



ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

BOARD OF TRUSTEES

Minutes for Board of Trustees - Regular Meeting - July 21, 2023

07/21/2023 | 08:30 AM - Central Time (US and Canada)

Marriott Pere Marquette Hotel, Marquette Salon B, 501 Main Street, Peoria, IL.

Attendees:

Richard White, Executive Director; Kent Custer, Chief Investment Officer; Regina Tuczak, Finance Director/ Assistant Executive Director; Amy Zick, Senior Accountant; Kate Cobb, Administrative Analyst; Samantha Lambert, Administrative Analyst; Barb Meyer, Investment Officer; Steve Yoon, Investment Officer; Joe Miller, Information Technologist; Sean Zears, Communications Specialist; Richard Reimer, General Legal Counsel, Reimer, Dobrovolny & Labardi PC; Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP; Allie Rysell, Plan Administrator, Foster & Foster, Inc.; Sally Choi, Strategic Planner, MCS Consulting, LLC.; Bukola Bello, Governmental Liaison, Vision MAI; Brian LeFevre, Sikich, LLP (Zoom); Scott Whelan, Verus (Zoom); Kim Shepherd, Shepherd Communications (Zoom); Marisel Hernandez, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP; (Zoom); Members of the Public (Zoom)

Agenda:

All members of the Board of Trustees, staff, and legal counsel were provided with or had access to a copy of the agenda. The agenda was also posted on the IPOPIF website, at the IPOPIF office door, and at the meeting room located at 501 Main Street, Peoria, IL.

1.0 Call to Order

The meeting was called to order at 8:33 AM by Chairperson Suess.

2.0 Roll Call

A roll call was conducted, and 7 Trustees were present, 1 absent, and 1 vacant Trustee position. A quorum was established with the 6 required number of Trustees present.

Board of Trustees:

- Philip Suess, Chairperson
- Paul Swanlund, Vice Chairperson
- Lee Catavu; Secretary
- Mark Poulos, Treasurer
- Brad Cole;
- Elizabeth Holleb;
- Michael Inman;

Absent:

- Daniel Hopkins

Vacant:

- Participant Representative

All individuals present are reflected in the list of attendees.

3.0 Board of Trustees

3.a Strategic Goals and Objectives:

The Board of Trustees and Executive Staff discussed the mission, vision, core values, goals, and objectives. The session was led and moderated by Sally Choi, MCS Consulting LLC.

The Board of Trustees gave direction to Executive Director White, Chief Investment Officer (CIO) Custer, and Finance Director Tuczak and tasked them with refining the Strategic Plan for further consideration by the Board. Finalization of the Strategic Plan is targeted to be completed by the end of 2023 and should be included on each agenda until it is approved by the Board of Trustees.

4.0 Lunch Break

A motion was made by Trustee Poulos and seconded by Trustee Inman to recess for lunch at 12:26 PM. Motion carried by a voice vote:

Ayes: 7

Nays: 0

Abstain: 0

Absent: 1

Vacant: 1

A motion was made by Trustee Poulos and seconded by Trustee Iman to reconvene the Board of Trustees meeting into open session at 1:06 PM. Motion carried by a voice vote:

Ayes: 6

Nays: 0

Abstain: 0

Absent: 2

Vacant: 1

5.0 Investments

5.a Investment Update Report:

CIO Custer provided an Investment Update to the Board of Trustees. He reviewed investment operational highlights, performance summary, asset allocation, key investment initiatives, preliminary agenda planning, and preliminary search queue.

CIO Custer noted that Investment Staff recruitment is underway with the possibility of two additional investment officers being hired in the near future.

Questions from the Board of Trustees were addressed by CIO Custer.

5.b Global/International Equity Small Cap Manager Search

CIO Custer reviewed his memorandum reviewing the Investment Manager Search Request, reviewed the draft Request for Proposal (RFP) and the preliminary timeline to complete the search.

Questions were addressed by CIO Custer and Fiduciary Legal Counsel Muzzy.

A motion was made by Trustee Holleb and seconded by Trustee Inman to approve the search for active investment managers focusing on small international companies. Motion carried by a roll call vote.

