



Teachers' Retirement System of the State of Illinois

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R. Stanley Rupnik, Acting Executive Director

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MINUTES **Legislative Committee Meeting** **August 4, 2010**

A meeting of the Legislative Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on August 4, 2010 at the Springfield office of the Illinois Teachers' Retirement System, 2815 West Washington Street. Jan Cleveland, Chair, called the meeting to order at 1:50 p.m. A quorum was present.

Roll Call attendance was taken with the following committee members present: Jan Cleveland (Chair), Cinda Klickna (Vice Chair), Bob Lyons, Sid Marder, and Molly Phalen. Other trustees present: Marcia Boone, Mike Busby, Livia Kiser, Sharon Leggett, Cynthia O'Neill, Janice Reedus, and Sonia Walwyn.

Others present: Stan Rupnik, Acting Exec. Director/CIO; Greg Turk, Director of Investments; Scottie Bevill, Sr. Investment Officer; Tom Gray, General Counsel; Cynthia Fain, Sr. Asst. General Counsel; Stacy Smith, Director of Internal Audit; Melissa Oller, Internal Auditor; Sally Sherman, Director of Member Services; Kathleen Farney, Director of Research; Rich Frankenfeld, Director of Outreach; Tassi Maton, Director of Investment Operations; Gina Larkin, Director of Human Resources; Jana Bergschneider, Director of Administration; Dave Urbanek, Public Information Officer; Sue Billington, Executive Assistant; Tammy Green, Asst. to Executive Director; Andrew Bodewes (Legislative Consultant); Pat O'Hara, Cavanagh & O'Hara (Fiduciary Counsel); and Becky Gratsinger and Marcia Beard, RV Kuhns (Investment Consultant).

Visitors present: Don Davis, IRTA Rep.; Shirley Dodds, IRTA Rep.; and Jack Tucker, IEA-R.

APPROVAL OF MINUTES

A draft of the minutes from the June 24, 2010 Legislative Committee was sent to members of the committee for review. On a motion by Marcia Boone, seconded

by Bob Lyons, and by unanimous voice vote, the minutes were approved as printed.

LEGISLATIVE UPDATE

Andrew Bodewes, Legislative Consultant, provided a brief update on pension funding noting options on the table include borrowing money or a very large revenue increase. The committee directed staff to draft a letter to members of the General Assembly informing them of the financial distress of the System since assets are being sold to pay benefits. In addition, the General Assembly will receive TRS's new report detailing the economic benefits that flow from the pensions and benefits paid by TRS during fiscal year 2009 to Illinois residents. The report shows the number of benefit recipients and benefits received by legislative district and county.

IRS Determination Letter

Tom Gray, General Counsel, discussed the status of TRS's IRS Determination Letter request. Mr. Gray informed the committee that the IRS had issued compliance guidance which requires the General Assembly to enact certain changes to Article 16 of the Pension Code regarding 401(a) qualified plan requirements. TRS is in compliance with those relevant provisions; however, the IRS does want to see them in statutory provisions governing TRS.

ADJOURNMENT

On a motion by Marcia Boone, seconded by Bob Lyons, and by unanimous vote, the meeting adjourned at 2:03 p.m.

Stan Rupnik, Acting Executive Director

Approved _____