

Shawn Curry
ChairpersonDaniel Hopkins
Vice-ChairpersonPaul Swanlund
SecretaryElizabeth Holleb
TreasurerLee Catavu
TrusteeMark Poulos
TrusteeMichael Inman
TrusteePhil Suess
TrusteeBrad Cole
Trustee

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

AUDIT AND BUDGET COMMITTEE

MEETING MINUTES – MARCH 7, 2022 AT 1:30 P.M.

A meeting of the Illinois Police Officers' Pension Investment Fund's Audit and Budget Committee was held through the Zoom Digital Platform in accordance with Executive Order 2022-07 issued by Governor Pritzker and Public Act 101-0640. Members of the public were invited to participate remotely or in-person pursuant to the meeting notice and agenda.

TRUSTEES PRESENT: Paul Swanlund
Phil Suess

TRUSTEES ABSENT: Daniel Hopkins

OTHERS PRESENT: Shawn Curry (*joined at 1:33 p.m.*)
Richard White, Executive Director
Kent Custer, Chief Investment Officer
Brian LaBardi, General Counsel, Reimer Dobrovolny & LaBardi PC
Stephanie Masson, Chief Financial Officer, Lauterbach & Amen, LLP
A.J. Weber, Chief Financial Officer, Lauterbach & Amen, LLP (*joined at 1:39 p.m.*)
Allie Rysell, Plan Administrator, Foster & Foster, Inc.
Members of the Public

CALL TO ORDER: Committee Chairperson Swanlund called the meeting to order at 1:31 p.m.

ROLL CALL: As reflected above.

MEETING MINUTES: *Review/Approve – January 28, 2022 Meeting Minutes:* The Committee reviewed the draft minutes from the January 28, 2022 meeting. A motion was made by Trustee Suess and seconded by Trustee Swanlund to approve the minutes from the January 28, 2022 meeting. Motion carried by roll call vote.

AYES: Trustees Swanlund and Suess

NAYS: None

ABSENT: Trustee Hopkins

OLD BUSINESS: There was nothing outstanding to discuss.

Trustee Curry joined at 1:33 p.m.

NEW BUSINESS: *Fiscal Year 2022 Mid-Year Budget Review – Review Proposed Amendments and Incorporate Revisions (if any):* Executive Director White reviewed a memorandum dated March 7, 2022 regarding the “FY 2022 Budget – Review and Amendments” with the Committee.

CFO Weber joined at 1:39 p.m.

Executive Director White reviewed the proposed changes and provided background information for the increase/decrease for each budgeted line item. He briefly discussed the Illinois Finance Authority (IFA) loan agreement disbursement schedule with the Committee. All questions were answered by Executive Director White, CIO Custer, CFO Masson, and CFO Weber.

Recommendation to the Full Board for Approval: A motion was made by Trustee Sues and seconded by Trustee Swanlund to recommend the proposed Fiscal Year 2022 Budget amendments to the Board of Trustees for approval, that includes an increase of loan revenues in the amount of \$474,000, and an adjustment to expenditures in the amount of \$1,575,141. Motion carried by roll call vote.

AYES: Trustees Swanlund and Sues
NAYS: None
ABSENT: Trustee Hopkins

Illinois Finance Authority Loan Disbursements – Review Loan Activity and Future Disbursement Requests: Executive Director White reviewed a memorandum dated March 7, 2022 regarding the “Loan Disbursement Request” with the Committee. He requested that the Committee recommend Board approval to drawdown the remaining principal in the IFA loan in the amount of \$674,000. The proposed drawdown would bring the loan principal and capitalized interest expense almost to the full amount of \$7,500,000. Executive Director White stated that the additional funding would provide budgetary and financial flexibility for the remainder of the fiscal year and the first few months of fiscal year 2023. He reviewed the proposed IFA Loan Reconciliation amendment and stated that communication with the IFA would be initiated to revise the disbursement and drawdown schedule, pending Board approval at the March 11th meeting. All questions were answered by Executive Director White, CIO Custer, and CFO Weber.

The Committee discussed the process for the payment of investment management fees to ensure that all participating police pension funds are treated fair and equitably. All questions were answered by CIO Custer and CFO Weber. The Committee requested that Staff investigate the alternative option to pay investment management fees out of the assets held by each fund instead of the loan proceeds. CIO Custer acknowledged that Staff would look into this option and would proceed once he can confirm that the process would be fair and equitable for each participating fund.

Recommendation to the Full Board for Approval: A motion was made by Trustee Sues and seconded by Trustee Swanlund to recommend to the Board of Trustees that the Fund drawdown the remaining principal in the IFA loan in the amount of \$674,000. Motion carried by roll call vote.

AYES: Trustees Swanlund and Sues
NAYS: None
ABSENT: Trustee Hopkins

Discussion – IPOPIF Statutory Responsibilities: Executive Director White summarized his memorandum dated March 7, 2022 regarding the “Examination and Investigation Requirements” and briefly discussed the Fund’s statutory auditing responsibilities. All questions were answered by

Executive Director White, Attorney LaBardi, and CFO Weber. The Committee directed Staff to remove the discussion of this item from the Board's March 11th meeting agenda. Executive Director White indicated that Staff would prepare a report detailing the Fund's statutory auditing responsibilities for Committee review at a future meeting.

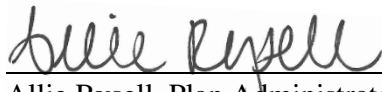
REVIEW MEETING SCHEDULE: *Establish Additional Meeting (If needed):* An additional meeting was not scheduled.

PUBLIC COMMENT: There were no comments from the public.

ADJOURNMENT: With no further business to discuss, a motion was made by Trustee Swanlund and seconded by Trustee Suess to adjourn the meeting at 2:41 p.m. Motion carried by roll call vote.

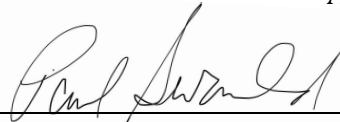
AYES: Trustees Swanlund and Suess
NAYS: None
ABSENT: Trustee Hopkins

Respectfully Submitted by:



Allie Rysell, Plan Administrator
Foster & Foster, Inc.

Approved by:



Paul Swanlund, Committee Chairperson

Date Approved by the Audit and Budget Committee: March 28, 2022

The next meeting of the Illinois Police Officers' Pension Investment Fund's Audit and Budget Committee will be held on March 28, 2022 at 1:00 p.m. via the Zoom Digital Platform.