Ayes: Trustees Suess, Swanlund, Catavu, Poulos, Holleb, Inman, and Cole

Nays: None

Abstain: None

Absent: Trustee Hopkins

Vacant: Vacant

6.0 Governmental Liaison Report

6.a Monthly Legislative Report.

Governmental Liaison Bello reviewed the monthly legislative report and briefed the Board of Trustees on the status of the IPOPIF legislative agenda. All questions were addressed by Governmental Liaison Bello and staff.

7.0 Finance

7.a Monthly Financial Statement – May 2023

Finance Director Tuczak briefed the Board of Trustees on the financial statement for the Month of May 2023.

A motion was made by Trustee Holleb and seconded by Trustee Cole to approve the May 2023 monthly financial statement. Motion carried by a roll call vote.

Ayes: Trustees Suess, Swanlund, Catavu, Poulos, Holleb, Inman, and Cole

Nays: None

Abstain: None

Absent: Trustee Hopkins

Vacant: Vacant

7.b Warrant #24-01.

Finance Director presented warrant # 24-01. Finance Director Tuczak noted that warrants have been renumbered as of July to coincide with the new fiscal year and month of payment, noting that the warrants are now prepared in-house by IPOPIF staff.

A motion was made by Trustee Inman and seconded by Trustee Holleb to approve Warrant 24-01 as provided. Motion carried by a roll call vote.

Ayes: Trustees Suess, Swanlund, Catavu, Poulos, Holleb, Inman, and Cole

Nays: None

Abstain: None

Absent: Trustee Hopkins

Vacant: Vacant

7.c Transition Audit (per 40 ILCS 5/22B 120(g)).

Finance Director Tuczak reviewed her memorandum on the transition audit, reporting that all testing associated with the Agreed Upon Procedures had been completed and no exceptions or issues were identified during the process. Finance Director noted that a draft report from Sikich LLP was provided and that upon approval by the Board of Trustees, IPOPIF staff will provide a management representative letter and the report will be issued.

Brian LeFevre, Sikich was available for any questions or discussion from the Board of Trustees.

A motion was made by Trustee Holleb and seconded by Trustee Catavu to approve the post-transition audit report. Motion carried by a roll call vote.

Ayes: Trustees Suess, Swanlund, Catavu, Poulos, Holleb, Inman, and Cole
Nays: None
Abstain: None
Absent: Trustee Hopkins
Vacant: Vacant

7.d Examination and Investigation Audits.

Finance Director Tuczak reviewed her memorandum on the Examination and Investigation Audits based upon a request of the Board of Trustees from the June 9, 2023, meeting. She reviewed her analysis regarding potential examinations of the Article 3 participating police funds including estimates of conducting these examinations using outsourced service providers or in-house staff.

A motion was made by Trustee Poulos and seconded by Trustee Cole to authorize the process to issue an RFP to conduct examination and investigation audits utilizing Independent CPA firms. Motion carried by a roll call vote.

Ayes: Trustees Suess, Swanlund, Catavu, Poulos, Holleb, Inman, and Cole
Nays: None
Abstain: None
Absent: Trustee Hopkins
Vacant: Vacant

7.e Pay Plan

Finance Director Tuczak reviewed her memorandum on the newly created pay plan to the Board of Trustees. She noted that salaries for all employees are included in the pay plan and that non-contract employees are eligible for a merit salary adjustment annually pursuant to an annual performance review. She also noted that the maximum salary ranges will be adjusted annually by an inflationary index tied to the Consumer Price Index for Urban Consumers in the Peoria region. The pay plan and CPI-U increase would be incorporated into the annual development and approval of the annual fiscal year budget.

A motion was made by Trustee Holleb and seconded by Trustee Poulos to approve the FY 24 Pay Plan. Motion carried by a roll call vote.

Ayes: Trustees Suess, Swanlund, Catavu, Poulos, Holleb, and Cole
Nays: None
Abstain: None
Absent: Trustees Hopkins and Inman
Vacant: Vacant

8.0 Operations

8.a. Illinois Municipal Retirement Fund (IMRF) Resolution 2023-xx.

