



MINUTES

**Meeting of the Personnel & Resource Committee
of the Board of Trustees of the
State Universities Retirement System
10:40 a.m., Wednesday, December 2, 2009
The Northern Trust – London Room B9
50 S. LaSalle Street
Chicago, Illinois**

The following Trustees were present: Mr. Antonio Vasquez, Chair; Dr. Jeffrey Beaulieu, Mr. Matthew Berns, Ms. Patricia Cassidy, Dr. John Engstrom, Dr. J. Fred Giertz, Ms. Dorinda Miller, Mr. Steven Rogers, Mr. Mitchell Vogel, and Dr. Marva Williams.

Others present were: Ms. Judith A. Parker, Interim Executive Director; Mr. Daniel L. Allen, Chief Investment Officer; Mr. Kelly A. Jenkins, General Counsel; Mr. Douglas C. Wesley, Deputy Chief Investment Officer; Ms. Shelley Porter, Chief Financial Officer; Mr. Doug Steele, Director of Application Development & Research; Mr. Chris Hansen, Director of Operations; Mr. Terrin Krantz, Director of Human Resources; Ms. Angela Lieb, Director of Member Services; Mr. Michael Sheppard, Assistant Deputy Director of SMP; Ms. Lori Kern and Ms. Stacy Smith, Executive Assistants; Ms. Mary Pat Burns, Burke, Burns & Pinelli; Ms. Patricia Somerville-Koulouris, The Northern Trust; Ms. Linda Brookhart, State Universities Annuitants Association; Mr. Jake Baggott, SURSMAC; Ms. Linda Brookhart, SUAA; Mr. Steve Zahn, Governmental Consulting Solutions; and Mr. Curt Fiedler, Morrill & Associates.

Trustee Vasquez called the meeting to order at approximately 10:40 a.m.

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

Trustees Rogers and Williams joined immediately after roll call.

APPROVAL OF MINUTES

Trustee Vasquez presented the Minutes from the Personnel & Resource Committee meeting of September 10, 2009. Trustee Engstrom moved that:

- The Minutes of September 10, 2009, be approved as presented.

Motion seconded and carried with all trustees present voting in favor except Trustee Berns who voted present.

CHAIRPERSON'S REPORT

Trustee Vasquez mentioned that reviews of exempt staff will occur at the March meeting. The employee survey results prepared by Mr. Terrin Krantz were reviewed by the Committee. Trustee Vasquez noted employee satisfaction had increased in the areas of pay for performance and the educational opportunities provided by SURS.

POLICY REVIEW AND APPROVAL

Ms. Judy Parker noted a few policy changes that resulted from the enactment of Public Act 96-0006.

Ms. Parker reviewed the redlined Board Travel Approval and Expense Reimbursement Policy which is incorporated as a part of these Minutes as [Exhibit 1](#). This updated policy incorporates all the changes that resulted from the enactment of Public Act 96-0006 which took effect September of 2009. Ms. Parker noted that the State Gift Ban prevents members of the Board from accepting travel reimbursements from institutions or agencies when a Board member attends a conference of any kind. Paragraph 2.1.2 changed to reflect that prior approval of the Board is needed on any travel related to the educational mission and non-routine travel; however, routine travel for regularly scheduled board and/or committee meetings do not need prior approval. The remaining changes to the policy are reflective of maximum rate changes which are determined by the State.

The second policy affected by Public Act 96-0006 is the Inclusion Policy which is incorporated as a part of these Minutes as [Exhibit 2](#). Ms. Parker explained that the Act requires SURS to establish goals for the utilization of businesses owned by minorities, women and persons with disabilities. She noted that not only has this Act affected the investment procedures, but has also affected SURS staffing and some of the businesses that interact with SURS. The Act required SURS to establish goals on or before January 1, 2010, and to submit a report to the Governor and the General Assembly by January 1 each year. While developing this policy, Ms. Parker indicated that SURS sought input from other retirement systems in the State. As part of this policy, Ms. Parker noted that the associate executive director will have oversight of the policy on its utilization and meeting the goals. Ms. Parker indicated that SURS will be sending out surveys and using other mechanisms to get a better understanding of the diversity levels with the clients and businesses that SURS currently utilizes. Ms. Parker stated that within the Inclusion Policy, SURS has set a minimum target goal of 12% for minority utilization with contracts and purchases. This goal is equivalent to goals established by other state agencies. There was some discussion as to whether this policy would apply to vendors used occasionally or whether this applied to contracted vendors used on a regular basis. Ms. Parker clarified that this policy would only apply to vendors SURS contracts with on a regular basis. Mr. Kelly Jenkins referred the Committee to the last page of the policy that describes what a business enterprise is and how SURS is credited for that. Further clarification of the policy will develop as soon as SURS begins its implementation.

Ms. Parker directed the Committee to the Policy for Addressing the Board. This policy was drafted by staff upon request of the Board. The Committee discussed the length of time needed to provide the Board notice of when a member or non-member would like to address the Board. The Board felt it should have a policy in place for the public to come and speak. Trustee Berns inquired how this policy related to the Open Meetings Act. The Committee discussed limitations to be established by the chair of the committee or the Chair of the Board if the topic is not appropriate for Board consideration or if it violates law or interferes with the hearing process. The Committee agreed that the main purpose of this policy is to curtail content that is not a matter for the Board.

After further discussion, Trustee Rogers moved that:

- The Policy for Addressing the Board be adopted as amended.

Motion seconded and it carried.

The approved Policy for Addressing the Board is incorporated as a part of these Minutes as [Exhibit 3](#).

Motion by Trustee Rogers that:

- The SURS Inclusion Policy be adopted as presented.

Motion seconded and it carried.

Motion by Trustee Rogers that:

- The Board Travel Approval and Expense Reimbursement Policy be amended as presented.

Motion seconded and it carried.

EMPLOYER CERTIFICATION GUIDELINES

Ms. Parker presented an update to the Committee regarding Employer Certification Guidelines. A copy of the memorandum entitled “Employer Certification Guidelines” is incorporated as part of these Minutes as [Exhibit 4](#). She advised that the memorandum provides the Committee with a summary of what staff is doing with regards to the participation and certification guidelines that Mr. George Wissmiller presented to the Board last September. Mr. Jenkins noted that his Regulatory Agenda includes the submission of rules that will address certification guidelines.

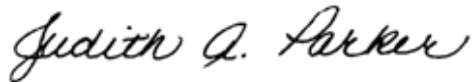
INFORMATIONAL ITEMS NOT REQUIRING COMMITTEE ACTION

The following items were provided for reference and are incorporated as a part of these Minutes:

1. [Exhibit 5](#) - Memorandum entitled "2010 Operational Plan Report."

There being no further business to come before the Committee, Trustee Vasquez moved that the meeting be adjourned. The motion was seconded and it carried.

Respectfully submitted,

A handwritten signature in cursive script that reads "Judith A. Parker".

Ms. Judith A. Parker
Interim Executive Director

JAP:ssr