



MINUTES

**Meeting of the Board of Trustees of the
State Universities Retirement System
10:45 a.m., Friday, December 10, 2010
The Northern Trust, 50 South LaSalle Street
London Room B9, Chicago, Illinois 60603**

The following Trustees were present: Ms. Carrie Hightman, Chairwoman; Dr. Jeffrey Beaulieu, Mr. Matthew Berns, Dr. John Engstrom, Dr. J. Fred Giertz, Ms. Dorinda Miller, Mr. Steven Rogers and Dr. Marva Williams.

Others present: Mr. William Mabe, Executive Director; Ms. Judith Parker, Associate Executive Director; Mr. Daniel L. Allen, Chief Investment Officer, Mr. Douglas Wesley, Deputy Chief Investment Officer; Mr. Terrin Krantz, Director of Human Resources; Ms. Stefanie Rice, Executive Assistant; Ms. Mary Pat Burns of Burke, Burns & Pinelli; Ms. Patti Somerville-Koulouris of the Northern Trust Company; Mr. Steve Zahn, Governmental Consulting Solutions; Mr. Jake Baggott of the State University Retirement System Member Advisory Committee (SURSMAC); Ms. Linda Brookhart of State Universities Annuitant Associate (SUAA).

Roll call attendance was taken. Trustee Beaulieu, present; Trustee Berns, present; Trustee Cassidy, absent; Trustee Engstrom, absent; Trustee Giertz, present; Trustee Hightman, present; Trustee Miller, present; Trustee Rogers, absent; Trustee Vasquez, present; Trustee Vogel present; Trustee Williams, absent.

Trustee Hightman called the meeting to order at approximately 10:45 a.m.

APPROVAL OF MINUTES

Trustee Hightman presented the Minutes from the Board meeting of September 3, 2010 and amended Minutes of June 11, 2010. Trustee Giertz moved that:

- The open meeting Minutes of September 3, 2010, be approved as presented, and the amended Minutes of June 11, 2010, be approved as presented.

Motion seconded and carried with all Trustees present voting in favor.

Trustee Engstrom now appears personally.

CLOSED SESSION

Trustee Giertz moved that the Board go into closed session under the Open Meetings Act to consider the appointment, employment, compensation, discipline, performance or dismissal of personnel including hearing testimony on a complaint lodged against such employee to determine its validity, pursuant to §2(c)(1) and to consider pending litigation pursuant to §2(c)(11). Motion seconded and carried with a roll call vote.

Trustee Beaulieu	aye
Trustee Berns	aye
Trustee Cassidy	absent
Trustee Engstrom	aye
Trustee Giertz	aye
Trustee Hightman	aye
Trustee Miller	aye
Trustee Rogers	absent
Trustee Vasquez	aye
Trustee Vogel	aye
Trustee Williams	absent

No formal action having occurred in closed session, the Board returned to open session.

Trustee Hightman leaves the meeting and Trustee Vasquez chairs the meeting in her absence.

REVIEW OF COMMITTEE ACTION

Investment Committee

On behalf of the Investment Committee, Trustee Giertz moved that:

1. The Fiscal Year 2010 Actuarial Valuation Report be received and filed.
2. The required net State contribution to the State Universities Retirement System for Fiscal Year 2011 be recertified in the amount of \$775,781,000 subject to passage of pending legislation.
3. The Normal Cost Rate of 12.71% be approved for Fiscal Year 2012
4. The Effective Rate of Interest (ERI) be set at 7.5% to be applied to account balances for Fiscal Year 2012, beginning July 1, 2011.

Motions carried with all Trustees present voting in favor.

Trustee Giertz moved that:

5. Callan Associates, Inc. be retained as general investment consultant for a term of three years, subject to an agreed upon scope of services covering all of SURS' investment activities; an assigned team acceptable to SURS' investment staff and successful completion of contract negotiations.

Motion seconded and carried with a roll call vote:

Trustee Beaulieu	aye
Trustee Berns	nay
Trustee Cassidy	absent
Trustee Engstrom	aye
Trustee Giertz	aye
Trustee Hightman	absent
Trustee Miller	aye
Trustee Rogers	absent
Trustee Vasquez	aye
Trustee Vogel	aye
Trustee Williams	absent

Corporate Governance

On behalf of the Corporate Governance Committee, Trustee Vogel reminded the Trustees to review the proxy voting guidelines and the Principles in Responsible Investing (PRI) and to email him with any thoughts or recommendations prior to the February meetings.

Personnel and Resource Committee

On behalf of the Personnel and Resource Committee, Trustee Vogel moved that:

- The Board Ethics policy and the proposed revisions to the Board's Bylaws be approved as amended by discussion.

Motion seconded and carried with all Trustees present voting in favor.

Governmental Affairs Committee

On behalf of the Governmental Affairs Committee, Trustee Vasquez moved that:

- The Regulatory Agenda for 2011 be approved as presented.

Motion carried with all Trustees present voting in favor.

Ms. Burns advised that it is not necessary for the Board to approve the hiring of a lobbyist that such authority can be delegated to the Executive Director.

SEMI-ANNUAL REVIEW OF CLOSED SESSION MINUTES

Trustee Vasquez presented the closed Minutes from the Board meetings of September 12, 2008, and June 12, 2009. Trustee Giertz moved that:

- The closed session Minutes of September 12, 2008, previously approved be opened as presented.
- The closed session minutes of June 12, 2009, previously approved be opened as presented.

Motions seconded and carried with all Trustees present voting in favor.

Trustee Giertz moved that the Board go into closed session under the Open Meetings Act to consider the appointment, employment, compensation, discipline, performance or dismissal of personnel pursuant to §2(c)(1). Motion seconded and carried with a roll call vote.

Trustee Beaulieu	aye
Trustee Berns	aye
Trustee Cassidy	absent
Trustee Engstrom	aye
Trustee Giertz	aye
Trustee Hightman	absent
Trustee Miller	aye
Trustee Rogers	absent
Trustee Vasquez	aye
Trustee Vogel	aye
Trustee Williams	absent

No formal action having occurred in closed session, the Board returned to open session.

INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION

The following items were provided for reference and are incorporated as a part of these Minutes. Discussions had regarding the FOIA Report.

1. [Exhibit 1](#) - FOIA Report
2. [Exhibit 2](#) - Comparative Financial/Operational Reports and Budget Variance
3. [Exhibit 3](#) - Report on Refunds, Disability, Death, Survivor and Disability Retirement Allowance Claims
4. [Exhibit 4](#) - Self-Managed Plan Update for the Quarter ending September 30, 2010
5. [Exhibit 5](#) - 2010 SMP Participant and Annuitant Satisfaction Survey

There being no further business to come before the Committee, Trustee Vogel moved that the meeting adjourn. Motion seconded and carried.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "William E. Mabe".

Mr. William E. Mabe
Secretary, Board of Trustees

WEM:ssr