

**MINUTES OF THE
DEFINED CONTRIBUTION COMMITTEE**

Friday, September 20, 2019 – 9:40 A.M.
180 N. LaSalle St., Suite 2015
Chicago, IL 60601

Present:	<u>Committee Members</u>	Committee Chairman Senator Robert Martwick Board Chairwoman Justice Mary Seminara-Schostok Comptroller Susana Mendoza Treasurer Michael Frerichs
	<u>Board Members</u>	Elizabeth Sanders Michael Tarnoff Jaye Williams
	<u>Guests</u>	Burke Burns & Pinelli, Ltd. Sarah Boeckman Illinois State Comptroller's Office Andrew Ranck Illinois State Treasurer's Office Allen Mayer Rodrigo Garcia
		RVK, Inc. Jennifer Sandburg Mikaylee O'Connor
		T. Rowe Price George Ebner Linda Delivorias
		Governmental Consulting Solutions Steve Zahn
Not Present:	<u>Committee Members</u>	Ronald Powell

ROLL CALL

Committee Chairman Martwick called the meeting to order at 10:04 a.m. in the Boardroom of the Illinois State Board of Investment office at 180 North LaSalle Street, Suite 2015, in Chicago. Mr. Mehta called the roll and noted a quorum was present.

APPOINTMENT OF STANDING COMMITTEE

Pursuant to the Board Bylaws, Chairwoman Schostok appointed the following members to the Defined Contribution Committee: Trustee Martwick as Chair, Trustee Frerichs, Chairwoman Schostock, Trustee Mendoza, and Trustee Powell. Trustee Frerichs moved that the Board approve the appointments to the Defined Contribution Committee. Committee Chairman Martwick seconded, and the motion passed unanimously.

REPORT OF THE DEFINED CONTRIBUTION COMMITTEE CHAIR

None.

ADMINISTRATIVE ACTION ITEMS UPDATE

Ms. O'Connor from RVK directed Trustees to the presentation materials and discussed the recently passed legislation regarding auto-enrollment. Ms. O'Connor explained the prior enrollment process, the changes under the legislation, and RVK's efforts and ongoing process for complying with the legislation. Several Trustees inquired about the background of the new legislation and had questions about the practical application of auto-enrollment. Committee Chairman Martwick explained the reasoning and justification behind the legislation and the benefits to new and current participants. Ms. O'Connor also updated Trustees on RVK's and ISBI staff ongoing efforts to update applicable JCAR language to reflect the auto-enrollment legislation.

ANNUAL REVIEW CYCLE – INVESTMENT MENU PREVIEW

Ms. Sandburg directed Trustees to the presentation materials and referred Trustees to the Annual Review Cycle, including key topics that RVK believed should be reviewed throughout the year at quarterly Board Meetings. Ms. Sandburg also discussed the Investment Menu Design Framework and the Active and Passive Decision Factors, as well as updating the Trustees on manager performance. Trustee Tarnoff inquired on the plan's performance and how the current market could affect performance. RVK responded that this was in line with trends over the past decade and despite volatility, ISBI was performing well and in line with expectations.

Ms. Sandburg also reviewed the Investment Menu with the Trustees, summarizing RVK's observations on ISBI's portfolio, Tier performance, and Participant Utilization. Several Trustees asked questions about participant use and access. RVK and ISBI staff explained their efforts to

simplify the process while providing participants with all relevant information needed to make informed decisions.

REPORT BY CONSULTANT – RVK, INC.

Ms. O'Connor directed Trustees to the presentation materials and gave an update on the Deferred Compensation Plan's performance. Ms. O'Connor stated that the plan was performing in line with expectations. Ms. O'Connor asked the Trustees if they had any questions and there were none.

PRESENTATION BY PLAN RECORD KEEPER T. ROWE PRICE

Ms. Delivorias and Mr. Ebner directed Trustees to the presentation materials and gave an overview to the Trustees on fiduciary duty, as well as on the Deferred Compensation Plan's administration and other related items. Ms. Delivorias asked the Trustees if they had any questions and there were none.

NEW BUSINESS/OLD BUSINESS

Trustee Williams and Trustee Sanders requested to join the Defined Contribution Committee and Board Chairwoman Schostok appointed them to the Committee.

PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURNMENT

Committee Chairman Martwick noted that the next meeting was scheduled for December 12, 2019 and Committee Members will be notified of the time at a later date. At 11:43 a.m., there being no further business to come before the Committee, Chairwoman Schostok moved to adjourn the meeting. Trustee Mendoza seconded, and the meeting was adjourned.

Respectfully submitted,



Johara Farhadieh, Executive Director/
Chief Investment Officer