



## **MINUTES**

**Quarterly Meeting of the Board of Trustees  
of the State Universities Retirement System  
October 17, 2019, 4:30 p.m.  
Northern Trust  
50 S. La Salle St., Global Conference Center  
Champaign, Illinois**

The following trustees were present: Mr. John Atkinson, chair, Mr. Aaron Ammons, Mr. Richard Figueroa, Ms. Jamie-Clare Flaherty, Dr. Fred Giertz, Dr. Steven Rock, Mr. Collin Van Meter, Mr. Antonio Vasquez and Mr. Mitch Vogel (via conference call).

Others present, Mr. Martin Noven, Executive Director; Mr. Doug Wesley, Chief Investment Officer (CIO); Ms. Bianca Green, General Counsel; Ms. Kristen Houch, Head of Legislative Affairs; Ms. Tara Myers, Chief Financial Officer; Ms. Kelly Carson and Ms. Annette Ackerman, Executive Assistants.

Board of trustees roll call attendance was taken. Trustee Ammons, present; Trustee Atkinson, present; Trustee Figueroa, present; Trustee Flaherty, present; Trustee Giertz, present; Trustee Lyons, absent; Trustee Rock, present; Trustee Van Meter, present; Trustee Vasquez, present; and Trustee Vogel; present (via conference call).

## **APPROVAL OF MINUTES**

Trustee Atkinson presented the minutes from the board of trustee meetings of September 12-13, 2019 and the Special Board of Trustees Meeting of October 1, 2019.

Trustee Ammons made the following motions:

- That the minutes from the September 12-13, 2019 Board of Trustees meeting be approved as presented.
- That the minutes from the October 1, 2019 Special Board of Trustees meeting be approved as presented.

Trustee Van Meter seconded and the motions carried with all trustees present voting in favor.

## **APPROVAL OF CLOSED SESSION MINUTES**

Trustee Atkinson presented the closed session minutes from the Board of Trustees' meetings of September 12, 2019, and October 1, 2019.

Trustee Giertz made the following motions:

- That the closed session minutes from the September 12, 2019 Board of Trustees meeting be approved and remain closed.
- That the closed session minutes from the October 1, 2019 Special Board of Trustees meeting be approved and remain closed.

Trustee Rock seconded and the motions carried with all trustees present voting in favor.

### **CHAIRPERSON'S REPORT**

Chairperson Atkinson did not have a chairperson's report.

### **EXECUTIVE DIRECTOR'S REPORT**

Mr. Noven did not have an executive director report.

### **BOARD TRAVEL**

Mr. Noven presented the board with travel and conference opportunities suggested by members of the board. Mr. Noven encouraged trustees to continue to make suggestions for future educational opportunities.

Trustee Ammons made the following motion:

- That the board of trustees travel to attend conferences or trainings listed on the October 2019 list of upcoming training opportunities be approved and that all resulting allowable expenses consistent with the SURS travel policy be reimbursed.

Trustee Vasquez seconded and the motion carried with all trustees present voting in favor.

Trustee Van Meter made the following motion:

- That Trustee Fred Giertz be allowed to attend the P & I World Pension Summit in The Hague, Netherlands October 22-24, 2019, and that his travel reimbursements be limited to the actual cost of reasonable lodging and meal expenses associated with conference attendance, payable upon proof of receipts.

Trustee Figueroa seconded and the motion carried with the majority of trustees present voting in favor. Trustee Giertz abstained.

A copy of the staff memorandum titled "Board Training Requirements and Travel Approval" with the list of upcoming training opportunities as of October 2019 is incorporated as part of these minutes as [Exhibit 1](#) and [Exhibit 2](#).

### **APPROVAL OF MEETING DATES FOR 2020-2021**

Trustee Rock made the following motion:

- That the meeting dates proposed for 2020-2021 be approved as presented.

Trustee Van Meter seconded and the motion carried with all trustees present voting in favor.

A copy of the staff memorandum titled “Meeting Dates 2020-2021” is incorporated as part of these minutes as [Exhibit 3](#).

### **DISCUSSION AND CONSIDERATION OF BOARD GOVERNANCE AND FIDUCIARY COUNSEL**

Trustee Atkinson stated he was able to contact Trustee Lyons to discuss the board governance / fiduciary counsel interviews that took place the day prior.

Trustee Vasquez made the following motions.

- That the board hire the law firm of Reinhart Boemer VanDeuren as primary fiduciary counsel, subject to successful contract negotiations.
- That the board hire the law firm of Foley & Lardner as secondary fiduciary counsel, subject to successful contract negotiations.

Trustee Rock seconded and the motions carry with all trustees present voting in favor.

### **REVIEW OF COMMITTEE ACTION**

#### **Investment Committee:**

On behalf of the Investment Committee, Trustee Atkinson presented the committee actions.

