

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  
BOARD OF TRUSTEES REGULAR MEETING MINUTES**

**FRIDAY, OCTOBER 14, 2022 at 12:00 P.M.**

A regular meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was held at the Twin Towers Plaza located at 456 Fulton Street, Suite 420, Peoria, Illinois 61602, and via the Zoom Digital Platform. The meeting was held in accordance with the Gubernatorial Disaster Proclamation issued on 09-16-2022 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:** Shawn Curry  
Daniel Hopkins  
Paul Swanlund  
Elizabeth Holleb  
Lee Catavu  
Mark Poulos  
Michael Inman  
Phil Suess (*Zoom*)  
Brad Cole (*Zoom*)

**TRUSTEES ABSENT:** None

**OTHERS PRESENT:** Richard White, Executive Director  
Kent Custer, Chief Investment Officer  
Regina Tuczak, Finance Director/Assistant Executive Director  
Barb Meyer, Investment Officer  
Shaun Ivey, Administrative Analyst  
Rick Reimer, General Counsel, Reimer Dobrovolny & LaBardi PC  
Taylor Muzzy, Fiduciary Counsel, Jacobs Burns Orlove & Hernandez, LLP  
Bukola Bello, Governmental Liaison, Vision M.A.I. Consulting (*Zoom*)  
Stephanie Masson, Chief Financial Officer, Lauterbach & Amen, LLP  
Emile Galatas, Transition Project Manager, Ernst & Young, LLP (*Zoom*)  
Courtney Murray, Transition Project Manager, Ernst & Young, LLP (*Zoom*)  
Paul Sachs, Project Architect, Adirondack Investment Advisors  
Allie Rysell, Plan Administrator, Foster & Foster, Inc.  
Members of the Public

**CALL TO ORDER:** Chairperson Curry called the meeting to order at 12:05 p.m.

**ROLL CALL:** As reflected above.

**MEETING MINUTES:** *Approve June 10, 2022 Regular Board Meeting Minutes:* The Board reviewed the draft minutes from the June 10, 2022 meeting. A motion was made by Trustee Inman and

seconded by Trustee Hopkins to approve the June 10, 2022 meeting minutes. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole  
NAYS: None  
ABSENT: None

*Approve July 8, 2022 and September 9, 2022 Regular Board Meeting Minutes:* The draft minutes were tabled to the next meeting for review and approval.

**GOVERNMENTAL LIAISON'S REPORT:** *October 2022:* Governmental Liaison Bello reviewed the Monthly Lobbyist Report dated October 14, 2022. She discussed Governor Pritzker's COVID-19 Executive Order 2022-20 and various pension reform proposals. She informed the Board that the Fall Veto Session will occur from November 15<sup>th</sup>-17<sup>th</sup> and November 29<sup>th</sup>-December 1<sup>st</sup>. Ms. Bello apprised the Board of two information requests that she received from Senator Sally Turner and Senate Assistant Majority leader Bill Cunningham. The requests pertained to status updates on the transfer of assets and operations of the Fund. The information requests were reviewed with General Counsel and the Executive Director, and responses were issued to both parties. All questions were answered by Ms. Bello.

**INVESTMENTS:** *Approve Investment Policy Statement Revision:* CIO Custer reviewed a memorandum regarding the "Investment Policy Statement Revision" with the Board and discussed the redlined version of Appendix A2. CIO Custer recommended that the Board set the rebalancing range for cash from 0% to 4%, and set the rebalancing range for Risk Mitigation from 20% to 28%. He also advised the Board that the full Investment Policy Statement will be reviewed during the first calendar quarter of 2022, pursuant to Section IV.B.3. All questions were answered by CIO Custer. A motion was made by Trustee Hopkins and seconded by Trustee Swanlund to approve the revisions to the Investment Policy Statement as presented. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole  
NAYS: None  
ABSENT: None

*Investment/Transition Updates:* CIO Custer reviewed his Investment Update presentation with the Board. The transfer schedule as of October 12, 2022 was discussed in detail. CIO Custer provided transfer status updates on Tranches 7-9. He indicated that 48 pension funds were scheduled to transfer on November 1<sup>st</sup>, and 24 are on track to proceed with the transfer. Minor outstanding prior tranche issues for Tranches 2, 5, and 6 were briefly discussed with the Board. He informed the Board that he is pleased with the progress staff is making with the transfer of participating police pension fund assets to IPOPIF. A potential Tranche may occur on December 1<sup>st</sup> for approximately 24 pension funds that still need to transfer, but that figure could increase based on the total number of pension funds that proceed with the transfer in November. Investment operations updates were briefly discussed with the Board. An update was provided on the participant reports and cash management rollout.

CIO Custer reviewed the preliminary investment performance for the months of July and August 2022. The investment performance for the month ended July 31, 2022 was as follows: Overall 4.3%, Investment Pool 4.7%, Policy Benchmark 4.3%, and Broad Benchmark 5.7%. The investment performance for the month ended August 31, 2022 was as follows: Overall (2.8%), Investment Pool



(2.7%), Policy Benchmark (2.3%), and Broad Benchmark (3.6%). The asset allocation as of October 7, 2022 was as follows: 49.7% Growth, 16.2% Income, 9.2% Inflation Protection, and 24.9% Risk Mitigation. CIO Custer stated that the portfolio was slightly overweighted in Risk Mitigation. He reviewed a rebalancing transaction that was initiated on October 11<sup>th</sup> to reduce the overweight to Cash and Short-Term Bonds. CIO Custer answered questions from the Board regarding the Cash Management Policy, cash management procedures, and asset allocation.

**ADMINISTRATION AND OPERATIONS:** Executive Director White introduced Regina “Gina” M. Tuczak, IPOPIF Finance Director and Assistant Executive Director, to the Board. Her effective date of hire was on October 3, 2022. Finance Director Tuczak stated that she is honored to take on the role and is excited to work on the financial matters for the Fund.

