



Teachers' Retirement System of the State of Illinois

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Richard W. Ingram, Executive Director

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MINUTES Diversity Committee Meeting October 29, 2014

The Diversity Committee of the Board of Trustees of the Illinois Teachers' Retirement System held its first meeting on October 29, 2014 at the Springfield office of the Illinois Teachers' Retirement System, 2815 West Washington Street. The meeting was called to order at 1:10 p.m. A quorum was present.

Roll call attendance was taken with the following committee members present: Mike Busby, Rainy Kaplan, Bob Lyons, and Sonia Walwyn. Absent: Mark Harris

Trustees present: Mark Bailey, Marcia Campbell, Cynthia O'Neill, Sharon Leggett, and Cinda Klickna (arrived 1:15 p.m.).

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Tom Gray, General Counsel; Cynthia Fain, Sr. Assistant General Counsel; Gina Larkin, Director of Human Resources; Jana Bergschneider, Director of Administration; Stacy Smith, Director of Internal Audit; Sally Sherman, Director of Member Services; Kathleen Farney, Director of Research; Tammy Green, Assistant to the Executive Director; Sue Billington, Executive Assistant; and Becky Gratsinger, RV Kuhns (Investment Consultant).

Visitors present: Dennis Murfin, IRTA; Don Davis, IRTA; Gayla Dial, IEA-R/IRTA; Bob Kaplan, IEA/IRTA; David Bishop, IEA-R; Tony Casalino, IFT; Donnie Ostrom, IRTA; Daniel Winter, and Dennis Sourtek.

A motion was made by Bob Lyons, seconded by Sonia Walwyn, that the committee recommend to the Board to elect Mike Busby as Chair and Rainy Kaplan as Vice Chair of the Diversity Committee. The motion passed by unanimous voice vote.

Director Ingram provided an update on the diversity hearings held October 28, 2014 with the Illinois Senate Committee on Pensions and Investments. Directives included pursuing diversity contracting and expanding the utilization of minority investment managers. Staff is in the process of planning the implementation of Public Act 98-1022. Beginning January 1, 2015, the law requires persons and entities bidding on a contract for providing investment services, consulting services, or commitment to a private market fund to a retirement system, pension fund, or investment board to disclose certain information about their use of minority persons, female persons, and persons with a disability. The TRS Board and staff must consider the data presented by the manager prior to awarding a contract. Mr. Rupnik noted some concerns involving private equity funds and is working through the issues. It is important to understand that the TRS Emerging Manager Program is not a minority-only focused program and the “spirit of law” is to focus on minority/women owned opportunity.

Jana Bergschneider, Director of Administration, reported on the System’s purchasing procedures for non-investments. The TRS Expenditure Management policy contains all policies and procedures for all expenditures and procurement of non-investment goods and services. In January 2010, Public Act 96-0066 established a requirement for pension funds to adopt a policy to set forth goals for utilization of minority, female, and persons with disabilities for contracts and services. TRS set a utilization goal of five percent and utilizes the Illinois business directory to strive to reach the utilization goal. Each February, staff prepares a vendor utilization report for the Board, Governor, and General Assembly. The System plans to be more proactive and aggressive in attaining minority business services since small businesses are not included in the report according to law.

Gina Larkin, Director of Human Resources, reported on the System’s staff diversity and inclusion efforts. She discussed her role as TRS’s EEO Officer and ADA Coordinator and gave statistics regarding the number of minorities, females and employees with disabilities. Larkin also explained the process of developing the System’s annual Affirmative Action Plan and the recruitment efforts taken during the hiring process.

Committee Charter

A copy of the Diversity Committee Charter is on file.

ADJOURNMENT

On a motion by Bob Lyons, seconded by Sonia Walwayn, and by unanimous vote, the meeting adjourned at 1:43 p.m.

A handwritten signature in black ink, appearing to read "Richard W. Ingram". The signature is written in a cursive, flowing style.

Richard W. Ingram, Executive Director

Approved: 12/10/14