Trustee Atkinson and the Investment Committee recommends to the board:

- That based on the recommendation of SURS staff and Meketa, the board of trustees approve retaining Credit Suisse as a Systematic Trend Following manager, subject to the completion of successful contract negotiations.
- That subject to successful contract negotiations and based on the recommendation of SURS staff and Meketa, the board of trustees approve an initial allocation of the 1.75% of total fund assets be split among the finalist firms in the systematic trend-following search in the following proportions:
  - Aspect Capital 27%
  - Campbell & Company 27%
  - Credit Suisse 27%
  - LongTail Alpha 19%
- That based on the recommendation of SURS staff and Meketa, the board of trustees approve ARP Investments, Lombard Odier and PIMCO to be retained as alternative risk premia managers with each firm receiving an allocation of approximately 0.5 percent of total fund assets, subject to the completion of successful contract negotiations.

- That based on the recommendation from SURS staff and Callan, the board approve a commitment of \$100 million to Prologis Targeted U.S. Logistics Fund and \$50 million to Cabot Industrial Value Fund VI, subject to the successful completion of contract negotiations.
- That based on the recommendation of SURS staff and Meketa, the board of trustees approve the revised defined benefit plan Investment Policy, as presented.
- That based on the recommendation from SURS staff and Meketa, the board of trustees grant authority to staff to restructure the inflation sensitive portfolio to implement the agreed-upon goals for the class, subject to the successful completion of contract negotiations.

The motions carried with all trustees present voting in favor.

**Administration Committee:**

On behalf of the Administration Committee, Trustee Van Meter presented the committee actions.

Trustee Van Meter and the Administration Committee recommends to the board:

- That based on the recommendation of Gabriel Roeder Smith & Company, the board approve \$1,996,686,000 to be certified for fiscal year 2021 as the proposed state contribution.
- That based on the recommendation of SURS Staff, the board approve the amount of \$4,622,773 to be certified for fiscal year 2021 to the Community College Health Insurance Security Fund.
- That based on the recommendation of Gabriel Roeder Smith & Company, the board approve the Employer Normal Cost Rate of 12.70 percent for fiscal year 2021.
- That the board approve a budgetary increase of \$284,000 to adjust the compensation and salary ranges for member service representatives, including the compression adjustment for nonexecutive positions.
- That the board approve a budgetary increase of \$27,000 to adjust the compensation and salary ranges for general staff, including the compression adjustment for nonexecutive positions, provided that the compression adjustment shall not result in an increase for any employee that exceeds \$5,000.

The motions carried with all trustees present voting in favor.

Trustee Van Meter and the Administration Committee recommends that the board.

- Approve a budgetary increase of \$31,000 to permit the executive director to address the pay adjustment on the executive leadership team.

The motion carried with a majority of trustees present voting in favor. Trustee Rock abstained.

**PUBLIC COMMENT**

There were no public comments presented to the SURS Board of Trustees.

There was no further business brought before the committee and Trustee Ammons moved that the meeting be adjourned. The motion was seconded by Trustee Vasquez and carried with all trustees present voting in favor.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Martin Noven", with a long horizontal flourish extending to the right.

Mr. Martin Noven  
Secretary, SURS Board of Trustees

MMN: kc



## MEMORANDUM

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TO: Board of Trustees

FROM: Mr. Martin Noven  
Executive Director

RE: Board Training Requirements and Travel Approval

DATE: October 4, 2019

In order to assist Trustees in obtaining the 8 hours of annual training required by Public Act 96-0006, staff has developed the attached list of upcoming training opportunities. This list will be updated and provided to the Trustees with the regular meeting materials.

Public Act 96-0006 also requires that all Board travel be approved by a majority of Trustees in order to qualify for reimbursement of expenses in accordance with the Board's Travel Approval and Expense Reimbursement Policy. Each Trustee is eligible to be reimbursed for two out-of-state trips, each fiscal year, for educational purposes. SURS is a voting member of the Council of Institutional Investors ("CII"). In March of 2013, the SURS travel policy was amended, to provide that attendance at the semi-annual meetings of CII not be included in the two-per-year limit for board member attendance at educational conferences, since such conferences are not educational meetings, rather, are working meetings of an organization of which SURS is a member.

