

**JUDGES RETIREMENT SYSTEM OF ILLINOIS**

**MEETING NO. 299**

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF  
TRUSTEES**

**July 25, 2008**

A regular meeting of the Board of Trustees of the Judges Retirement System convened on Friday, July 25, 2008, in Room N-1810 of the Michael Bilandic Building located at 160 North LaSalle Street, Chicago.

Roll call was taken with the following trustees present:

Justice Thomas E. Hoffman, Chairman  
Justice Themis N. Karnezis, Proxy for  
Chief Justice Robert R. Thomas  
Jeffrey M. Jacob, Proxy for State Treasurer, Alexi Giannoulis

Absent were:

Justice John J. Bowman, Vice Chairman  
Chief Judge Timothy E. Evans

Others in attendance:

Judge Henry A. Budzinski, Attending for  
Chief Judge Timothy E. Evans  
Timothy Blair, Acting Executive Secretary  
Jayne Waldeck, Acting Manager, Judges Retirement System  
William Atwood, Director, Illinois State Board of Investment  
Cheryl Bullerman, Recording Secretary

Chairman Hoffman presided, and with a quorum present, called the meeting to order at 10:00 A.M.

## **REPORT OF ILLINOIS STATE BOARD OF INVESTMENT**

William Atwood, Director of the Illinois State Board of Investment, distributed copies of a preliminary Executive Summary as of June 30, 2008, and addressed the Board. Trustees were informed that the total fund return for the fiscal year 2008 is -5.5%. He continued his report with a review of the performance of the various asset classes.

Director Atwood entertained questions raised by the trustees throughout his presentation. Chairman Hoffman thanked him for his informative report and excused him from the remainder of the meeting. A copy of this report is maintained in the office of the Illinois State Board of Investment.

## **MINUTES OF PREVIOUS MEETINGS**

Minutes of Meeting No. 298 held March 28, 2008, were not presented for approval at this time, but will be presented at the October 24, 2008 meeting of the Board.

## **READING OF COMMUNICATIONS**

There were no communications to be read.

## **REPORT OF CHAIRMAN**

Chairman Hoffman indicated he had no report.

## **REPORT OF SECRETARY**

**Legislation** Acting Secretary Blair advised there is interest in legislation which would open a window to allow judges an opportunity to opt back into the System. One other potential bill is for judges, under age 60 who have reached maximum pension, to not be required to make pension contributions.

**Financial Statements and Report of Administrative Expenses for Quarters Ending March 31, 2008 and June 30, 2008** Financial statements for the last two quarters of fiscal year 2008 were reviewed. Attention was directed to the June 30, 2008 Statement of Investment Account which reflected fund transfers for the fiscal year of \$30.4 million.

The Statement of Budget, Expenses and Balances for the third and fourth quarters were briefly reviewed. A projected budget variance of \$149,378 as of June 30, 2008 was reported.

On motion by Trustee Karnezis, seconded by Chairman Hoffman, and by unanimous vote, the Board approved the third and fourth quarters financial statements. Official copies of these financial statements have been placed on file and made a part of the minutes of this meeting as Exhibits A and B.

**Allocation of Shared Expenses** Acting Executive Secretary Blair reviewed a report regarding the allocation of shared personal services between systems which had been updated for the twelve month period from May 1, 2007 through April 30, 2008. The recap schedule of shared services indicated that JRS/GARS performed a net \$1,168 more in services for SERS on a monthly basis. The previous survey for the period of May 1, 2006 through April 30, 2007 reported that JRS/GARS performed a net \$708 more in services for SERS on a monthly basis.

There being no questions, Trustee Karnezis moved to accept the allocation of shared services for the twelve month period of May 1, 2007 through April 30, 2008. The motion was seconded by Chairman Hoffman, and unanimously passed.

## **REPORT OF MANAGER**

**Applications for Retirement and Survivor's Annuities and Refunds** Acting Manager Jayne Waldeck reviewed ten retirement annuity applications for approval. Following review, Trustee Karnezis moved to approve payment of the retirement annuities as presented. Chairman Hoffman seconded the motion, which passed by unanimous vote.

Eleven survivor annuity applications were reviewed for approval. On motion by Trustee Karnezis, seconded by Chairman Hoffman, and by unanimous vote, the applications for survivor annuities were approved for payment.

Eleven error refunds were reviewed, followed by seven survivor refunds and two termination refunds. Trustee Karnezis moved approval of the payments of the listed applications for refunds. Chairman Hoffman seconded the motion, which passed unanimously.

The listings of retirement and survivor annuity applications and refund applications have been made a part of these minutes and are attached as Exhibit C.

### **Members Whose Deaths Were Reported During Period**

Attention was directed to the listing of ten members whose deaths were reported subsequent to the last meeting of the Board. This report is made a part of these minutes and attached as Exhibit D.

## **FINAL REVIEW OF FY 2009 BUDGET**

During the March 28, 2008 meeting, the Board tentatively approved the FY 09 consolidated budget totaling \$1,006,500, contingent upon the Board of Trustees of the General Assembly Retirement System concurring. During their May 21, 2008 meeting, the GARS Board unanimously approved the FY 08 administrative budget as presented.

The overall final budget for FY 09 totals \$1,022,100. Trustees were advised that the contractual services line item increased due to higher external auditor fees, travel will increase due to additional pre-retirement workshops, and printing will increase for the printing of the seminar workbooks. It was also noted that the group insurance line item was reduced due to lower than anticipated health plan premiums.

The FY 09 budget is a 6.6% increase to the FY 08 budget, and a 38.4% increase to FY 08 projected expenditures.

Following review and discussion, Trustee Karnezis moved to approve the final FY 09 administrative budget totaling \$1,022,100 as submitted, contingent on final approval by the General Assembly Retirement System Board. Chairman Hoffman seconded the motion, which prevailed by the affirmative vote of all trustees present.

## **UNFINISHED BUSINESS**

There was no unfinished business to be brought before the Board

## **NEW BUSINESS**

**Phillip C. Equi - Hearing** At the request of the attorney for Phillip C. Equi, a continuance was granted to October 24, 2008.

**Retirement** Acting Executive Secretary Blair advised the trustees of the retirement of Cheryl Bullerman effective August 31, 2008.

**ADJOURNMENT**

There being no further business to be brought before the Board, on a motion by Trustee Karnezis and seconded by Chairman Hoffman, the meeting adjourned at 10:50 A.M. Chairman Hoffman announced the next meeting is scheduled for Friday, October 24, 2008.

\_\_\_\_\_  
Secretary

Date: \_\_\_\_\_

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Chairman