

**GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS  
MEETING NO. 277**

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

**May 8, 2024**

A regular meeting of the Board of Trustees of the General Assembly Retirement System was held on Wednesday, May 8, 2024, at 9:00 a.m. in the Stratton Office Building, Section C Main Conference Room, 401 S. Spring Street, Springfield, Illinois.

Roll Call was taken with the following trustees in attendance:

- Senator Robert Martwick, Chairman
- Representative Norine Hammond, Vice-Chairperson
- Representative Kam Buckner
- Senator Chapin Rose
- Representative Tom Ryder, Retired Elected Trustee

The following trustees were absent:

- Senator Napoleon Harris
- Representative Barbara Hernandez

Others in attendance were:

- Timothy B. Blair, Secretary
- Jeff Houch, Associate Secretary
- Samantha Goetz, SRS General Counsel
- Dipesh Mehta, ISBI Executive Director and Chief Investment Officer
- Mary Cahill, ISBI Business Operations and Governmental Affairs Analyst
- Jeff Tebeau, Consulting Actuary, Gabriel, Roeder, Smith & Company (remote)
- Heidi Barry, Consulting Actuary, Gabriel, Roeder, Smith & Company (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 directed the Board's attention to the December 31, 2023, Performance Report and noted the Fund is currently valued at approximately \$25.2 billion and returned 4% through the 2nd quarter of 2024. He indicated that there was considerable volatility in certain asset classes during that time, but that asset allocation remains within the policy ranges and is reviewed periodically as one of ISBI's most important functions.

Director Mehta continued his report by noting that utilizing diverse investment firms remains a priority of ISBI, and that 41% of the portfolio is managed with or by such firms. He concluded by introducing Mary Cahill, Business Operations and Governmental Affairs Analyst for ISBI and turned the presentation over to her.

Ms. Cahill began her presentation by reviewing the Fund's performance by asset class for the 12-months ending December 31, 2023, noting the Fund has gained 4.0%

through the 2<sup>nd</sup> quarter of FY 24, underperforming the Policy Benchmark by 10 basis points but has matched the Actual Allocation Benchmark. She stated the Fund increased by \$2 billion over the one-year period ending December 31, 2023.

Ms. Cahill then reviewed several asset classes, noting the Fixed Income Composite returned 2.7% over the one-year period, underperforming the benchmark return of 3.8%, and the Core Fixed Income and Treasury Inflation Protected Securities Composite (TIPS) returned 4.7% and 4.0%, respectively, for the same period. She added that the Domestic Equity Composite returned 8.5% for FY 24, exceeding the benchmark by 10 basis points, while the International Equities Composite rose 6.4%, exceeding the benchmark by 40 basis points.

Ms. Cahill noted that the Private Equity portfolio lost 1.1% through the first quarter of FY 24 as there is an additional reporting lag for this asset class. She concluded her report and asked if there were any questions.

Chairman Martwick thanked Mr. Mehta and Ms. Cahill for their reports and excused them from the remainder of the meeting. Trustee Hammond moved to approve the ISBI report, and Trustee Ryder seconded the motion, and the motion was approved unanimously.

A copy of the materials used in the presentation are maintained in the GARS office and made part of these minutes as *Exhibit A*.

#### **REPORT OF CONSULTING ACTUARIES**

Jeff Tebeau, and Heidi Barry of Gabriel, Roeder, Smith & Company, presented the economic assumption review which included their recommendation to maintain the current assumptions. Mr. Tebeau reminded the Board that the key economic assumptions are the investment return, price inflation, and salary increase assumptions. He summarized the key data and methodology used in the study and answered multiple questions from trustees regarding the data and methodology. Chairman Martwick then stated that because the Board agreed with the recommendation to maintain the economic assumptions at their current rates, no motion was required.

A copy of the materials used in the presentation are maintained in the GARS office and made part of these minutes as *Exhibit B*.

#### **MINUTES OF PREVIOUS MEETING**

Chairman Martwick presented the minutes of Meeting No. 276 held on January 12, 2024, for approval. Copies of the minutes were previously provided to trustees for review. Representative Ryder moved to approve the minutes of the January 12, 2024 meeting as presented. The motion was seconded by Representative Hammond, and it passed unanimously.

#### **REPORT OF CHAIRMAN**

Chairman Martwick spoke briefly about opportunities for trustees to discuss and review the investment portfolio with ISBI staff and contractors.

## **REPORT OF ANY TRUSTEE**

There were no reports offered.

## **REPORT OF ADMINISTRATIVE SECRETARY**

Preliminary Review of FY 25 Operations Budget. Secretary Blair requested \$384,520 for the FY 25 operations budget, an increase of \$7,580, or 2.01%, from the FY 24 operations budget. He indicated there was a \$4,800 decrease in the personnel related expenses due to an employee's upcoming retirement, but the budget for contractual services has increased by \$8,900 due to increases in actuarial services for the comprehensive assumption review in FY 15 and an expected increase in the fiduciary insurance premiums.

Representative Hammond made a motion to adopt the FY 25 operations budget request of \$384,520. Representative Buckner seconded the motion, and it was approved unanimously.

An official copy of the preliminary FY 25 budget request has been placed on file and made a part of these minutes as *Exhibit C*.

September 30, 2023, December 31, 2023, and March 31, 2024 Financial Statements. Secretary Blair began his presentation by stating that in FY 24 total receipts were over \$21.1 million, with disbursements of over \$21.0 million. He noted that receipts are about \$120,000 higher than disbursements in FY 24, and the cash balance was approximately \$6.3 million at the end of the 3<sup>rd</sup> quarter of FY 24.

There being no questions, Chairman Martwick asked for a motion to approve the September 30, 2023, December 31, 2023, and March 31, 2024, financial statements. Representative Hammond moved to adopt the financial statements. Senator Rose seconded the motion, and all voted in favor.

Official copies of these Financial Statements have been placed on file and made a part of these minutes as *Exhibit D*.

FY 24 Funding Update. Secretary Blair stated that the Comptroller's Office continues to make the State contributions in an expedient manner and that GARS is up to date on receiving such contributions.

## **REPORT OF MANAGER**

Secretary Blair presented the annuities for approval. Since the last Board meeting, one new retirement annuity totaling \$3,937.22 per month, and one survivor annuity totaling \$10,329.98 were processed by GARS staff. He noted that one survivor refund, and one error refund were processed since the last meeting, which totaled \$28,044.09. Representative Hammond moved to approve the annuities and refunds as presented, and Representative Ryder seconded the motion, and the motion was approved unanimously.

## **UNFINISHED BUSINESS**

There was no unfinished business.

## **NEW BUSINESS**

There was no new business.

**ADJOURNMENT**

Chairman Martwick reminded the Trustees the next Board meeting would be held October 25, 2024, at 1 p.m. in Chicago. There being no further business, Chairman Martwick asked if there was a motion to adjourn. Representative Hammond moved to adjourn the meeting. The motion was seconded by Representative Ryder and the meeting was adjourned at 9:50 a.m.

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Timothy B. Blair, Administrative Secretary

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

APPROVED:

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Senator Robert F. Martwick, Chairman