GENERAL ASSEMBLY RETIREMENT SYSTEM OF ILLINOIS
MEETING NO. 278

MINUTES OF THE ANNUAL MEETING
OF THE BOARD OF TRUSTEES

October 25, 2024

The annual meeting of the Board of Trustees of the General Assembly Retirement System of Illinois was held on Friday, October 25, 2024, at 1:00 p.m. in Room S200 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:

Senator Robert Martwick, Chairperson (Chicago location)
Representative Norine Hammond, Vice-Chairperson (Springfield location)
Representative Kam Buckner (remote)
Representative Barbara Hernandez (Chicago location)
Senator Napoleon Harris (remote)
Senator Chapin Rose (remote)
Representative Tom Ryder, Retired (Springfield location)

Others in attendance were:

Timothy B. Blair, Secretary (Chicago location)
Jeff Houch, Associate Secretary (Springfield location)
Angie Ackerson, GARS Division Manager (Springfield location)
Samantha Goetz, SRS General Counsel (Springfield location)
Dipesh Mehta, ISBI Executive Director and Chief Investment Officer (Chicago location)
Scott Richards, Senior Investment Officer, Illinois State Board of Investment (Chicago location)
Alex Rivera, Consulting Actuary, Gabriel, Roeder, Smith & Company
Heidi Barry, Consulting Actuary, Gabriel, Roeder, Smith & Company

With a quorum present, Chairman Martwick called the meeting to order at 1:05 p.m. He offered a motion to allow Senator Harris, Senator Rose and Representative Buckner to participate remotely. Representative Ryder seconded the motion, which passed unanimously by a roll call vote.

ELECTION OF 2025 OFFICERS

Chairman Martwick announced the election of 2025 officers was in order and opened the meeting for nominations. Chairman Martwick indicated that he was willing to continue serving as Chair if nominated. Trustee Ryder nominated Senator Martwick as Chairman and Representative Hammond as Vice-Chairperson for 2025, and the nomination was seconded by Trustee Hernandez. No further nominations were offered, and Senator Martwick and Representative Hammond were re-elected unanimously.

REPORT OF CONSULTING ACTUARIES

Alex Rivera and Heidi Barry of Gabriel, Roeder, Smith & Company presented draft copies of the FY 24 GARS actuarial valuation. Mr. Rivera noted the purpose of the valuation is to measure the funded status of the System on June 30, 2024, and to determine the required State contribution for FY 26. He reminded the Board that Public Act 100-0023 modified the State's funding policy to smooth State contribution rate increases or decreases due to actuarial assumptions changes, over a five-year period in equal annual amounts. Mr. Rivera then turned the presentation over to Ms. Barry.

Ms. Barry presented the valuation results, noting the actuarial accrued liability increased from $365.7 million on June 30, 2023, to $366.3 million on June 30, 2024. She indicated the market value of assets increased by $6.9 million, which increased the funded ratio on a market value basis from 22.8% to 24.7%. Ms. Barry noted that the actuarial value of assets increased from approximately $85.8 million to $90.7 million, which increased the funded ratio based on the actuarial value of assets from 23.5% to 24.8%. She referred the Board to a slide showing that the funded ratio is expected to slowly increase until FY 33, and then rapidly increase to 90% in FY 45.

Ms. Barry stated that in FY 24, employer contributions totaled $26.5 million, employee contributions were $1.5 million, and the benefits and expenses were $28.5 million, resulting in negative cash flow of $0.5 million. She stated that the FY 26 State Contribution rate decreased from 220.373% of payroll to 208.386% of payroll, but the contribution amount increased $300,000 from FY 25, to $26.5 million. She pointed out that the actuarially determined contribution (ADC) is $37.1 million, or $10.6 million higher than the amount required by the statutory funding plan. Ms. Barry noted that 11 years remain in the amortization period under the Board's ADC policy.

Ms. Barry concluded by asking if there were any questions regarding the FY 24 valuation or the preliminary FY 26 State contribution certification. Representative Hammond moved to accept the draft FY 24 actuarial valuation and to preliminarily certify the FY 26 employer contribution of $26,501,000. Representative Hernandez seconded the motion, and the motion was approved unanimously. Chairman Martwick thanked Mr. Rivera and Ms. Barry and excused them from the remainder of the meeting.

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

REPORT OF THE ILLINOIS STATE BOARD OF INVESTMENT (ISBI)

Dipesh Mehta, Chief Investment Officer for ISBI, announced to the Trustees that ISBI's private equity asset class performance was ranked second in the nation against its public pension peers by the American Investment Council. He also noted that Jennifer Koelle, ISBI Senior Investment Officer, was named an Influential Woman in Institutional Investing by Pension and Investments.