### **Staff Recommends that the following motions be approved at this time:**

- **That the Board of Trustees travel to attend conferences or trainings listed on the October 2019 list of Upcoming Training Opportunities be approved and that all resulting allowable expenses consistent with SURS travel policy be reimbursed.**
- **That Trustee Fred Giertz be allowed to attend the P & I World Pension Summit in The Hague, Netherlands October 22-24, 2019 and that his travel reimbursements be limited to the actual cost of reasonable lodging and meal expenses associated with conference attendance, payable upon proof of receipts.**



State Universities Retirement System  
Schedule of  
**Upcoming Training Opportunities**  
As of October 2019

**SURS Board/Committee Meetings for 2019-2020**

SURS Board and Committee Meetings	October 16-17, 2019
SURS Board and Committee Meetings	December 5-6, 2019
SURS Board and Committee Meetings	January 30-31, 2020

**Council of Institutional Investors**

*	Title:	2020 Spring Conference
	Subject Matter:	Corporate Governance Issues
	Sponsor:	Council of Institutional Investors
	Date:	March 9-11, 2020
	Location:	Washington, DC
	Registration Fee:	Complimentary for members

\* **Training Opportunities**  
New Opportunity

Title:	Callan College on Alternative Investments
Subject Matter:	Various Investment Topics
Sponsor:	Callan Institute
Date:	October 29-30, 2019
Location:	Chicago, IL
Registration Fee:	TBD

Title:	Multi-Asset Investing
Subject Matter:	Various Investment Topics
Sponsor:	Pensions & Investments
Date:	November 12, 2019
Location:	Chicago, IL
Registration Fee:	TBD

*	Title:	The Core Menu Conundrum
	Subject Matter:	Various Investment Topics
	Sponsor:	P & I
	Date:	November 19, 2019
	Location:	Chicago, IL
	Registration Fee:	TBD



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## Memorandum

To: SURS Board of Trustees  
 From: Martin Noven – Executive Director  
 Date: August 30, 2019  
 Re: Remainder of 2019 Meeting Dates  
 Schedule of 2020-2021 Meetings Dates

### 2019

Wednesday, October 16, 2019	11:00 a.m. – 6:00 p.m.	Fiduciary Counsel Interviews
Thursday, October 17, 2019	9:00 a.m. - 5:00 p.m.	Investment Committee
Chicago		Board Meeting
Thursday, December 5, 2019	9:00 a.m. - 5:00 p.m.	Committee Meetings
Friday, December 6, 2019	9:00 a.m. - 12:00 p.m.	Committee Meetings
Chicago		Board Meeting

### 2020

Thursday, January 30, 2020	9:00 a.m. – 5:00 p.m.	Investment Committee
Friday, January 31, 2020	9:00 a.m. – 1:00 p.m.	Investment Forum
Chicago		
Thursday, March 12, 2020	9:00 a.m. – 5:00 p.m.	Committee Meetings
Friday, March 13, 2020	9:00 a.m. – 12:00 p.m.	Committee Meetings
Champaign		Board Meeting
Thursday, April 16, 2020	9:00 a.m. - 5:00 p.m.	Investment Committee
Chicago		Board Meeting
Thursday, June 4, 2020	9:00 a.m. - 5:00 p.m.	Committee Meetings
Friday, June 5, 2020	9:00 a.m. - 12:00 p.m.	Committee Meetings
Chicago		Board Meeting

Board Retreat – Date and Location  
 TBD

Thursday, September 10, 2020	9:00 a.m. - 5:00 p.m.	Committee Meetings
Friday, September 11, 2020	9:00 a.m. - 12:00 p.m.	Committee Meetings
Champaign		Board Meeting



Thursday, October 15, 2020 Chicago	9:00 a.m. - 5:00 p.m.	Investment Committee Board Meeting
Thursday, December 3, 2020 Friday, December 4, 2020 Chicago	9:00 a.m. - 5:00 p.m. 9:00 a.m. - 12:00 p.m.	Committee Meetings Committee Meetings Board Meeting
<b>2021</b>		
Thursday, January 28, 2021 Friday, January 29, 2021 Chicago	9:00 a.m. - 5:00 p.m. 9:00 a.m. - 1:00 p.m.	Investment Committee Investment Forum
Thursday, March 11, 2021 Friday, March 12, 2021 Champaign	9:00 a.m. - 5:00 p.m. 9:00 a.m. - 12:00 p.m.	Committee Meetings Committee Meetings Board Meeting
Thursday, April 22, 2021 Chicago	9:00 a.m. - 5:00 p.m.	Investment Committee Board Meeting
Thursday, June 3, 2021 Friday, June 4, 2021 Chicago	9:00 a.m. - 5:00 p.m. 9:00 a.m. - 12:00 p.m.	Committee Meetings Committee Meetings Board Meeting
Board Retreat – Date and Location TBD		
Thursday, September 16, 2021 Friday, September 17, 2021 Champaign	9:00 a.m. - 5:00 p.m. 9:00 a.m. - 12:00 p.m.	Committee Meetings Committee Meetings Board Meeting
Thursday, October 21, 2021 Chicago	9:00 a.m. - 5:00 p.m.	Investment Committee Board Meeting
Thursday, December 2, 2021 Friday, December 3, 2021 Chicago	9:00 a.m. - 5:00 p.m. 9:00 a.m. - 12:00 p.m.	Committee Meetings Committee Meetings Board Meeting