

**ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND
POLICY AND PROCEDURE**

POLICY NUMBER: PP-2020-01

SUBJECT: BOARD OF TRUSTEE POLICY

EFFECTIVE DATE: AUGUST 14, 2020

AMENDED: NOVEMBER 10, 2022

AMENDED: OCTOBER 17, 2025

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A. INTRODUCTION:

1. The Board of Trustees (Board) of the Police Officers' Pension Investment Fund (Pension Fund) was established under Article 22B of the Illinois Pension Code (Code), 40 ILCS 5/22B-101 *et seq.*
2. The Board of Trustees is committed to carrying out its policy and oversight role in accordance with the highest standards of fiduciary practice.
3. To ensure that accountability and authority for governance and management of the Fund are clearly stated, the Board of Trustees has established bylaws, policies and administrative rules that define the governance of the Fund and job descriptions that describe the roles and responsibilities of the staff members of the Fund.

B. DUTIES AND RESPONSIBILITIES:*1. Board Members*

- a. The Board of Trustees of the Police Officers' Pension Investment Fund (IPOPIF) shall be fiduciaries for the participants and beneficiaries of the participating pension funds and shall discharge their duties with respect to the pension fund solely in the interest of the participants and beneficiaries.
- b. The Board of Trustees, acting prudently and as fiduciaries, shall take all reasonable steps to ensure that all of the transferor pension funds are treated equitably and that the financial condition of one participating pension fund, including, but not limited to, pension benefit funding levels and ratios, will have no effect on the financial condition of any other transferor pension fund.
- c. To the extent applicable, Board members are subject to the Illinois Pension Code. (40 ILCS 5/1 *et seq.*) Board members shall also comply with the Fund's Bylaws ("Bylaws") and Rules and Regulations ("Rules"), as adopted from time to time.
- d. Members of the Board function together as a nine-member Board, exercising their collective judgment and members will endeavor to attend all regular meetings of the Board and committees on which the Board Member serves.

- e. A Board member will be an informed and active member of the Board, fully participating in the decisions and actions of the Board by making independent assessments and using reasonable judgement.
- f. A Board member will submit annual disclosures of economic interests as required by the Illinois Governmental Ethics Act, 5 ILCS 420.
- g. Acquire and maintain the knowledge necessary to perform the duties of a Trustee. A Board of Trustee is encouraged to regularly participate in educational and training opportunities that will enable competent discharge of the obligations of a trustee position and meet the statutory requirements for continuing education.
- h. Treat members of IPOPIF staff, external service providers and each other with civility, courtesy, respect, and dignity.

2. *Retention of External Service Providers:*

- a. The Board of Trustees will ensure that the purchase of goods and professional services and the procurement of investment services are conducted in accordance with the Pension Code and Fund governance policies which pertain to these matters.

3. *Communications:*

- a. The Board of Trustees will ensure a communications strategy is designed to ensure effective communications with stakeholders and all significant interest groups on matters relating to the administration of IPOPIF.
- b. The Board of Trustees will ensure that the Fund maintains a website for the communication and dissemination of information.

4. *Finance, Actuarial and Accounting:*

- a. The Board of Trustees will ensure that appropriate financial and accounting policies, controls and reporting systems are established to safeguard the assets of IPOPIF.
- b. The Board of Trustees will approve the Annual Budget, including any budget amendments thereto, pursuant to the appropriate Fund governance policies. The expenditures in any fiscal year will be reviewed against the approved budget on a regular basis to ensure budgetary control.

- c. The Board of Trustees will ensure that a financial audit is conducted at least annually and oversee all internal and external audits.
- d. The Board of Trustees will ensure that actuarial matters are conducted in accordance with the pension code and appropriate Fund governance policies.
- e. The Board of Trustees will approve the annual comprehensive financial report (ACFR) on the operations of IPOPIF. The Board of Trustees supports the submission of the ACFR for review by the Government Finance Officers Association
- f. The Board of Trustees will approve contractual agreements in accordance with Board policy and authorize payments related to the administration of IPOPIF, consistent with Board policy, the Annual Budget and internal controls.
- g. The Board of Trustees will review, on a regular basis, the performance of key service providers including at a minimum the actuary, financial auditor, investment consultant, legal counsel, and custodian.

