

**JUDGES' RETIREMENT SYSTEM OF ILLINOIS  
MEETING NO. 366**

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

**January 10, 2025**

A regular meeting of the Board of Trustees of the Judges' Retirement System of Illinois was held on Friday, January 10, 2025, at 10:00 a.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:

Judge Debra Walker, Chairperson and Proxy for Chief Justice Mary Jane Theis (Chicago location)  
Judge Karen Wall (Chicago location)  
Catherine Shannon, Proxy for State Treasurer Michael Frerichs (Springfield location)  
Justice Thomas Hoffman (remote participant)

Absent was:

Justice Amy C. Lannerd

Others present:

Timothy B. Blair, Administrative Secretary (Chicago location)  
Jeff Houch, Associate Administrative Secretary (Springfield location)  
Angie Ackerson, JRS Division Manager (Springfield location)  
Dipesh Mehta, Executive Director, Illinois State Board of Investment (Chicago location)  
Jennifer Koelle, Senior Investment Officer, Illinois State Board of Investment (Chicago location)

Chairperson Walker called the meeting to order at 10:00 a.m. With a quorum present, Trustee Wall motioned to permit Trustee Hoffman to participate remotely. Trustee Shannon seconded the motion. A voice vote was taken, and all Trustees voted in the affirmative.

**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%.

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

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

The minutes of Meeting No. 365 held on October 25, 2024, were presented by Chairperson Walker for approval. Copies of these minutes were previously submitted to all trustees for preliminary review. Trustee Hoffman offered a motion to approve the minutes, and the motion was seconded by Trustee Wall. A voice vote was taken, and the motion was approved unanimously.

#### **READING OF COMMUNICATIONS**

Chairperson Walker stated there was no communications to report.

#### **REPORT OF CHAIRPERSON**

Chairperson Walker reported that Justice Amy C. Lannard was appointed by the Supreme Court to serve a three-year term that began September 18, 2024.

#### **REPORT OF ANY TRUSTEE**

Chairperson Walker asked if there were any trustee reports. No reports were offered.

#### **REPORT OF 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 JRS unfunded liabilities within a reasonable period. Secretary Blair reminded the trustees that the JRS 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 noted that the State Actuary only recommended two other changes, including the continuation of the annual review of economic assumptions and additional disclosures in future valuations

regarding the development of economic assumptions. He concluded by referencing the letter outlining the State Actuary's recommendations and the GRS and JRS 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 they 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 \$151,882,000, or 95.899% of projected payroll. He noted that the State contribution consists of \$26,621,000 for the employer's portion of expected normal cost and \$125,261,000 due to the unfunded liabilities.

Trustee Wall moved to approve the June 30, 2024 Actuarial Valuation and certify the FY 26 State contribution of \$151,882,00. Trustee Hoffman seconded the motion, and it passed unanimously.

Kievlan/Toller Complaint Update. Secretary Blair noted the recent judicial decision in favor of JRS and a brief discussion on the potential for an appeal by the plaintiffs followed.

FY 2025 Funding Update. Secretary Blair reported that the Comptroller's Office made 4 1/2 months of state contributions to JRS in the first quarter of FY 25, using a recent change in the pension code that allows monthly contributions to be made early.

## **REPORT OF DIVISION MANAGER**

Annuities and Refunds for Approval. Angie Ackerson, JRS Division Manager, presented seven retirement annuities processed since the last Board meeting totaling \$76,843.61 per month and three survivor annuities totaling \$26,109.68. A review of the refunds for approval included one survivor annuity refund of \$11,450.34 and three error refunds totaling \$853.75. Trustee Hoffman moved to approve the annuities and refunds as presented. Trustee Shannon seconded the motion, and the motion was approved unanimously.

Death of Members. Ms. Ackerson reported the deaths of seven JRS members since the July meeting. This report is made a part of these minutes as *Exhibit D*.

## **OLD BUSINESS**

No old business was reported.

## **NEW BUSINESS**

No new business was reported.

## **PUBLIC COMMENTS**

Chairperson Walker 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.

## **ADJOURNMENT**

There being no further business to be brought before the Board, Trustee Wall moved to adjourn at 10:35 a.m. Her motion was seconded by Trustee Shannon and approved unanimously. Chairperson Walker

reminded trustees that the next Board meeting is scheduled for Friday, April 25, 2025, at 10 a.m., and the meeting adjourned.

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Timothy B. Blair, Secretary

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

APPROVED:

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Chairperson Debra Walker