

**JUDGES RETIREMENT SYSTEM OF ILLINOIS
MEETING NO. 363**

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

April 19, 2024

A regular meeting of the Board of Trustees of the Judges Retirement System of Illinois convened on Friday, April 19, 2024, at 10 a.m. in System's Springfield Office, 2101 South Veterans Parkway, Springfield, Illinois with a videoconference location in Room S200 of the Michael Bilandic Building, 160 North LaSalle Street, Chicago, Illinois.

Roll Call was taken with the following trustees in attendance:

Justice Thomas Hoffman (Chicago location)
Judge Karen Wall (Springfield office)
Judge Charles M. Feeney (Springfield office)
Catherine Shannon, Proxy for State Treasurer Michael Frerichs (remote participant permitted by unanimous vote)

Absent was:

Justice Debra Walker, Chairperson and Proxy for Chief Justice Mary Jane Theis

Others present:

Timothy B. Blair, Secretary (Chicago location)
Jeff Houch, Associate Secretary (Springfield office)
Samantha Goetz, General Counsel (Springfield office)
Dipesh Mehta, Executive Director, Illinois State Board of Investment (by video)
Scott Richards, Senior Investment Officer, Illinois State Board of Investment (by video)

With a quorum present, Vice-Chairman Feeney called the meeting to order at 10:00 a.m. Trustee Hoffman motioned to permit Trustee Shannon to participate remotely, and Trustee Wall seconded the motion, which passed unanimously.

PUBLIC COMMENTS

Vice-Chairman Feeney asked if any members of the public wished to address the Board. There were no members of the public in attendance, and no public comments were submitted.

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 portfolio is currently valued at almost \$25.2 billion and returned 4% through the 2nd quarter of FY 24. He indicated that there was considerable volatility in some asset classes during the period and noted that asset allocation remains within policy ranges and is reviewed periodically as one of ISBI's most important functions. Mr. Mehta continued his report by noting that utilizing diverse firms remains a high priority of ISBI, and that 41% of the portfolio is currently managed by such firms. He then turned over the presentation to Scott Richards, ISBI Senior Investment Officer.

Mr. Richards began his presentation by reviewing the portfolio's performance by asset class for the 12-months ending December 31, 2023, noting the portfolio returned 4.0% through the 2nd quarter of

FY 24, underperforming the Policy Benchmark by 10 basis points but matching the Actual Allocation Benchmark. He stated the Fund increased by \$2 billion over the one-year period ending December 31, 2023.

Mr. Richards then reviewed several asset classes, noting the Fixed Income portfolio returned 2.7% over the six-month period ending December 31, 2023, underperforming the benchmark return of 3.8%, and the Core Fixed Income and Treasury Inflation Protected Securities (TIPS) portfolio returned 2.2% and 1.9%, respectively, for the same period. Mr. Richards added that the Domestic Equity portfolio returned 8.5% for the first 6 months of FY 24, exceeding the benchmark by 10 basis points, while the Non-U.S. Equities portfolio rose 6.4% during the period, exceeding the benchmark by 40 basis points. He concluded by reporting that the Private Equity portfolio lost 1.1% through the first quarter of FY 24 as there is a reporting lag for such asset class.

Vice-Chairman Feeney asked if anyone had questions. Hearing none, he asked for a motion to approve the ISBI report. Trustee Wall moved to approve, and the motion was seconded by Trustee Hoffman. All voted in the affirmative. A copy of the December 31, 2023, Performance Report is maintained in the SERS office, and made part of these minutes as *Exhibit A*.

MINUTES OF PREVIOUS MEETING

The minutes of Meeting No. 362 held on January 12, 2024, were presented by Vice-Chairman Feeney for approval. Copies of these minutes were previously submitted to all trustees for preliminary review. Trustee Hoffman moved to approve the minutes and the motion was seconded by Trustee Wall. The motion passed unanimously. A copy of the January 12, 2024, minutes is maintained in the SERS office, and made part of these minutes as *Exhibit B*.

READING OF COMMUNICATIONS

Vice-Chairman Feeney asked Secretary Blair if there were any communications to be presented to the Board. Secretary Blair updated the Board on the status of the complaint for administrative review that was filed in Cook County by retired Judge Patricia Kievlan and active Judge Natosha Toller.

REPORT OF ANY TRUSTEE

Vice-Chairman Feeney asked if there were any trustee reports. No reports were offered.

REPORT OF SECRETARY

Preliminary approval of the FY 25 Operations Budget. Secretary Blair presented the FY 25 Operations Budget Request of \$1,099,180, noting a decrease of \$4,180 or 0.38%, from the FY 24 budget. He reviewed the items having a cost impact on the request, including a decrease of \$19,200 in the Personal Services line, a decrease of \$15,840 to employer's retirement contribution, an increase of \$23,400 for the Group Insurance cost, and a \$5,800 increase for the fiduciary insurance coverage cost.

Following discussion of the proposed FY 25 operations budget, Trustee Hoffman motioned to approve the FY 25 operations budget of \$1,099,180. The motion was seconded by Trustee Wall, and all voted in the affirmative.

December 31, 2023, and March 31, 2024, Financial Statements. Secretary Blair reviewed the financial statements for the second and third quarters of FY 24, noting that the System's total receipts

year-to-date are \$151.3 million and that \$149.8 million in pension benefits were paid. He noted that the System disburses approximately \$17 million per month in benefits and receives less than \$14 million in employee and employer contributions, requiring monthly withdrawals from ISBI to pay benefits. Secretary Blair noted that \$30.5 million was transferred from the ISBI investment portfolio in the first 3 quarters of FY 2024 and he anticipates approximately \$10.5 million will need to be transferred in the 4th quarter.

Trustee Wall moved to approve the December 31, 2023 and March 31, 2024 financial statements. The motion was seconded by Trustee Shannon, and all were in favor. Official copies of these financial statements have been made a part of these minutes as *Exhibit C*.

FY 24 Funding Update. Secretary Blair informed the Board that the Comptroller's Office is current in making the State contributions and that there have been no delayed payments in FY 24.

REPORT OF DIVISION MANAGER

Annuities and Refunds for Approval. Secretary Blair reported that since the last meeting, 10 retirement annuities totaling \$130,168.09 per month, 8 survivor annuities totaling \$45,990.52 per month, and 1 temporary disability totaling \$5,586.31 per month were processed. Four survivor annuity refunds totaling \$175,636.99, and 5 error refunds totaling \$4,348.24 were processed. There being no questions, Trustee Wall moved to approve the annuities and refunds as presented. Trustee Hoffman seconded the motion, and all were in favor.

Deaths of Members. Secretary Blair reported the deaths of 9 JRS members since the January meeting.

OLD BUSINESS

No old business was reported.

NEW BUSINESS

No new business was reported.

ADJOURNMENT

There being no further business to be brought before the Board, Trustee Hoffman moved to adjourn at 10:43 a.m. His motion was seconded by Trustee Wall.

Timothy B. Blair, Secretary

Date: _____

APPROVED:

Justice Debra Walker, Chairperson