

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, APRIL 9, 2021 AT 8:00 A.M.

A regular meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was held at the Chicago Marriott Naperville, Ballrooms 1 & 2, 1801 North Naper Boulevard, Naperville, IL 60563 and livestreamed through the Zoom digital platform in accordance with Executive Order 2021-06 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: Shawn Curry
Daniel Hopkins
Paul Swanlund
Elizabeth Holleb
Lee Catavu
Mark Poulos
Michael Inman (*Via Zoom*)
Phil Suess
Brad Cole

TRUSTEES ABSENT: None

OTHERS PRESENT: Richard White, Interim Executive Director
Rick Reimer, General Counsel, Reimer Dobrovolny & LaBardi, PC
Joe Burns, Fiduciary Counsel, Jacobs Burns Orlove & Hernandez, LLP
Taylor Muzzy, Fiduciary Counsel, Jacobs Burns Orlove & Hernandez, LLP
Marisel Hernandez, Fiduciary Counsel, Jacobs Burns Orlove & Hernandez, LLP (*Joined via Zoom at 4:40 p.m.*)
Greg Kiesewetter, Insurance Broker, Cook Castles Associates, LLC
Allie Rysell, Plan Administrator, Foster & Foster, Inc.
Barb Utterback, Plan Administrator, Foster & Foster, Inc.
Scott Whalen, Mark Brubaker, Margaret Jadallah and Jeffrey Maclean, Verus Advisory, Inc. (*Arrived at 9:02 a.m.*)
Rich Robben, Andy Kiehl, Mary Nye and Mike Welker, AndCo Consulting (*Arrived at 10:05 a.m.*)
Michael Cairns, Kevin Leonard, Tim McCusker and Rick Ciccone, NEPC, LLC (*Arrived at 11:08 a.m.*)
AJ Weber, CFO/Accountant, Lauterbach & Amen, LLP (*Arrived at 1:02 p.m.*)
Megan Holford, Human Resources, Lauterbach & Amen, LLP (*Arrived at 1:02 p.m.*)
Members of the Public

CALL TO ORDER: Chairperson Curry called the meeting to order at 8:02 a.m. The Board recited the Pledge of Allegiance. A moment of silence was observed to honor all fallen officers.

ROLL CALL: As reflected above.

SPECIAL ORDERS: *Self-Introduction of Board Members and Management Team:* Executive Director White provided opening remarks and invited board members to introduce themselves. All Trustees provided brief introductions and background on their current positions. Executive Director White introduced the Management Team for the Fund.

OLD BUSINESS: *Review/Adopt – Resolution 2021-02 Approving the Employment Agreement with Kent F. Custer:* A memorandum dated April 9, 2021 regarding the “Chief Investment Officer Employment Agreement” was prepared by Executive Director White and included in the agenda packet for the Board’s review. The employment agreement with Mr. Kent F. Custer was approved by the Board at the March 26, 2021 meeting and subsequently signed by all parties. Chairperson Curry reviewed Resolution 2021-02 with the Board. A motion was made by Trustee Suess and seconded by Trustee Hopkins to approve Resolution 2021-02. Motion carried unanimously by roll call vote.

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

Governance Committee’s Report – Discussion/Selection of IPOPIF Office Space: Committee Chairperson Poulos and Executive Director White provided a status update regarding the search for the IPOPIF office location and space. Executive Director White visited several office spaces in three areas of the state: LaSalle/Peru/Ottawa, Peoria and Bloomington/Normal. He noted that the Committee discussed the benefits and drawbacks of each geographical location. After much discussion and consideration, the Committee voted unanimously to recommend the office space at the Twin Towers Place in Peoria to the full Board.

The Twin Towers Place building is a city-owned commercial mixed-use enterprise with ground floor retail units, residential units on the upper floors, and office suites in between. Executive Director White reviewed several images for the proposed office space at the Twin Towers Place along with the proposed floor plan. He noted that the site would require remodeling and renovation to make the space functional. The cost of the lease for Suites 401 and 402 is approximately \$8,300 per month for approximately 10,000 square feet of office space. Additional details regarding the building’s security, parking, technology, building amenities, and nearby hotels and airports were reviewed with the Board.

