



Illinois Police Officers'
PENSION INVESTMENT FUND

Illinois Police Officers' Pension Investment Fund

Audit & Budget Committee Meeting Minutes

Thursday, September 14, 2023, at 3:00 P.M.

A regular meeting of the Audit & Budget Committee of the Illinois Police Officers' Pension Investment Fund was conducted at the Marriott Pere Marquette Hotel, Marquette Salon B, 501 Main Street, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

Attendees (4)

Audit & Budget Committee Members:

- Daniel Hopkins
- Elizabeth Holleb
- Paul Swanlund
- Phillip Suess

IPOPIF Staff:

- 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
- Joe Miller, Information Technologist
- Sean Zears, Communications Specialist

Others Present:

- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP
- Vince Mancini, General Legal Counsel, Reimer, Dobrovlny & Labardi PC (Zoom)
- Mark Poulos, IPOPIF Trustee and Treasurer (Zoom)
- Members of the Public (In person/Zoom)

Agenda

All members of the Audit and Budget Committee, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the website, office door, and door of the meeting room.

Call to Order

The meeting was called to order at 3:00 PM by Chairperson Swanlund.

Roll Call

A roll call was conducted. 4 Trustees were present. A quorum was established with the 3 required number of Trustees present.

Audit & Budget Committee:

- Paul Swanlund, Chairperson
- Daniel Hopkins
- Philip Suess
- Elizabeth Holleb

Audit & Budget Committee Members Absent:

- None

Vacant:

- None

All individuals present are reflected in the list of attendees.

Review of Governing Policy Documents

3.1- Audit & Budget Committee (PP-2020-09): Finance Director Tuczak briefed the Audit & Budget Committee Policy (PP-2020-09) with the Audit & Budget Committee. The proposed revision to the policy updates the oversight and reporting of fiscal matters in conjunction with the addition of full-time financial staff and the incorporation of financial processes into the organization from the outsourced service providers. It was also noted that in connection with the annual financial statements, discussion of internal control effectiveness and compliance with all financial and regulatory reporting requirements will be discussed. Finance Director Tuczak answered all questions.

A motion was made by Trustee Suess and seconded by Trustee Hopkins to recommend the Board of Trustees approve the amended Audit & Budget Committee Policy (PP-2020-09).

Motion carried out by roll call vote.

Ayes: Trustees Swanlund, Suess, Holleb, Hopkins

Nayes: None

Abstain: None

Absent: None

3.2- Accounts Payable Policy (PP-2020-04): Finance Director Tuczak briefed the Accounts Payable Policy (PP-2020-04) with the Audit & Budget Committee and discussed updates to the policy to account for adding full-time financial staff and incorporating financial processes into the organization from the outsourced service providers. Updates were also made to reflect current procedures and reporting relating to the payment of employee payroll and benefits. Discussion about direct payment from Fund accounts for a few vendors instead of expense reimbursement was also discussed. Finance Director Tuczak answered all questions.

A motion was made by Trustee Suess and seconded by Trustee Holleb to recommend the Board of Trustees approve the amended Accounts Payable Policy (PP-2020-04).

Motion carried out by roll call vote.

Ayes: Trustees Swanlund, Suess, Holleb, Hopkins

Nayes: None

Abstain: None

Absent: None

3.3- Budget Administration Policy (PP-2021-01): Finance Director Tuczak briefed the Budget Administration Policy (PP-2021-01) with the Audit & Budget Committee. Finance Director Tuczak instructed the Audit & Budget Committee that revisions to the policy primarily include (1) the deletion of budget revenue; (2) terminology of investment-related expenses changed to Investment operations; and (3) the distinction of budget categories added along with requirement of budget overages to be notated and explained in the monthly budget reports. Finance Director Tuczak answered all questions.

A motion was made by Trustee Suess and seconded by Trustee Hopkins to recommend the Board of Trustees approve the amended Budget Administration Policy (pp-2021-01) with the expectation that fund staff will provide additional options regarding including revenue as part of the budget at the October meeting, to the Board of Trustees.

Motion carried out by roll call vote.

Ayes: Trustees Swanlund, Suess, Holleb, Hopkins

Nayes: None

Abstain: None

Absent: None

3.4- Cash Reserve (PP02021-09): Finance Director Tuczak briefed the Cash Reserve Policy (PP-2021-09) with the Audit & Budget Committee. Finance Director Tuczak instructed the Board of Trustees that the updates and revisions to the policy account for adding full-time financial staff and incorporating financial processes into the organization. Ms. Tuczak noted that given the 1% allocation to Cash in the most recent Asset Allocation Policy, the need for a cash reserve is not necessarily applicable as the Fund is able to use this cash allocation to fund expenses. There was a discussion about the utilization of a cash account established outside of the main custodial trust account to pay any expenses that require automatic debit and about privacy considerations (such as the medical insurance invoices). Finance Director Tuczak answered all questions.

A motion was made by Trustee Suess and seconded by Trustee Holleb to recommend the Board of Trustees approve the amended Cash Reserve Policy (PP-2021-09).

Motion carried out by roll call vote.

