

Shawn Curry
ChairpersonDaniel Hopkins
Vice-ChairpersonAndrea DiGiacinto
SecretaryElizabeth Holleb
TreasurerBrian Prochaska
TrusteeMark Poulos
TrusteeMichael Inman
TrusteePhil Suess
TrusteeBrad Cole
Trustee

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEETING MINUTES – OCTOBER 9, 2020

A meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was held on Friday, October 9, 2020 at 9:00 a.m. through the Zoom Digital Platform.

TRUSTEES PRESENT: Shawn Curry
Dan Hopkins
Andrea DiGiacinto
Elizabeth Holleb
Brian Prochaska
Mark Poulos
Michael Inman
Phil Suess
Brad Cole

TRUSTEES ABSENT: None

OTHERS PRESENT: Richard White, Executive Director
Rick Reimer, General Counsel, Reimer & Dobrovolny, PC
Steve Earnhardt, Accountant/CFO, Lauterbach & Amen, LLP
Allie Rysell, Plan Administrator, Foster & Foster, Inc.
Members of the Public

CALL TO ORDER: Chairperson Curry called the meeting to order at 9:04 a.m.

ROLL CALL: All Trustees were present as reflected above.

MEETING MINUTES: *Review/Approve – August 28, 2020 Special Board Meeting Minutes:* The Board reviewed the minutes from the August 28, 2020 meeting. Minor changes were requested to the meeting minutes. A motion was made by Trustee Prochaska and seconded by Trustee Holleb to approve the August 28, 2020 meeting minutes, as amended. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Review/Approve – September 8, 2020 Legislative Committee Meeting Minutes: The Board reviewed the minutes from the September 8, 2020 Legislative Committee meeting. Trustee Suess recommended a minor correction to the meeting minutes. Attorney Reimer noted that only Legislative Committee members will vote to approve the meeting minutes. A motion was made

by Trustee Hopkins and seconded by Trustee Suess to approve the September 8, 2020 meeting minutes, as amended. Motion carried unanimously by roll call vote.

AYES: Trustees Hopkins, DiGiacinto and Suess
NAYS: None
ABSENT: None

A motion was made by Trustee Holleb and seconded by Trustee Poulos to receive the Legislative Committee's meeting minutes for the meeting held on September 8th. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Review/Approve – September 11, 2020 Meeting Minutes: The Board reviewed the minutes from the September 11, 2020 Board meeting. A motion was made by Trustee Prochaska and seconded by Trustee Hopkins to approve the September 11, 2020 meeting minutes. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

FIDUCIARY COUNSEL: *Closed Session – Review Responses to Request for Proposal:* Attorney Reimer informed the Trustees that the Board has the authority to enter into closed session to review responses to the Request for Proposal (RFP) for the Fiduciary Counsel position. A motion was made by Trustee Inman and seconded by Trustee Hopkins to enter closed session at 9:12 a.m. under the 5ILCS 120-2(c)1 exemption to discuss the appointment, employment, compensation of fiduciary counsel for the IPOPIF. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Open Session: A motion was made by Trustee Poulos and seconded by Trustee Cole to resume open session at 9:45 a.m. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Attorney Reimer stated that the Board briefly met in closed session under the 5ILCS 120-2(c)1 exemption and no final action was taken. A motion was made by Trustee Cole and seconded by Trustee Holleb to direct Executive Director White to reissue the RFP for Fiduciary Counsel and defer the selection of the Fiduciary Counsel position until the Permanent Board of Trustees are seated. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole

NAYS: None

ABSENT: None

TREASURER'S REPORT: Treasurer Holleb reviewed a memorandum dated October 5, 2020 regarding the "Treasurer's Report – IPOPIF Board Meeting October 9, 2020" with the Board.

Monthly Financial Report: The September 30, 2020 monthly financial report was provided for review. The financial activities for the month of September were discussed with the Board as well as the fiscal year of July 1st through September 30th, including a comparison against the approved budget. As of September 30, 2020, the fiduciary net position restricted is (\$60,993.27).

Review/Approve – Warrants Summary: Treasurer Holleb reviewed Warrant #13 as reflected in the Summary of Payments, along with all corresponding invoices.

Review/Approve – Budget Amendments (If Needed): No budget amendments were requested at this time.

Approval of Vendors and Purchases (If Needed): The Board will consider the selection and approval of vendors under separate agenda items.