For transparency purposes, Chairperson Curry stated that he did not suggest Peoria as the proposed location of the Fund office. He inquired if the office in Peoria would be the right space to build out and be utilized for the IPOPIF long term. Executive Director White summarized the other locations that he toured in Bloomington and noted that the available parking for buildings toured in Bloomington was limited.

Trustee Holleb was concerned about the proposed square footage for the space due to the size of the organization. She requested additional information regarding the cost of the lease and how the price compared to other sites that were toured. Executive Director White noted that the price was comparable to other properties that he visited, which ranged in a lease price from \$10-15 per square foot. Trustee Suess echoed Trustee Holleb’s comments and added that he is comfortable with the Committee focusing the search for an office space in Bloomington and Peoria. However, he added that he would like to see a comparable for an office space in Bloomington. Trustees Suess also noted that environmental issues could be an issue if older buildings are being considered for a build-out.

The Board discussed tabling the selection of an office for the IPOPIF to allow Executive Director White to obtain additional information and office comparisons in Bloomington and Peoria. A motion was made by Trustee Suess and seconded by Trustee Inman to direct Executive Director White to come back to the Board with additional information for the two locations, Peoria and Bloomington, at the next Board meeting. Trustee Cole noted that he abstained from discussion and will abstain from taking a vote. Motion carried by roll call vote.

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

The Board took a brief recess at 8:46 a.m. and resumed at 8:59 a.m.

General Investment Consultant Services – Finalist Interviews: Executive Director White provided opening remarks for the finalist presentations for General Investment Consultant Services. He noted Verus Advisory, Inc., AndCo Consulting, and NEPC, LLC were invited to return for finalist presentations. Executive Director White reviewed the instructions that were provided to the consultants for their finalist presentation along with the interview schedule. He stated that each firm is scheduled for a 45-minute interview which includes a 30-minute presentation to the Board and a 15-minute question and answer period with the Board of Trustees. Executive Director White noted that his memorandum in the agenda packet contains a detailed summary of each firm that includes background of the firm, the firm size, the consultants that would be assigned to the Fund, and information on the proposed project plan and operations support for the consolidation of assets. He stated that he requested a best and final fee proposal from all three firms, and the revised fees for all firms were provided as a supplemental handout to the Board. Trustee Suess inquired if Executive Director White conducted reference checks for the finalists' firms. Executive Director stated that reference checks have not yet been conducted.

Verus Advisory, Inc.: Mr. Whalen, Mr. Brubaker, Ms. Jadallah and Mr. Maclean reviewed their presentation with the Board of Trustees. Mr. Whalen provided background information on the firm along with the Verus Team that will be working with the Fund. Verus' proposed project plan and operations support for the IPOPIF was reviewed with the Board. Mr. Whalen, Mr. Brubaker, Ms. Jadallah and Mr. Maclean answered all questions from the Board.

*Mr. Whalen, Mr. Brubaker, Ms. Jadallah and Mr. Maclean left the meeting at 9:49 a.m.
The Board took a brief recess at 9:50 a.m. and resumed at 10:04 a.m.*

AndCo Consulting: Mr. Kiehl, Mr. Robben, Ms. Nye and Mr. Welker reviewed their presentation with the Board of Trustees. Mr. Kiehl provided background information on the firm along with the AndCo Consulting team. The proposed project plan and operations support for the IPOPIF was reviewed with the Board. Mr. Kiehl, Mr. Robben, Ms. Nye and Mr. Welker answered all questions from the Board.