Executive Director White reviewed his memorandum which requires the IPOPIF to adopt a resolution to allow the reporting of member earnings to IMRF to include the gross salary of an employee that includes the amount of compensation that is paid by an employee for health care benefits under IRS Code Section 125.

A motion was made by Trustee Catavu and seconded by Trustee Swanlund to approve Resolution 2023- __ to include compensation paid under IRS Code Section 125 plan as IMRF earnings. Motion failed by a roll call vote.

Ayes: Trustees Suess, Swanlund, Catavu, Poulos.,
Nays: Trustees Holleb, Inman, and Cole
Abstain: None
Absent: Trustee Hopkins
Vacant: Vacant

8.b IMRF Service Purchase Consideration for Employees

Executive Director White reviewed his memorandum regarding the IMRF service purchases for the two non-contract employees that began employment with the IPOPIF before the fund became a member of the IMRF.

A motion was made by Trustee Catavu and seconded by Trustee Swanlund to approve IPOPIF to pay the employee cost, including interest and taxes, to establish the prior service of certain employees that had IPOPIF earnings prior to IPOPIF joining IMRF. Motion failed by a roll call vote.

Ayes: Trustees Suess, Swanlund, Catavu,
Nays: Trustees Poulos, Holleb, Inman, and Cole
Abstain: None
Absent: Trustee Hopkins
Vacant: Vacant

8.c Trustee Election Policy (PP-2020-03).

Executive Director White reviewed his memorandum on the revisions to the election policy to address the procedures for the nomination of candidates, the election process, and the certification of the election by the Board of Trustees for the special election to fill the vacant trustee seat.

Marisel Hernandez, Fiduciary Legal Counsel was available to the Board of Trustees for questions.

A motion was made by Trustee Holleb and seconded by Trustee Inman to approve the revised Election Policy (PP-2020-03). Motion carried by a roll call vote.

Ayes: Trustees Suess, Swanlund, Catavu, Poulos, Holleb, Inman, and Cole

Nays: None

Abstain: None

Absent: Trustee Hopkins

Vacant: Vacant

8.d Election Services – Survey and Ballot Systems Provider Contract

Executive Director White reviewed his memorandum regarding the 2023 IPOPIF Special Election contract with Survey and Ballot systems to conduct the special election for the vacant trustee seat. The contract amount of \$19,316 was executed by the Executive Director in accordance with the Purchasing Policy and formal action by the Board of Trustees is not required. Director White noted there is a retainer fee of \$3500, whether an election occurs or not and that the cost of ballot postage to each of the electors will be billed separately...

8.e Office Furniture Purchase

Chairperson Suess requested that this item be removed from the agenda.

8.f Operations Status Report.

Chairperson Suess noted that the report was included in the agenda packet and will not be further reviewed by Executive Director White. Questions from the Board of Trustees were addressed.

9.0 Minutes

Chairperson Suess noted that meeting minutes were not provided for review and will be addressed at a future meeting.

10.0 General Legal Counsel

General Legal Counsel Reimer and Chairperson Suess provided an update on the process to be followed for the preparation of the Executive Director performance evaluation.

11.0 Fiduciary Legal Counsel

Fiduciary Legal Counsel Muzzy stated the plaintiffs filed their appellate brief on July 2nd. The Appellate level is to join in brief to the Attorney General. Trustee Cole stated that he has been informed that an extension could be filed by the Attorney General to further this to September.

12.0 Closed Session

A closed session was not held.

13.0 Public Comment

An opportunity for public comment was provided at 3:38 PM. No comments were heard, and no discussion was provided.

14.0 Adjournment

A motion was made by Trustee Inman and seconded by Trustee Swanlund to adjourn the Board of Trustee meeting at 3:39 PM. Motion carried by a voice vote.

Ayes: 7

Nays: 0

Abstain: 0

Absent: 1

Vacant: 1

Respectfully submitted by:



Richard White, Executive Director

Approved by:



Phil Suess, Chairperson, Board of Trustees



Lee Catavu, Secretary, Board of Trustees

Date Approved by the Board of Trustees: September 15, 2023