Review Loan Activity: Treasurer Holleb reviewed the loan activity with the Board. As of September 30, 2020, the Fund has drawn down \$400,000 from the Illinois Finance Authority (IFA) loan for operating purposes. The next scheduled draw is expected to occur on November 2, 2020. An update will be provided at next month's meeting.

Other: Treasurer Holleb noted that the Audit Committee's Report, Chief Financial Officer's engagement letter, and Secondary Banking Services will be considered by the Board under separate agenda items.

Treasurer Holleb informed the Board that the Illinois Firefighters' Pension Investment Fund (FPIF) contacted the Illinois Government Finance Officers Association (IGFOA) for guidance on technical financial matters as needed for the FPIF. A working group was established and the first meeting was held on September 24, 2020. An introductory lunch was held on October 8, 2020 with Mr. White, Treasurer Holleb, the IGFOA Executive Director, and other IGFOA Board members to discuss how the IGFOA can similarly support the IPOPIF, as needed.

Monthly Financial Report (continued): Trustee Holleb noted that the Lake Forest Bank & Trust fees in the amount of \$200.86 are not reflected in the September 30, 2020 monthly financial report. Mr. Earnhardt noted that these fees were automatically deducted per the contract with Lake Forest

Bank & Trust. The auto-deducted banking fees will be included in the next Warrant for Board review and ratification. A motion was made by Trustee Holleb and seconded by Trustee DiGiacinto to approve the September monthly financial report, acknowledging the approval of the bank fees in the amount of \$200.86. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Review/Approve – Warrants Summary (continued): A motion was made by Trustee Holleb and seconded by Trustee Hopkins to approve Warrant #13 as presented on page 38 of the packet. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

AUDIT COMMITTEE REPORT: *Status Update/Recommendations from Audit Committee:* Committee Chairperson Holleb reviewed a memorandum dated October 9, 2020 prepared by Mr. White regarding the “Audit Committee Report” with the Board. The Audit Committee’s initial meeting was held on September 28, 2020 to review and discuss the Audit Committee Policy, to recommend the selection of an auditor, and to discuss the Procurement (Purchasing) Policy.

Review/Adopt – Audit Committee Policy (PP-2020-09): The draft Audit Committee Policy (PP-2020-09) was provided to the Board for review. A motion was made by Trustee Suess and seconded by Trustee Hopkins to adopt the Audit Committee Policy. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Discussion/Selection – Audit Services Firm: Committee Chairperson Holleb noted that an RFP for auditing services was issued on August 21, 2020 and proposals for auditing services were submitted by Baker Tilly US, LLP, Plante & Moran, PLLC, Selden Fox, LTD, and Sikich, LLP. One firm, Crowe, LLP, submitted a no bid response indicating that they reviewed the RFP and will not submit a proposal at this time. The Committee recommended the selection of Baker Tilly US, LLP as the Fund’s auditor for fiscal years 2020 and 2021 subject to the completion of reference checks for all four firms who submitted a proposal. The reference checks were performed and included in the agenda packet for Board review. The proposed term length of the engagement letter was discussed by the Board. All questions were answered by Treasurer Holleb, Mr. White, and Attorney Reimer.

Approval of Audit Firm (Subject to Attorney review and Board approval of the Contract Agreement): A motion was made by Trustee Poulos and seconded by Trustee Suess to approve Baker Tilly US, LLP as the Fund's auditor services firm for the fiscal years 2020 and 2021, subject to Attorney review and Board approval of the Contract Agreement, and to approve Baker Tilly US, LLP as a vendor. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Approval of Audit Firm as a Vendor: This was approved in the previous motion.

ELECTION OF PERMANENT BOARD OF TRUSTEES: Mr. White reviewed a memorandum dated October 9, 2020 regarding the "Permanent Board of Trustee Election – Action Items and Updates" with the Board.