*Mr. Kiehl, Mr. Robben, Ms. Nye and Mr. Welker left the meeting at 10:56 a.m.
The Board took a brief recess at 10:57 a.m. and resumed at 11:08 a.m.*

NEPC, LLC: Mr. Leonard, Mr. Cairns, Mr. Ciccone, and Mr. McCusker reviewed their presentation with the Board of Trustees. Mr. Leonard provided background information on the firm along with the

NEPC Team that will be working with the Fund. NEPC's proposed project plan and operations support for the IPOPIF was reviewed with the Board. Mr. Leonard, Mr. Cairns, Mr. Ciccone, and Mr. McCusker answered all questions from the Board of Trustees.

Mr. Leonard, Mr. Cairns, Mr. Ciccone, and Mr. McCusker left the meeting at 12:12 p.m.

A motion was made by Trustee Poulos and seconded by Trustee Catavu to take a Board recess at 12:13 p.m. Motion carried 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 Cole and seconded by Trustee Hopkins to reconvene the meeting at 1:02 p.m. Motion carried by roll call vote.

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

OLD BUSINESS (CONTINUED): *Discussion/Selection of Investment Consultant Services:* Chairperson Curry provided opening remarks for the discussion and selection of a firm for General Investment Consultant services. He noted that CIO Custer reviewed the RFP responses for General Investment Consultant services, and a memorandum with his feedback was provided in the agenda packet for the Board's review and consideration. He hopes that the Board can come to a consensus to select a General Investment Consultant for the Fund today to avoid delaying the selection process. Chairperson Curry stated that he is in favor of selecting Verus Advisory, Inc. as the General Investment Consultant for the IPOPIF. He thought Verus had the strongest presentation and project work plan. Chairperson Curry also added that he has a sense of comfort knowing that the firm does not have any clients or ties to Illinois. Chairperson Curry opened the floor for discussion among the Board.

Trustee Holleb inquired if CIO Custer reviewed the proposals for all seven firms or just the three finalist candidates. Executive Director White informed the Board that CIO Custer reviewed the proposals and presentations for all seven firms. Chairperson Curry stated that CIO Custer livestreamed the March 26, 2021 meeting, which included the first-round interviews with all of the responding firms for General Investment Consultant services. He spoke with CIO Custer after the conclusion of the meeting to discuss the candidate presentations. Chairperson Curry noted that CIO Custer stated that Verus Advisory, Inc. was his first choice and Marquette Associates was his second choice for the General Investment Consultant for the IPOPIF.

Trustees Suess stated that he would like to eliminate AndCo Consulting as a candidate but would like the opportunity to invite Callan back for a finalist interview. He believes that the Fund would be best served engaging with a larger firm like Callan. Trustee Suess is in favor of their project approach and their resources, and he is not confident that Verus Advisory, Inc. can provide the same level of services.

Trustee Hopkins reiterated Chairperson Curry's comments and informed the Board that he is also in favor of selecting Verus Advisory, Inc., as the IPOPIF's General Investment Consultant. He was confused by AndCo's project approach and was unsure that the firm had the experience needed to

facilitate a smooth transition for the Fund. Trustees Poulos and Swanlund agreed with Trustee Hopkins' comments.

Chairperson Curry requested feedback from Executive Director White regarding the selection. Executive Director White informed the Board that he strongly hopes that the Board will make a selection for the Fund's General Investment Consultant today. He added that there is a lot of work to be done, and not making a selection for General Investment Consultant services adds a delay and complexity that the Board can avoid if a decision is made today. Executive Director White briefly reviewed CIO Custer's memorandum along with his feedback regarding the candidate firms. He noted that they are both comfortable with the Board hiring Verus as the IPOPIF's General Investment Consultant. He noted that the project management experience that Verus presented to the Board would be a great asset for the transition.

Trustee Holleb stated that one of the reasons why the selection of a General Investment Consultant has been delayed is that the CIO was not hired. Now that CIO Custer is hired, she would like to see his ranking for all seven candidate firms. Chairperson Curry reiterated his previous comments that CIO Custer informed him that Verus Advisory, Inc., was his number one choice after the first-round interviews, noting that Verus' project management expertise would be valuable to the Fund. Trustee Holleb noted that the Board hired Mr. Sachs of Adirondack Investment Advisors as the Fund's Project Architect and requested clarification regarding his role. Executive Director White noted that Mr. Sachs' role is to provide overarching guidance, planning, and communications to the consolidation process. He will not serve as the project manager for the transition.