5. *Governance:*

- a. The Board will approve the Mission, Vision and Values Statements of the Fund.
- b. The Board will approve and review the Strategic Plan, at least annually.
- c. The Board will provide for the election of trustees to the Permanent Board, as provided in the Code.
- d. The Board will approve and revise as necessary the governing rules for the Fund including By Laws, policy and procedures, and administrative rules.
- e. The Board will regularly monitor compliance with Board policies, review the progress toward implementation of the Strategic Plan
- f. Conduct an annual performance evaluation for the Executive Director and Chief Investment Officer.

6. *Investments:*

- a. The Board will approve an Investment Policy Statement and will review, confirm or amend this Statement at least every two years.
- b. The Board will review the investment performance of the Fund and the performance of the investment managers of the Fund.
- c. The Board will ensure the assets of the Fund are invested with the care, skill, prudence, and diligence that a prudent person acting in a like capacity would undertake.

7. *Legal:*

- a. The Board will approve actions concerning the assigning, directing, and handling of litigation, claims, demands, disputes or legal proceedings involving IPOPIF.
- b. The Board may appoint General Legal Counsel, that may be outside counsel, or a firm. General Legal Counsel shall provide independent legal advice and services related to the full range of issues that impact IPOPIF and the Board, including but not limited to fiduciary duties and liability, government ethics and conflicts of interest, Board governance, the Illinois Pension Code, the Illinois Open Meetings Act, the Illinois Freedom of Information Act, the Illinois Governmental Ethics Act, public body contracts and procurement, Illinois administrative law and procedure and other legal services as directed by the Board and IPOPIF staff.
- c. The Board should appoint Fiduciary Legal Counsel, which may be outside counsel, or a firm. Fiduciary Counsel shall serve as the primary legal advisor to the Board of Trustees on investment and fiduciary matters, develop and review Board governance, ethics, and investment policies and procedures, conduct legal due diligence and negotiate investment transactions, including agreements for private equity, hedge funds, real estate, and public markets, manage external counsel hired for specific investment transactions; advise on compliance with investment regulations and internal policies, draft and review contracts with service providers, such as actuaries and investment consultants, monitor and ensure compliance with all applicable federal,

state, and local laws and regulations, and other legal services as directed by the Board and IPOPIF staff.

8. *Monitoring and Reporting:*

- a. The Board will ensure that appropriate monitoring and reporting practices are established within the Fund.
- b. Monitor the cost effectiveness of the administrative and investment programs.

9. *Operations:*

- a. The Board of Trustees will approve the location of the Fund's office and the associated leases or purchase agreements.
- b. Ensure that instructions or assignment of tasks flow through the Executive Director, Chief Investment Officer or General Counsel and not directly to individual IPOPIF staff or external service providers.

C. RULES AND PROCEDURES FOR MEETINGS OF THE BOARD OF TRUSTEES AND COMMITTEES:

- 1. Purpose: The Board wishes to establish rules and procedures for the conduct of meetings that are consistent with the Open Meetings Act (OMA), 5 ILCS 120/1 *et. seq.* in order to ensure orderly meetings and to protect the rights of the Board, its individual members, IPOPIF stakeholders, service providers, and members of the public.
- 2. All meetings of the Board and its committees shall adhere to the following basic rules of conduct:
 - a. The collective fiduciary interests of the Board and its committees supersede the rights of individual members of the Board.
 - b. All members of the Board are equal and have the right to hold office, attend meetings, to make motions and speak in Board or committee deliberations, to nominate, and to vote.

- c. A quorum must be present to conduct business. The Pension Code and By-laws specify that a quorum for conduct of a meeting of the full Board shall be six members present. A quorum for the committees shall be a majority of the members that are present at the meeting location.
- d. All Board Trustees have the right to be heard on issues up for deliberations before the Board or Committee. All actions taken by the Board shall require an affirmative vote of five (5) Trustees, except actions set forth in Section 22B-117 of the Pension Code, requiring affirmative vote of six (6) Trustees. Once a decision has been made, dissenting Board members present, and voting must respect and abide by the decision.
- e. One question will be addressed at a time, and one speaker will speak at a time. A motion shall be considered out of order if it does not directly relate to the question under consideration. Once a speaker has been recognized, he or she has the floor and should not be interrupted except in rare circumstances, such as by the Chairperson to maintain order or decorum.
- f. Members of the Board or committee shall have the opportunity to fully debate all debatable motions. A debatable motion may not be put to a vote as long as members of the Board or committee wish to continue the debate unless debate is suspended by majority vote of the Board or committee.
- g. Once a motion has been decided at a Board or committee meeting, it is out of order to bring up the same motion or a motion that is essentially the same at the same meeting unless it is brought through a Motion for Reconsideration.
- h. Remarks directed at another Board or committee member personally and not relating to the business of the Board or committee are out of order in a debate. Debate shall be limited to motions and not motives, principles, or personalities. The Chair may request that the speaker cease his or her out of order remarks.
- i. Board and standing committee meetings shall be conducted in accordance with the Open Meetings Act (OMA) 5 ILCS 120/1 *et. seq.*

