

## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

AUDIT AND BUDGET COMMITTEE

## MEETING MINUTES – JUNE 9, 2021 AT 9:00 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 2021-11 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:** Elizabeth Holleb  
Mark Poulos  
Paul Swanlund

**TRUSTEES ABSENT:** None

**OTHERS PRESENT:** Richard White, Executive Director  
Kent Custer, Chief Investment Officer  
Rick Reimer, General Counsel, Reimer Dobrovolny & LaBardi PC  
Joe Burns, Fiduciary Counsel, Jacobs Burns Orlove & Hernandez, LLP  
AJ Weber, CFO, Lauterbach & Amen, LLP  
Stephanie Masson, CFO, Lauterbach & Amen, LLP  
Allie Rysell, Plan Administrator, Foster & Foster, Inc.  
Members of the Public

**CALL TO ORDER:** Committee Chairperson Holleb called the meeting to order at 9:03 a.m.

**ROLL CALL:** As reflected above.

**MEETING MINUTES:** *Review/Approve – May 12, 2021 Meeting Minutes:* The Committee reviewed the draft minutes from the May 12, 2021 meeting. A motion was made by Trustee Poulos and seconded by Trustee Swanlund to approve the minutes from the May 12, 2021 meeting. Motion carried unanimously by roll call vote.

**AYES:** Trustees Holleb, Poulos and Swanlund

**NAYS:** None

**ABSENT:** None

**OLD BUSINESS:** There was nothing outstanding to discuss.

**NEW BUSINESS:** A memorandum dated June 9, 2021 regarding "New Business Items" was prepared by Executive Director White and included in the agenda packet for the Committee's review. Executive Director White requested Committee action on the Budget Administration



Policy (PP-2021-01), Fiscal Year 2022 Budget, and Engagement Letter Renewals with Lauterbach & Amen, LLP through June 30, 2022.

*Budget Administration Policy (PP-2021-01):* Committee Chairperson Holleb noted that the revised Budget Administration Policy was included in the agenda packet for review. A motion was made by Trustee Poulos and seconded by Trustee Swanlund to recommend to the Board of Trustees that the Budget Administration Policy (PP-2021-01) be adopted. Prior to taking a vote, Committee Chairperson Holleb reviewed a few minor recommended revisions to Section A-3 and Section C-9(a)(b) with the Committee. After further discussion, Trustee Poulos decided to amend the motion. A motion was made by Trustee Poulos and seconded by Trustee Swanlund to recommend to the Board of Trustees that the Budget Administration Policy (PP-2021-01) be adopted with Committee Chairperson Holleb's suggested changes. Motion carried unanimously by roll call vote.

AYES: Trustees Holleb, Poulos and Swanlund  
NAYS: None  
ABSENT: None

*Review/Discussion – Fiscal Year 2022 Budget:* Committee Chairperson Holleb and Executive Director White presented the revised FYE 2022 Budget. The Budget was adjusted (\$289,853) to \$4,747,678 after the May 12, 2021 Committee meeting and presented to the Board of Trustees at the May 28, 2021 meeting for an initial review. The Budget was increased \$11,500 for revised anticipated expenditures totaling \$4,759,178 with a budgeted surplus of over/under of \$790,822. Committee Chairperson Holleb reviewed the budget revenues along with the revised Illinois Finance Authority (IFA) Loan Proceeds. The budgeted expenditures were reviewed in detail. The Committee discussed the Executive Director's authority to transfer funds between categories and subcategories without Board approval and referenced the Budget Administration Policy and Purchasing Policy for clarification. The Committee discussed additional adjustments along with category and subcategory amendments. The Cash Analysis summary was reviewed with the Committee. All questions were answered by Committee Chairperson Holleb, Attorney Reimer, Executive Director White, CFO Weber, and Ms. Masson. A motion was made by Trustee Swanlund and seconded by Trustee Poulos to recommend to the Board of Trustees the approval of the Fiscal Year 2022 Budget as discussed. Motion carried unanimously by roll call vote.

