



Illinois Police Officers' Pension Investment Fund

Audit & Budget Committee Meeting Minutes

Friday, February 9, 2024, at 2:30 P.M.

A regular meeting of the Audit and Budget Committee of the Illinois Police Officers' Pension Investment Fund was conducted at the Twin Towers Bldg., Suite 420 Street, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

Attendees:

Audit & Budget Committee:

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

IPOPIF Staff:

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Regina Tuczak, Chief Financial Officer/ Assistant Executive Director
- Amy Zick, Senior Accountant
- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist

Others Present:

- Rick Reimer, General Legal Counsel, Reimer, Dobrovolny & Labardi PC
- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP
- Kim Shepherd, Shepherd Communications (Zoom)
- Members of the Public (Zoom)

Agenda

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

Call to Order

The meeting was called to order by Chairperson Swanlund at 2:30 P.M.

Roll Call

2.1- Roll Call: Discussion and Potential Action:

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

Audit & Budget Committee Present:

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

All individuals present are reflected in the list of attendees.

Minutes

3.1- Audit & Budget Committee Minutes- December 14, 2023: Discussion and Potential Action:

Executive Director White presented to the Audit & Budget Committee the minutes of the Audit & Budget Committee meeting held on December 14, 2023.

A motion was made by Trustee Holleb and seconded by Trustee Suess to approve the minutes of the Audit & Budget Committee meeting on December 14, 2023.

Motion carried by roll call vote.

Ayes- Trustees Swanlund, Suess, Holleb, Hopkins

Nayes- None

Absent- None

Agreed Upon Procedures

4.1- AUP Update: Discussion and Potential Action:

Chief Financial Officer (CFO) Tuczak briefed the Audit & Budget Committee on the current status of the Agreed Upon Procedures (AUPs) of the Article 3 Police Pension Funds.

With approval by the Board of Trustees to hire three independent CPA firms to conduct the AUPs, CFO Tuczak discussed the next action steps, noting: 1. Engagement letters will be submitted to fiduciary counsel for review. 2. The Illinois Department of Insurance (IDOI) will be notified that CPA firms have been approved by the Board for these services, however, written engagement letters are pending. Information will also be requested from the IDOI concerning the timing of the most recent examination by the IDOI on each Article 3 fund. 3. After the execution of the engagement letters, a planning meeting will be conducted with all retained CPA firms to discuss testing procedures, sampling, timeframe, and deliverables. 4. IPOPIF staff will prepare a rotational schedule for the 357 Article 3 fund AUPs.

CFO Tuczak answered all questions.

Budget: Fiscal Year 2024

5.1- Mid-Year Budget Report: Discussion and Potential Action:

CFO Tuczak and Executive Director White briefed the Audit & Budget Committee on the Approved and Adopted Fiscal Year 2024 (FY 24) Budget. An analysis was prepared and previously distributed to the Committee members, which compared the adopted FY 24 Budget, to expenditures as of February 1, 2024, which includes all expenses through Warrant 24-08. A proposed Final Budget for FY 24 was prepared for consideration by the Committee. Further information regarding changes greater than \$10,000 and 10% from the Adopted FY 24 Budget was provided and presented by CFO Tuczak. The Committee provided comments and feedback on the draft Mid-Year Budget Report for FY 24 and recommended the presentation of the final draft to the Board on March 8, 2024.

CFO Tuczak answered all questions.

Trustee Suess inquired about the billing practices for investment manager fees, noting that some managers submit invoices for payment to IPOPIF, and some managers deduct fees from the investment account held on behalf of IPOPIF. He suggested that the managers be asked to bill IPOPIF directly for these fees. CFO Tuczak agreed that it is a preference to have managers bill IPOPIF directly for investment management fees, however, some managers, particularly when invested in a commingled fund product, are not able to bill IPOPIF directly and in such situations, which is common within the industry, the investment managers fees are deducted directly from the commingled investment product. Given this difference in billing practices, CFO Tuczak indicated that the Fiscal Year 2025 budget is anticipated to have a separate analysis for investment manager fees that will include all estimated manager fees regardless of billing arrangement.

A motion was made by Trustee Swanlund and seconded by Trustee Holleb to recommend the Mid-Year Budget Report for Fiscal Year 2024 be presented and approved by the Board of Trustees.

Motion carried by roll call vote.

Ayes- Trustees Swanlund, Suess, Holleb, Hopkins

Nays- None

Absent- None

Closed Session

6.0- Closed Session:

No Closed Session was needed.

Public Comment

7.0- Public Comment:

An opportunity for public comment was provided at 2:52 PM. No comments were heard, and no discussion was provided.

Adjournment

8.0 Adjournment

A motion was made by Trustee Holleb and seconded by Trustee Suess to adjourn the meeting.

Motion carried by roll call vote.

Ayes- Trustees Swanlund, Suess, Holleb, Hopkins

Nayes- None

Absent- None

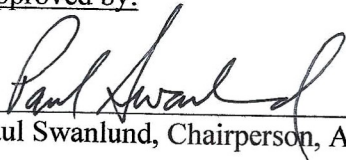
Meeting adjourned at 2:52 PM.

Respectfully submitted by:



Kate Cobb, Administrative Analyst

Approved by:



Paul Swanlund, Chairperson, Audit & Budget Committee

Date Approved by the Audit & Budget Committee: May 17, 2024