

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

AUDIT AND BUDGET COMMITTEE

MEETING MINUTES – APRIL 25, 2022 AT 10:30 A.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: Richard White, Executive Director
Kent Custer, Chief Investment Officer
Shan Ivey, Administrative Analyst
Vincent Mancini, General Counsel, Reimer Dobrovolny & LaBardi PC
Stephanie Masson, Chief Financial Officer, Lauterbach & Amen, LLP
AJ Weber, Chief Financial Officer, Lauterbach & Amen, LLP
Allie Rysell, Plan Administrator, Foster & Foster, Inc.
Members of the Public

CALL TO ORDER: Committee Chairperson Swanlund called the meeting to order at 10:33 a.m.

ROLL CALL: As reflected above.

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

NEW BUSINESS: *Retention of Auditor Firm at April 8, 2022 Board Meeting:* Executive Director White reviewed a memorandum dated April 25, 2022 regarding “Auditing Services – Retention of CPA Firm” with the Committee. He noted that at the Committee’s March 28, 2022 meeting, the Committee Members interviewed all responding candidate firms for certified public accounting services for the transition audit and annual financial audits. The Committee voted unanimously to recommend Sikich as the IPOPIF’s auditor for the transition audit and annual financial auditing

services for five years beginning with Fiscal Year 2022 reporting. The Board of Trustees voted unanimously to retain Sikich as the IPOPIF auditor at their April 8, 2022 meeting, as recommended by the Committee. Executive Director White stated that the Engagement Letter is in process and will be provided to the Board of Trustees for review at an upcoming meeting.

Review Fiscal Year 2023 Operations Budget: Executive Director White reviewed a memorandum dated April 25, 2022 regarding the “Fiscal Year 2023 Operations Budget – Review and Discussion” with the Committee and provided opening remarks. The proposed budget anticipates expenditures totaling \$7,914,093 for the FYE 2023. Executive Director White summarized the policies and process related to the budget and anticipated expenditures. The Committee reviewed the components of the FYE 2023 Budget in detail and provided feedback. The Committee requested that sub-categories be added to the personal costs, amendments are incorporated into education and travel, and additional verbiage is added to Executive Director’s memorandum regarding the loan repayment schedule. All questions were answered by Executive Director White, CIO Custer, CFO Masson, and Attorney Mancini. A motion was made by Trustee Suess and seconded by Trustee Swanlund to accept the report and refer it to the full Board for further discussion with the discussed changes. Motion carried by roll call vote.

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

Discuss Project Management: Transition Support, Operational Readiness, and Future State Operations: Executive Director White reviewed a memorandum dated April 25, 2022 regarding “Discussion: Project Management” with the Committee and provided opening remarks. CIO Custer provided background information on a list of proposed additional services and an extended engagement with Ernst and Young (EY). He briefly reviewed the potential activities where EY could support IPOPIF after the June 30, 2022 transition deadline. The proposed activities included project management support, technology feedback, developing critical process maps, assistance with defining the approach of Request for Proposals, financial reporting build-out and ACFR preparation, and the development of risk and controls framework and testing controls. All questions were answered by CIO Custer and Executive Director White. Further discussion would be held with the Board of Trustees at a future meeting.

Review Fiscal Year 2023 Operations Budget (continued): Trustee Suess recommended that Executive Director White’s cover memorandum for the FYE 2023 Budget includes a comment regarding the expenses related to the transition, which is a one-time cost and would not be an ongoing expense moving forward. Further discussion would be held at the May 13, 2022 Board meeting.

PUBLIC COMMENT: There were no comments from the public.

ADJOURNMENT: With no further business to discuss, a motion was made by Trustee Suess and seconded by Trustee Swanlund to adjourn the meeting at 11:44 a.m. Motion carried by roll call vote.

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

Respectfully Submitted by:

Approved by:



Allie Rysell, Plan Administrator
Foster & Foster, Inc.



Paul Swanlund, Committee Chairperson

Date Approved by the Audit and Budget Committee: May 23, 2022

The next meeting of the Illinois Police Officers' Pension Investment Fund's Audit and Budget Committee will be held on May 23, 2022 at 10:30 a.m. via the Zoom Digital Platform.