

MINUTES OF THE  
**DEFINED CONTRIBUTION COMMITTEE**

Thursday, June 22, 2023 – 9:45 A.M.  
180 N. LaSalle St., Suite 2015  
Chicago, IL 60601

Present:

Committee Members

Committee Chairman Senator Robert  
Martwick  
Comptroller Susana Mendoza  
Elizabeth Sanders  
Justice Debra Walker

Board Members

Board Chairman Terrence Healy

Staff

Genette Bacon-Cordova  
Mary Cahill  
Michelle Choi  
Johara Farhadieh  
Jennifer Koelle  
Kawing Lee  
Samantha McHugh  
Dipesh Mehta  
Scott Richards  
David Schneider  
Dan Sekera  
Atul Talwar

Guests

Burke Burns & Pinelli, Ltd.  
Sarah Boeckman

Illinois Central Management Services  
Chris Colantino

Illinois State Comptroller's Office  
Jack Londrigan

RVK, Inc.  
Stephen Budinsky (via audio conference)  
Eric Painting

Not Present:

Committee Members

Treasurer Michael Frerichs

## ***ROLL CALL***

Committee Chairman Martwick called the meeting to order at 9:49 a.m. at the Illinois State Board of Investment office, 180 N. LaSalle St., Suite 2015, Chicago. Mr. Mehta called the roll and noted that a quorum was present.

## ***REPORT OF THE DEFINED CONTRIBUTION COMMITTEE CHAIR***

None.

## ***CONSIDERATION AND APPROVAL OF PREVIOUS MEETING MINUTES***

Trustee Sanders moved to approve the minutes from the March 24, 2023 meeting of the Defined Contribution Committee. Trustee Mendoza seconded, and the motion passed unanimously.

## ***REPORT BY CONSULTANT – RVK, INC.***

### Deferred Compensation Performance Review as of March 31, 2023

Mr. Painting referred trustees to the presentation materials and gave a capital markets review. Next, Mr. Budinsky gave an overview of the Deferred Compensation Plan, discussing plan statistics including participant balances, demographics, and loan information. Mr. Budinsky also reviewed asset allocation and performance, noting that the Plan's target date funds continue to perform well compared to peers, especially on a long-term basis. Finally, Mr. Budinsky noted that fees continue to be very competitive and reasonable compared to peers. Committee Chairman Martwick inquired into total fees paid, and Mr. Painting confirmed the total. There were no further questions.

## ***CONSIDERATION & APPROVAL OF CHANGES TO AUTO-ENROLLEE PROCEDURES***

### Consideration and Approval of Revisions to JCAR – Central Management Services (CMS)

Mr. Colantino referred trustees to the presentation materials. Mr. Colantino outlined the current default investment process for auto-enrollees who do not choose an investment option. Mr. Colantino explained that due to the success of the recordkeeper transition and the high rate of continuing participation for auto-enrollees, CMS was recommending transitioning auto-enrollees to the standard default investment process, whereby participants are defaulted into the age-appropriate Target Date Fund. Several trustees inquired about the change, and Mr. Colantino, Mr. Budinsky, and Mr. Mehta explained that the change is in line with industry standards and provided additional detail. Trustee Mendoza moved that the committee approve the revisions to JCAR, as recommended by CMS, including any further revisions deemed necessary by ISBI's General Counsel. Trustee Sanders seconded the motion, and it passed unanimously.

### Consideration and Approval of Revisions to DC Investment Policy – RVK, Inc.

Mr. Budinsky referred trustees to the presentation materials, noting that the previous item also required a change to the DC Investment Policy. Mr. Budinsky outlined the proposed change and there were no questions. Trustee Sanders moved that the committee, consistent with the recommendation of ISBI staff and RVK, approve the revised Deferred Compensation Investment Policy, as presented. Trustee Mendoza seconded the motion, and it passed unanimously.

### ***REPORT OF PLAN ADMINISTRATOR – CMS***

#### Consideration and Approval of Recommendation Regarding Reinstatement of Rehires

Mr. Colantino referred trustees to the presentation materials and outlined CMS' interpretation of 40 ILCS 5/24-105.2 with regard to re-hires. Mr. Colantino explained that due to CMS' interpretation of the statute, as well as CMS' current practice with regard to other benefits, re-hires would be treated the same as new hires for the purposes of automatic enrollment. Discussion ensued among trustees regarding the current practice for re-hires in light of auto-escalation, particularly seasonal workers. Committee Chairman Martwick reiterated his desire to assist as many state employees as possible with saving for retirement. There were no further questions. Trustee Walker moved that the committee approve the recommendation by CMS to treat re-hires as new auto-enrollees in the Plan. Trustee Mendoza seconded, and the motion passed unanimously.

#### Review of CMS DCP Budget

Mr. Colantino referred trustees to the presentation materials and presented CMS' projected budget for Fiscal Year 2024, noting an increase in expenses due to an effort to hire additional personnel. Discussion ensued among trustees regarding responsibility for CMS' budget. Ms. Farhadieh stated the current administrative structure is mandated in the pension code, but that staff and RVK would review and provide additional information at a future meeting. There were no further questions.

### ***REVIEW OF ISBI DCP COST ALLOCATION – RVK, INC.***

At 11:00 a.m., Trustee Sanders moved to go into Executive Session pursuant to Section 2(c)(1) & (7) of the Open Meetings Act. Trustee Mendoza seconded, and the motion was put to a roll call vote. All in favor: Committee Chairman Martwick, Trustee Mendoza, Trustee Walker, and Trustee Sanders. The motion passed unanimously.

At 11:09 a.m., Trustee Walker moved to return to the open meeting. Trustee Sanders seconded, and the motion was put to a roll call vote. All in favor: Committee Chairman Martwick, Trustee Mendoza, Trustee Walker, and Trustee Sanders. The motion passed unanimously.

***REPORT OF THE EXECUTIVE DIRECTOR/CHIEF INVESTMENT OFFICER AND INVESTMENT TEAM***

None.

***NEW BUSINESS/OLD BUSINESS***

Committee Chairman Martwick asked Mr. Colantino about the recent Department of Innovation and Technology (DoIT) statewide security press release regarding a ransomware attack and the potential impacts. Mr. Colantino stated that he was in communication with DoIT and would provide additional information when available.

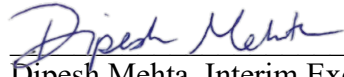
***PUBLIC COMMENT***

None.

***NEXT MEETING AND ADJOURNMENT***

Committee Chairman Martwick noted that the next meeting was tentatively scheduled for September 27-28, 2023, but may occur on one day only. At 11:11 a.m., there being no further business to come before the committee, Trustee Walker moved to adjourn the meeting. Trustee Mendoza seconded, and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in blue ink that reads "Dipesh Mehta". The signature is written in a cursive style with a horizontal line extending from the end of the name.

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Dipesh Mehta, Interim Executive  
Director/ Chief Investment Officer