With no further discussion, a motion was made by Trustee Hopkins and seconded by Trustee Swanlund to retain Verus Advisory, Inc. as the General Investment Consultant and to direct the Interim Executive Director and Fiduciary Legal Counsel to complete negotiations with Verus based upon reference checks and background checks and to sign the contract agreement on behalf of the IPOPIF. Motion failed by roll call vote.

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

A motion was made by Trustee Cole and seconded by Trustee Poulos to exclude AndCo Consulting from consideration for General Investment Consulting services. Motion carried by roll call vote.

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

The Board discussed the next steps for the selection process of a General Investment Consultant for the IPOPIF with Legal Counsel and Executive Director White. Executive Director White will request a detailed report from CIO Custer that includes all seven candidate firms for review and discussion at the April 23, 2021 Board meeting. Chairperson Curry directed the Trustees to send any additional questions, concerns, or comments to Executive Director White. A motion was made by Trustee Cole and seconded by Trustee Catavu to place the selection of a firm for General Investment Consultant Services on the agenda for the April 23rd Board meeting. Motion carried by roll call vote.

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

The Board took a brief recess at 2:03 p.m. and resumed at 2:14 p.m. Trustee Hopkins left during recess.

NEW BUSINESS: *Goals and Objectives Workshop:* Executive Director White reviewed a memorandum dated April 9, 2021 regarding the “Board Planning Session” with the Board. Executive Director White reviewed the Goals and Objectives Worksheet, Organizational Chart, Governing Documents Plan, and Communication Plan with the Board. A planning session was held with the Board of Trustees and Management Team to discuss the next steps for the Fund as the Board continues to work towards the asset transition process.

Ms. Holford reviewed the Hiring and Staffing Project Plan with the Board and noted that benefit package options for IPOPIF employees will be reviewed at a future meeting. The Board discussed the immediate staffing needs for the organization along with the proposed recruitment process with Executive Director White. The Board directed Executive Director White to move forward with the process of hiring an Investment Analyst for discussion at the next meeting. The Board requested that job descriptions and salary ranges are prepared for the Chief Financial/Administrative Officer, Administrative Manager, Information Technology Manager, and Communications Specialist for review at the next Board meeting.

Executive Director White thanked the Board for their comments and feedback from the Board Planning Session. Chairperson Curry requested that any additional comments or suggestions are provided to Executive Director White.

Executive Director White left the meeting at 4:40 p.m.

Performance Evaluation for Richard A. White, Jr., Interim Executive Director: Attorney Hernandez reviewed the draft Executive Director Performance Appraisal Self-Assessment and Executive Director Performance Review along with the proposed evaluation process with the Board of Trustees. All questions were answered by Attorney Hernandez. Further discussion will be held at the June 11, 2021 Board meeting.

CLOSED SESSION: There was no need for closed session.

PUBLIC COMMENT: There were no comments from the public.

ADJOURNMENT: With no further business to discuss, a motion was made by Trustee Inman and seconded by Trustee Cole to adjourn the meeting at 4:59 p.m. Motion carried by roll call vote.

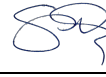
AYES: Trustees Curry, Swanlund, Holleb, Catavu, Suess and Cole
NAYS: None
ABSENT: Trustees Hopkins, Poulos and Inman

Respectfully submitted by:



Allie Rysell, Plan Administrator
Foster & Foster, Inc.

Approved by:



Shawn Curry, Board Chairperson



Paul Swanlund, Board Secretary

Date Approved by the Board of Trustees: May 28, 2021

The next Board meeting of the Illinois Police Officers' Pension Investment Fund will be held on Friday, April 23, 2021 at 9:00 a.m. 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.