AYES: Trustees Holleb, Poulos and Swanlund  
NAYS: None  
ABSENT: None

*IPOPIF Service Providers – Review Vendor List:* Executive Director White reviewed the IPOPIF Vendor List with the Committee. The Vendor List includes all IPOPIF vendors and the details of their scope of services, along with their contract length and fees. The Committee will review the IPOPIF Vendor List on an annual basis.

*Review Expiring Engagement Letters and Renewals:* Executive Director White stated that the Fund's engagement letter for accounting/payroll services and Chief Financial Officer services with Lauterbach & Amen, LLP is expiring on June 30, 2021. He recommended that an engagement



letter is approved to extend these services through June 30, 2022. A revised engagement letter was included in the agenda packet for the Committee's review. No changes were made to the fee structure. The Committee discussed the proposed engagement letter for accounting/payroll services and Chief Financial Officer services. Attorney Reimer requested a modification to incorporate the previously agreed-upon terms and conditions. Committee Chairperson Holleb requested that the engagement letter is presented to the Board in the form of a proposal to extend services. She also requested clarification on Paragraph 3 regarding material modifications and encouraged CFO Weber and Attorney Reimer to discuss the language further after the meeting concludes. Committee Chairperson Holleb and Trustee Poulos requested that the CFO Tier Structure be further defined in the engagement letter. All questions were answered by CFO Weber, Attorney Reimer, and Executive Director White. A revised engagement letter will be prepared for Board review at a future meeting.

Executive Director White stated that the engagement letter with Lauterbach & Amen, LLP for Human Resources Consulting services is expiring on December 31, 2021. This engagement for extended services will be reviewed by the Board in November or December.

*CFO Weber left at 10:35 a.m.*

*Review – Assistant Executive Director, Finance and Administrative Operations, Job Description (PP-2021-06):* Executive Director White requested feedback from the Committee on the draft Assistant Executive Director, Finance and Administrative Operations, Job Description (PP-2021-06). The Committee reviewed the duties and responsibilities, desired skills and abilities, and qualifications. Committee Chairperson Holleb stated that Executive Director White has more than enough work to prepare for the transition of assets and is in favor of hiring another employee to alleviate some of his workload. She noted that the Board has previously discussed hiring a full-time CFO/CAO (Chief Administrative Officer) and would like to see a position like this filled. The Committee inquired if Human Resources could provide feedback on the title of Executive Director White's proposed position from a recruiting standpoint to ensure the Fund is receiving resumes from appropriate and qualified candidates. Committee Chairperson Holleb requested that any additional comments or suggestions are provided to Executive Director White after the meeting. Executive Director White will discuss the Committee's feedback with Human Resources. A revised policy will be prepared for review and consideration at a future meeting.

*Establish Additional Meeting (If needed):* The Committee determined that an additional meeting is not needed prior to the July 30, 2021 meeting.

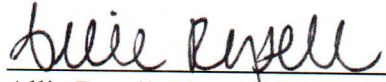
**PUBLIC COMMENT:** There were no comments from the public.

**ADJOURNMENT:** With no further business to discuss, a motion was made by Trustee Swanlund and seconded by Trustee Poulos to adjourn the meeting at 10:47 a.m. Motion carried unanimously by roll call vote.

AYES: Trustees Holleb, Poulos and Swanlund  
NAYS: None  
ABSENT: None

Respectfully Submitted by:

Approved by:



Allie Rysell, Plan Administrator  
Foster & Foster, Inc.



Elizabeth Holleb, Committee Chairperson

Date Approved by the Audit and Budget Committee: \_\_\_\_\_

11-2-2021

*The next meeting of the Illinois Police Officers' Pension Investment Fund's  
Audit and Budget Committee will be held on November 2, 2021 at 9:00 a.m.  
via the Zoom Digital Platform.*