Approval of Candidates and Authorize Election Process: The results of the nomination process were reviewed with the Board. Three nomination packets for the three Municipal Trustee positions were received, reviewed, and accepted for Elizabeth Holleb, Michael Inman, and Phil Suess. No other nomination packets for the Municipal Trustee positions were submitted so an election will not be held. Two nomination packets for the two Beneficiary Trustee positions were received, reviewed, and accepted for Daniel Hopkins and Mark Poulos. No other nomination packets for the Beneficiary Trustee positions were submitted so an election will not be held. Six nomination packets for the three Participant Trustee positions were received, reviewed and accepted for Lee Catavu, Shawn Curry, Art Holecek, Aaron Porter, Paul Swanlund, and Steve Witnik. An election will be conducted for the three Participant Trustee positions. The Board reviewed all candidate ballot designations for the Participant Trustee election. A motion was made by Trustee Prochaska and seconded by Trustee DiGiacinto to approve the candidates and authorize the initial election process for the Permanent Board of Trustees. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Status Update on the Election Process: Mr. White provided a status update on the voter database project. The database will be finalized and the required data will be uploaded to the secure portal with Survey and Ballot Systems (SBS), the Fund's election services provider, to be used for the Participant Trustee election. All questions were answered by Mr. White. The Board recognized the Foster & Foster team for their hard work on the voter database project.

Ms. Rysell is working with SBS to coordinate the exchange of information and materials needed to finalize the election mailing. The election ballots will be mailed on October 30, 2020 and the election will be open from November 2, 2020 through December 1, 2020. An election update will be provided at the November 13, 2020 meeting.

WEBSITE DESIGN AND DEVELOPMENT PROVIDER: *Review Responses to Request for Proposal:* An RFP for Website Design and Development Services was published on August 21, 2020 and proposals were submitted by American Eagle, CivicPlus, and LRS. Trustee DiGiacinto discussed her concerns regarding the fees associated with all proposals and would like to request a breakdown of all fees for each proposal. A motion was made by Trustee Cole and seconded by Trustee DiGiacinto to direct Executive Director White to contact all website developer firms that submitted an RFP response to request a breakdown of their proposal fees for Board review and discussion at a future meeting. Motion carried unanimously by voice vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Approval of Website Design and Development Firm (Subject to Attorney review and Board approval of the Contract Agreement): This item was tabled for discussion at a future meeting.

Approval of Website Design and Development Firm as a Vendor: This item was tabled for discussion at a future meeting.

GOVERNMENTAL LIAISON: *Review/Approve – Engagement Letter with Vision M.A.I. Consulting:* Attorney Reimer reviewed the engagement letter with Vision M.A.I. Consulting. The engagement letter was revised to include a monthly retainer fee of \$5,700 and the inclusion of travel as a reimbursed expense for extraordinary travel. The Board discussed modifying the engagement letter to include language that states that extraordinary expenses will not be reimbursed unless prior approval is received by the full board. The Board discussed the proposed engagement letter and fees associated for the Government Liaison position.

Trustee Holleb noted that she does not agree with the retainer fee structure as indicated in the engagement letter and does not believe that hiring a Governmental Liaison is a justifiable expense. Trustee DiGiacinto informed the Board that she believes that hiring a Governmental Liaison is a justifiable expense to ensure the Board is informed of all potential legislation that could directly impact the IPOPIF and the funds for pension benefits. Trustee DiGiacinto discussed potential legislation that could extend the amortization by ten years, from 2040 to 2050. Trustee Hopkins echoed Trustee DiGiacinto's comments. Trustee DiGiacinto noted that Vision M.A.I. Consulting will provide a monthly report to the Trustees for review at Board meetings. Trustee DiGiacinto also noted that Vision M.A.I.'s fees will be prorated for the month of October 2020. Trustee Suess reiterated Trustee Holleb's comments and noted that he believes that this expense is an inappropriate use of funds. Trustee Cole agreed with Trustee Holleb and Trustee Suess' comments. A motion was made by Trustee DiGiacinto and seconded by Trustee Hopkins to approve the engagement letter with Vision M.A.I. Consulting as the Governmental Liaison subject to an addendum to the contract agreement to include language indicating that extraordinary expenses may be reimbursed upon prior approval by the Board. Motion carried by roll call vote.

