



Teachers' Retirement System of the State of Illinois

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Richard W. Ingram, Executive Director

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MINUTES Rules and Personnel Committee October 26, 2011

A meeting of the Rules and Personnel Committee of the Board of Trustees of the Illinois Teachers' Retirement System was held on October 26, 2011 at the Springfield office of the Illinois Teachers' Retirement System, 2815 West Washington Street. Sharon Leggett, Chair, called the meeting to order at 1:23 p.m. A quorum was present.

Roll call attendance was taken with the following committee members present: Sharon Leggett (Chair), Molly Phalen (Vice Chair), Mike Busby, and Marcia Campbell. Absent: Janice Reedus. Other trustees present: Cynthia O'Neill, Bob Lyons, Cinda Klickna, and Sonia Walwyn.

Others present: Dick Ingram, Executive Director; Stan Rupnik, Chief Investment Officer; Tom Gray, General Counsel; Stacy Smith, Director of Internal Audit; Tassi Maton, Sr. Internal Auditor; Christina Baker, Internal Auditor; Deron Bertolo, Director of Investment Operations; Sally Sherman, Director of Member Services; Kathleen Farney, Director of Research; Gina Larkin, Director of Human Resources; Jana Bergschneider, Director of Administration; Rich Frankenfeld, Director of Outreach; Dave Urbanek, Public Information Officer; Sue Billington, Executive Assistant; Tammy Green, Asst. to Executive Director; and Pat O'Hara, Cavanagh & O'Hara (Fiduciary Counsel).

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

Approval of Minutes

A draft of the August 3, 2011 minutes of the Rules and Personnel Committee meeting was sent to the committee members for review. On a motion by Molly Phalen, seconded by Marcia Campbell, and by unanimous voice vote, the minutes were approved as printed.

Administrative Rule Revisions

Cynthia Fain, Sr. Assistant General Counsel, presented proposed amendments to the Subpart P of the System’s administrative rules dealing with competitive selection procedures for investment services. Documentation is on file. The revisions document process-related changes made by the Board over the past year, including a change in the investment process for the selection of public markets investment managers allowing for staff selection and/or termination of managers in certain circumstances, the addition of a private equity co-investment program, and updating language relating to the absolute return portfolio to reflect direct investment in addition to the existing funds of funds process. A motion was made by Molly Phalen, seconded by Marcia Campbell, that the committee recommend to the Board to approve the proposed rules amendments, as amended with the recommended grammatical corrections. The motion passed by a unanimous voice vote.

Human Resources Update

Gina Larkin, Director of Human Resources, reported that HR is finalizing a review of all job descriptions, reviewing the performance appraisal process, exploring recruitment sources, and looking at succession management.

Director Ingram will distribute a self-evaluation in December for discussion at the February 2012 meeting.

ADJOURNMENT

On a motion by Marcia Campbell, seconded by Molly Phalen, and by unanimous voice vote, the meeting adjourned at 1:40 p.m.

Richard W. Ingram, Executive Director

Approved _____