Mr. Mehta stated that no changes to the asset allocation policy had been made since the last GARS Board meeting, and the portfolio's market value totaled approximately $26.3 billion as of June 30, 2024. He mentioned that approximately 43% of its assets are managed by emerging and minority-owned firms and that 64.7% of the portfolio's assets are passively managed. Mr. Mehta then passed the presentation over to Scott Richards, ISBI Senior Investment Officer.

Mr. Richards began by reporting that the Fixed Income Composite returned 3.8% for the year ending June 30, 2024, exceeding the benchmark return of 3.5% for the period. He reported that the U.S Equity portfolio was the strongest performing asset class, returning 23.5% for the year and beating the benchmark by 400 basis points for the period. Mr. Richards then referred to the Emerging Markets Equity portfolio which outperformed the benchmark significantly, returning 16.3% for the year ending June 30, 2024 while the benchmark returned 12.5% for the period.

Mr. Richards concluded his report by noting the Infrastructure portfolio and Real Estate portfolio both outperformed the relevant benchmarks, returning 8.2% and -4.4% respectively, while the benchmarks returned 6.6% and -8.7% respectively.

Chairman Martwick thanked Mr. Mehta and Mr. Richards for the report. Representative Hernandez moved to approve the ISBI report, and Representative Ryder seconded the motion. The motion was approved unanimously. A copy of the June 30, 2024 ISBI Quarterly Update is maintained in the ISBI office and made part of these minutes as *Exhibit B*.

MINUTES OF PREVIOUS MEETING

Chairman Martwick presented the minutes of Meeting No. 277 held on May 8, 2024, for approval. Copies were previously submitted to the trustees for review. Representative Hernandez moved to approve the May 8, 2024 minutes, seconded by Representative Hammond and all voted in the affirmative.

REPORT OF CHAIRMAN

There were no reports offered.

REPORT OF ANY TRUSTEE

There were no reports offered.

REPORT OF ADMINISTRATIVE SECRETARY

Final Review of FY 25 Operations Budget. Secretary Blair requested $378,520 for the FY 25 operations budget, an increase of $1,580, or 0.42%, from the FY 24 operations budget. He indicated there was a $4,300 decrease in the personnel related expenses due to an employee's retirement and a $3,700 decrease in the Retirement line. These decreases were more than offset by a $4,000 increase in the Group Insurance line, a $4,340 increase in the Contractual line and a $1,280 Increase in the IT line. Secretary Blair informed the Board that the JRS Board of Trustees had approved the JRS portion of requested FY 25 operations budget at the July 19, 2024 JRS Board meeting.

Chairman Martwick asked if there were any questions on the FY 25 operations budget request. Seeing none, he asked for a motion to approve the request. Representative Hernandez moved to adopt the FY 25 operations budget request of $378,520. Representative Hammond seconded the motion, and it was approved unanimously.

A copy of the FY 2025 budget is made a part of these minutes as *Exhibit C.*

June 30, 2024 Financial Statement. Secretary Blair began his presentation by stating that in FY 24 total receipts were $28.2 million and disbursements totaled nearly $28.1 million, and the cash balance was $6.2 million at the end of FY 24.

Chairman Martwick asked for a motion to approve the June 30, 2024 financial statements. Representative Hernandez moved to adopt the June 30, 2024 financial statements and Representative Hammond seconded the motion; all voted in favor.

Copies of these Financial Statements are on file and made a part of these minutes as *Exhibit D.*

2025 Meeting Dates. Secretary Blair submitted a list of suggested 2025 GARS Board meeting dates.

Tuesday, January 7, 2025, 9:00 a.m.
Wednesday, April 9, 2025, 9:00 a.m.
Friday, October 24, 2025, 1:00 p.m.

A motion was made by Representative Hernandez to approve the dates. Representative Hammond seconded the motion and the 2025 meeting dates were approved unanimously.

FY 25 Funding Update. Secretary Blair stated that the Comptroller's Office is current in making the monthly State contributions and that the monthly contributions were made early.

REPORT OF MANAGER

Angie Ackerson provided that since the last Board meeting, GARS staff processed one survivor annuity of $2,682.94 per month; no retirement annuities or refunds were processed. Representative Ryder moved to approve the annuity as presented; Representative Hernandez seconded the motion and it was approved unanimously.

UNFINISHED BUSINESS

There was no unfinished business.

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 told the Trustees the next Board meeting would be on Tuesday, January 7, 2025, at 9 a.m. in Springfield. Representative Hernandez moved to adjourn the meeting, which was seconded by Representative Ryder. The meeting adjourned at 2:05 p.m.

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Timothy B. Blair, Administrative Secretary

Date:____

APPROVED:

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Senator Robert F. Martwick, Chairman