Ayes: Trustees Swanlund, Suess, Holleb, Hopkins

Nayes: None

Abstain: None

Absent: None

3.5- Finance Director/Assistant Executive Director Job Description (PP-2021-06): Executive Director White and Finance Director Tuczak briefed the Finance Director/Assistant Executive Director Policy (PP-2021-06) to the Audit & Budget Committee. Revisions to this policy include the incorporation of responsibilities that were included in the previously outsourced Chief Financial Officer job description, and which belong in this policy now that the role is a full-time position of the Fund. Additions to the policy also include job duties that have been added to the role as the Fund grows.

Executive Director White recommended to the Audit & Budget Committee that the title of the position, which currently belongs to Ms. Tuczak, be revised to "Chief Financial Officer" as an

appropriate role that includes the responsibilities of leading and managing the financial, accounting, and actuarial responsibilities of the IPOPIF. Similar organizations in size and scope have a Chief Financial Officer position. Executive Director White also acknowledges that the title change will appropriately recognize the many significant accomplishments made by the Finance Director since her hiring. At this time, the title change would not incorporate a change in the compensation structure or salary range.

Executive Director White and Finance Director Tuczak answered all questions.

A motion was made by Trustee Suess and Trustee Hopkins to recommend the Board of Trustees approve the Chief Finance Officer/Assistant Executive Director Job Position (PP-2021-06), with a revision to include annual goals and objectives and annual performance reviews of assigned staff.

Motion carried out by roll call vote.

Ayes: Trustees Swanlund, Suess, Holleb, Hopkins

Nays: None

Abstain: None

Absent: None

3.6- CFO Job Description (PP-2020-05): Executive Director White briefed the Chief Financial Officer (CFO) Job Description Policy (PP-2020-05). This policy was originally adopted by the Board of Trustees on July 10, 2020, and was intended to account for the role and responsibilities of outsourced CFO services that were provided under contract. It is no longer necessary to have this policy in effect as the roles and responsibilities will be incorporated into the separate job description for the Finance Director. With Finance Director Tuczak performing all tasks described within this policy, as well as additional tasks, the current CFO policy is not needed. Executive Director White answered all questions.

A motion was made by Trustee Hopkins and seconded by Trustee Holleb to recommend the Board of Trustees delete the Chief Financial Officer Job Description Policy (PP-2020-05).

Motion carried out by roll call vote.

Ayes: Trustees Swanlund, Suess, Holleb, Hopkins

Nays: None

Abstain: None

Absent: None

Examination and Investigation Audits

4.1- Examination and Investigation Audits: Finance Director Tuczak briefed the Audit & Budget Committee regarding the examination and investigation audits Request for Proposals. She stated that at the July 21, 2023, Board of Trustees meeting the Board considered two options to conduct examinations of each pension fund established under Article 3 of the Illinois Pension Code, pursuant to 40 ILCS 5/1A-104. The Board provided direction that Fund staff should prepare a Request for Proposals for Independent Certified Public Accounting firms to perform these examinations. A Request for Proposals (RFP) was drafted and distributed to the Committee for review. Subject to comments and feedback from the Committee, it is scheduled to be presented to the Board of Trustees at the next meeting on October 13, 2023. A draft timeframe was distributed, which provides that subject to Board approval, the RFP would post on October 16, 2023. A request was also made that a draft be provided to the Illinois Department of Insurance (IDOI) so that the IDOI can provide feedback regarding the RFP. Finance Director Tuczak answered all questions.

A motion was made by Trustee Suess and seconded by Trustee Holleb to recommend the Board of Trustees approve a final draft of the Request for Proposals (RFP) regarding examination and investigation audits.

Motion was carried out by a roll call vote,

Ayes: Trustees Swanlund, Suess, Holleb, Hopkins

Nays: None

Abstain: None

Absent: None

Minutes

5.1- Audit & Budget Committee Meeting Minutes of May 19, 2023: Minutes from the May 19, 2023, Audit & Budget Committee were presented to the Audit & Budget Committee for approval. Executive Director White answered all questions.

A motion was made by Trustee Suess and seconded by Trustee Hopkins to approve the May 19, 2023, Audit & Budget Committee meeting minutes as presented.

Motion carried out by roll call vote.

Ayes: Trustees Swanlund, Suess, Holleb, Hopkins

Nayes: None

Abstain: None

Absent: None

Review of Meeting Calendar

A review of the meeting calendar was conducted, and the next Audit & Budget Committee Meeting is scheduled for November 9, 2023.

Closed Session (If necessary)

A closed session was not held.

Public Comment

An opportunity for public comment was provided at 4:24 PM. No comments were heard, and no discussion was provided.

Adjournment

A motion was made by Trustee Suess and seconded by Trustee Hopkins to adjourn the Audit & Budget Committee meeting at 4:26 PM.


Ayes: Trustees Swanlund, Suess, Holleb, Hopkins

Nayes: None

Abstain: None

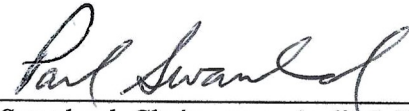
Absent: None

Respectfully submitted by:



Kate Cobb, Administrative Analyst

Approved by:



Paul Swanlund, Chairperson, Audit & Budget Committee

Date Approved by the Audit & Budget Committee: December ¹⁴~~15~~, 2023 PS