **REPORT OF CHAIRMAN MARTWICK**

Chairman Martwick offered no report.

## **REPORT OF ANY TRUSTEE**

There were no reports offered.

## **REPORT OF ADMINISTRATIVE SECRETARY**

Preliminary Review of FY 2024 Operations Budget. Secretary Blair presented the FY 24 Preliminary Operations Budget Request of \$356,780, noting a decrease of \$18,620, or 4.96%, from the FY

23 budget. He reviewed the items having a cost impact on the request, including a decrease of \$13,460 in the Personal Services line due to the retirement of an employee who will not be replaced. Included in the request are AFSCME steps and COLAs of 5% in July 2023 for all employees, including four employees receiving a stipend. Secretary Blair stated the July COLA will equal the COLA in the AFSCME collective bargaining agreement that is being negotiated.

Secretary Blair explained the Retirement, FICA and Group Insurance lines all decreased a total of \$12,400 due to the decrease in the Personal Services line and the decrease in the SERS employer contribution rate from 53.258% in FY 23 to 52.657% in FY 24.

Following discussion of the proposed FY 24 operations budget preliminary review, Senator Harris motioned to approve the FY 24 operations budget of \$356,780. The motion was seconded by Representative Collins, and all were in favor.

December 31, 2022 and March 31, 2023 Financial Statements. Secretary Blair reviewed the financial statements for the quarters ended December 31, 2022, and March 31, 2023. He noted that no funds have been withdrawn from ISBI to pay benefits in FY 23 and added that he does not anticipate any withdrawals for the remainder of FY 23. Over the first nine months of the fiscal year ending March 31, 2023, the System received \$2.4 million a month in receipts, slightly above the monthly disbursements of \$2.3 million. Secretary Blair noted he expects transfers of \$2 to \$3 million to ISBI in the next two quarters.

Senator Harris moved to approve the December 31, 2022 and March 31, 2023 financial statements. The motion was seconded by Representative Collins and all voted in the affirmative. Official copies of these financial statements have been made a part of these minutes as *Exhibit B*.

FY 2023 Funding Update. Secretary Blair told the Board that the Comptroller's Office is current in making the State contributions and that July contributions had been received. He stated he anticipates the timely receipt of the remaining FY 23 monthly contributions and that GARS expects to receive an additional \$500,000 in supplemental appropriations by June 30, 2023.

## **REPORT OF MANAGER**

Division Manager Angie Ackerson presented the annuities and refunds for approval. Since the last Board meeting, nine retirement annuities totaling \$49,581.80 per month and three survivors' annuities totaling \$8,795.97 per month were processed. She reported one termination refund for \$51,836.30 was processed and three error refunds totaling \$4,364.29 were processed. Senator Harris moved to approve the annuities and refunds for approval. The motion was seconded by Representative Collins, and all were in favor.

## **UNFINISHED BUSINESS**

There was no unfinished business.

## **NEW BUSINESS**

There was no new business.

**ADJOURNMENT**

There being no further business, Senator Harris moved to adjourn at 10:36 a.m. The motion was seconded by Representative Collins and passed with an affirmative vote of all trustees.

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Timothy B. Blair, Administrative Secretary

Date: \_\_\_\_\_

APPROVED:

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Senator Robert F. Martwick, Jr., Chairman