*Approve August 2022 Monthly Financial Report:* Ms. Masson distributed the Monthly Financial Report for the period ending August 31, 2022 to the Board. Trustee Holleb reviewed the expenses for custodial services and transition management services and stated that the total amounts seemed small. Ms. Masson informed the Board that she would investigate this matter to ensure the expenses reflected are correct. A motion was made by Trustee Inman and seconded by Trustee Hopkins to approve the August 2022 monthly financial statement. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole  
NAYS: None  
ABSENT: None

*Summary of Payments – Ratify Warrants #46, #47, #48:* The Board reviewed Warrants 46, 47, and 48 with payments totaling \$1,103,941.76. Executive Director White advised the Board that Warrant #46 reflects the first IFA loan repayment installment totaling \$1,005,550.93. However, a reduction of prepaid interest in the amount of \$5,635.41 was credited since payment was issued early, and in two transactions. The total amount paid was \$999,915.52. All questions were answered by Executive Director White. Trustee Cole requested that the Board act on Warrant #47 in a separate motion. A motion was made by Trustee Poulos and seconded by Trustee Inman to ratify Warrant #46 in the amount of \$999,915.52 and Warrant #48. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole  
NAYS: None  
ABSENT: None

A motion was made by Trustee Catavu and seconded by Trustee Swanlund to ratify Warrant #47. Motion carried by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, and Suess  
NAYS: Trustee Cole  
ABSENT: None

*IFA Loan – Repayment Installment #1:* This item was discussed under the Summary of Payments.

*2022 Board of Trustee Election – Approve Candidates for Election of the Board of Trustees:* Executive Director White reviewed a memorandum regarding the “Certification of Election for Board of Trustees” dated October 14, 2022. He provided introductory remarks regarding the 2022 election process, the nomination of candidates, the election of trustees, and the seating of the trustees. He

recommended the Board declare the election of candidates for the Board of Trustees complete and certify the election of the following candidates for the Board of Trustees:

- Philip J. Suess, Municipal Trustee Seat (Incumbent: Philip J. Suess)
- Daniel Hopkins, Beneficiary Trustee Seat (Incumbent: Daniel Hopkins)
- Lee Catavu and Paul Swanlund, Participant Trustee Seats (Incumbents: Lee Catavu and Paul Swanlund)

A motion was made by Trustee Holleb and seconded by Trustee Inman to approve the candidates for the election of the Board of Trustees and to certify the newly elected Trustees. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole

NAYS: None

ABSENT: None

*Certify Election of Candidates for the Board of Trustees:* This item was acted on as part of the approval of candidates for the election of the Board of Trustees.

Trustee Suess inquired if the Fund would receive a credit from the Fund's election services provider, Survey & Ballot Systems, for the pre-paid costs associated with conducting an election that was not needed. Executive Director White informed the Board that he has been in contact with SBS regarding the election process and associated expenses. He provided a brief overview of the summary of expenses and noted that an update would be provided at a later date.

*Review IPOPIF Operating Model:* Executive Director White reviewed a memorandum dated October 14, 2022 regarding the "IPOPIF Operating Model" with the Board. The Original Statement of Work for Ernst & Young from December 2021 was reviewed. Executive Director White presented the details of the Target operating Model and Organizational Chart. The Board discussed the proposed operating model and provided feedback to staff. All questions were answered by Executive Director White, Ms. Murray, Mr. Galatas, and CIO Custer.

*Approve EY engagement to advise on technology future state build-out:* Executive Director White reviewed a memorandum dated October 14, 2022 regarding the "Ernst & Young Engagement Amendment" with the Board. He provided background information and reviewed the proposed amendment to the Statement of Work and timeline to complete the work. The fees for conducting the technology and operating model future state build-out would be \$48,967. The Board provided feedback on the short-term and long-term operating models and organizational hierarchy. All questions were answered by Executive Director White, Ms. Murray, Mr. Galatas, and CIO Custer. A motion was made by Trustee Inman and seconded by Trustee Hopkins to approve the amendment to the Statement of Work with Ernst & Young in the amount of \$48,967 for the technology and operating model future state build-out. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole

NAYS: None

ABSENT: None



**LEGAL COUNSEL:** *General Legal Counsel's Report – Discuss Performance Evaluation of Executive Director and Chief Investment Officer:* Attorney Reimer reviewed the process of conducting the performance evaluations for the Executive Director and CIO. All questions were answered by Attorney Reimer and Chairperson Curry. Chairperson Curry reminded the Trustees to complete and submit their evaluation documents to Attorney Reimer. Further discussion will be held at the next meeting.

*Fiduciary Legal Counsel's Report:* Attorney Muzzy provided a brief public information update on the pending lawsuit. The briefing schedule was reviewed with the Board. An update will be provided at the next meeting.


**CLOSED SESSION:** Closed session was not needed.

**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 Hopkins to adjourn the meeting at 2:31 p.m. Motion carried unanimously by roll call vote.


AYES: Trustees Curry, Hopkins, Swanlund, Holleb, Catavu, Poulos, Inman, Suess, and Cole  
NAYS: None  
ABSENT: None

Respectfully submitted by:

  
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Allie Rysell, Plan Administrator  
Foster & Foster, Inc.

Approved by:

  
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Shawn Curry, Board Chairperson

  
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Paul Swanlund, Board Secretary

Date Approved by the Board of Trustees: February 10, 2023

*The next Board meeting of the Illinois Police Officers' Pension Investment Fund will be held on November 10, 2022 via the Zoom digital platform in accordance with Governor Pritzker's Executive Order in effect on the date and time of the meeting and Public Act 101-0640.*