- j. The Board and its committees shall not conduct any business that has not been properly placed on the agenda and noticed to the public unless authorized by the Open Meetings Act.

D. ROLES AND RESPONSIBILITIES OF THE CHAIRPERSON IN THE CONDUCT OF MEETINGS:

1. The Chairperson of the Board or committee shall be the presiding officer of the meeting. If the Chairperson of the Board or committee is absent, the Vice Chairperson shall serve as the presiding officer. In the event that both the Chairperson and the Vice Chairperson are absent from the meeting, the Chairperson shall appoint a presiding officer of the meeting from among the remaining members of the Board or committee who are entitled to vote during the meeting.
2. The general responsibilities of the presiding officer are:
 - a. To ensure that the meeting starts on time and moves through the agenda in an expeditious manner. The presiding officer may take steps to prevent dissenting Board or committee members and members of the public from employing dilatory tactics to delay a meeting.
 - b. To ensure that Board and committee members and members of the public adhere to the published agenda, except as otherwise permitted by law.
 - c. To be familiar with these rules, IPOPIF By-Laws, policies, and the customary practices of the Board and its committees.
 - d. To direct the orderly conduct of the meeting by recognizing speakers and reminding others that interruption of speakers who have the floor is out of order.
 - e. To impartially recognize members of the Board or committee to speak during the discussion of motion.
 - f. To restate a motion before a vote is taken and to announce the results of the vote. The presiding officer may require a vote by roll call, show of hands, or any other means in order to clarify the results of the vote and permit the vote to be recorded accurately in the minutes of the meeting.

- g. To ensure that discussion is relevant and focused on the issue at hand. The presiding officer may request a Board or committee member or member of the public to confine his or her remarks to the motion under consideration.
- h. To ensure that public comment (1) on any matter within the jurisdiction of the Board or committee is permitted at each meeting of the Board or committee; (2) is limited to three minutes per speaker and (3) does not interfere with the orderly conduct of the meeting. The Chairperson of the Board or committee has the discretion to modify the time limit per speaker should, for example, it be necessary to shorten the time to accommodate a lengthy agenda or a large number of speakers. Similarly, the time limit per speaker may be lengthened to allow additional time for discussion on a complicated matter.
- i. To ensure that public comment is directed to the presiding officer, and not to staff, vendors or consultants.
- j. To ensure that any requests made of staff, vendors or consultants to report back to the Board or committee, to place a matter of business on a future agenda of the Board or committee, or to otherwise commit staff time and IPOPIF resources are (1) made at the direction of the presiding officer; (2) with consensus of the Board or committee members; and (3) with due consideration of the burdens such requests will place on staff, consultants and IPOPIF resources and any other relevant concerns staff or consultants may identify.
- k. To adjourn each meeting of the Board or committee at the conclusion of the business set forth on the agenda.

E. VOTING METHODS AND PROCEDURES:

1. All votes shall comply with the Open Meetings Act, 5 ILCS 120/1 *et. seq.*
2. The Board and committees may use voice votes for the convenience of the Board or committee in order to promote efficiency. When using voice votes, any member of the Board or committee may request a roll-call vote in order to accurately record each Board or committee member's vote.
3. All votes shall be recorded in the meeting minutes.

F. POLICY REVIEW:

1. The Policy is subject to change in the exercise of the Board's judgement.
2. The Board of Trustees will review this policy at least every two (2) years to ensure that it remains relevant and appropriate and consistent with state and federal laws and regulations.
3. In the event of legislative changes to the pertinent sections addressed in this Policy, the Board will review the Policy as appropriate.
4. This Policy was adopted by the Board on August 14, 2020.
5. This Policy was reviewed and amended by the Board on November 10, 2022
 - a. Removed references to the "transition" board of trustees.
6. The Board of Trustees reviewed and revised this policy on 10/17/2025.