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

CHIEF FINANCIAL OFFICER: *Review/Approve – Engagement Letter with Lauterbach & Amen, LLP:* Mr. White reviewed a memorandum dated October 9, 2020 regarding the “Engagement Letter Approval – Chief Financial Officer Services” with the Board. The Lauterbach & Amen, LLP engagement letter dated July 31, 2020 along with the October 9, 2020 Addendum was provided to the Board for review for the year ended December 31, 2020. Mr. Earnhardt reviewed the proposed fee structure with the Board. The monthly accounting fee was amended from an hourly rate not to exceed \$3,000 to a flat fee of \$2,000. The proposed CFO Tier Structure was reflected as follows: Tier 1, \$5,400; Tier 2, \$7,200; Tier 3, \$10,800; Tier 4, \$14,450; Tier 5, \$16,250; and Tier 6, \$21,650. All questions were answered by Mr. Earnhardt and Mr. White. Trustee Suess inquired if the engagement letter terms could be extended until March 2021. Mr. White noted that the Interim Board can discuss a renewal at the December meeting and discussion will be held by the Permanent Board regarding the hiring of a full-time CFO once seated. A motion was made by Trustee Hopkins and seconded by Trustee Poulos to approve the engagement letter with Lauterbach & Amen, LLP as presented. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

SECONDARY BANKING SERVICES PROVIDER: *Review Responses to Request for Updated Proposals:* Mr. White reviewed a memorandum dated October 9, 2020 regarding the “Secondary Banking Services Vendor Selection” with the Board. Mr. White noted that as the IPOPIF grows, the Fund will be making payments with increased frequency and in larger amounts which will require frequent loan disbursements. Because the Fund has an FDIC insurance coverage cap of \$250,000 on their Lake Forest Bank & Trust bank accounts, this will require the Fund to time the loan distributions to keep the account balance below the cap. A suggested approach was discussed to add a secondary banking account to serve as a repository of the loan distributions for holding in a FDIC insured account until the funds would be needed for operations expenses. Proposals for secondary banking services were requested from Fifth Third Bank and BMO Harris Bank, both of which submitted proposals for the original RFP for banking services. The Board reviewed both proposals and discussion followed. All questions were answered by Mr. White, Treasurer Holleb, and Mr. Earnhardt. A motion was made by Trustee Suess and seconded by Trustee Hopkins to table further discussion of the secondary banking services provider until the next meeting and to direct Executive Director White to request a proposal from Wintrust related to a collateral option for review at the next meeting. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Approval of Banking Services Provider (Subject to Attorney review and Board approval of the Contract Agreement): No action was taken.

Approval of Banking Services Provider as a Vendor: No action was taken.

Approval to Add Authorized Signers to Secondary Bank Account: No action was taken.

EXECUTIVE DIRECTOR'S REPORT: *Strategic Plan – Approval of Transition Advisory Workshop:* Mr. White reviewed a memorandum dated October 9, 2020 regarding the “Proposal: Transition Advisory Workshop” with the Board. At the last meeting, the Board authorized Mr. White to form a group of subject matter experts to discuss the issues to be considered in the transition of assets from all Article 3 pension funds. After the conclusion of the workshop a report would be submitted to the Board on all findings and advisory recommendations.

Trustee Hopkins left the meeting at 11:36 a.m.

The Transition Planning Advisory Workshop Outline was reviewed with the Board. The Goal, Planning Session Participants, Location, Schedule, Discussion Topics, Outcomes of Planning Workshop, and Budget was reviewed with the Board. All questions were answered by Mr. White. The Board determined to table the approval of the Transition Advisory Workshop until the Permanent Board of Trustees are seated and a Chief Investment Officer and Fiduciary Counsel is selected. The Board thanked Mr. White for his efforts in creating the Workshop Outline and look forward to revisiting this discussion at a future meeting. A motion was made by Trustee Poulos and seconded by Trustee Holleb to table the approval of Transition Advisory Workshop. Motion carried by roll call vote.

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

Trustee Hopkins rejoined the meeting at 11:42 a.m.

Strategic Plan – Review Mission Statement, Vision Statement, and Values Statements: Mr. White reviewed a memorandum dated October 9, 2020 regarding the “Mission Statement, Vision Statement and Values Statements” with the Board. The Board reviewed the proposed Mission Statement, Vision Statement and Values Statements and discussed tabling action until the Permanent Board of Trustees are seated. A motion was made by Trustee Holleb and seconded by Trustee Suess to table the discussion of the IPOPIF’s Mission Statement, Vision Statement, and Values Statements. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Trustee Cole thanked Mr. White for his efforts in creating the Strategic Plan items and noted that it does not go unappreciated.

Communications: Mr. White reviewed a memorandum dated October 9, 2020 regarding the “Communications Update” with the Board which included an overview of the IPOPIF Update, IPPFA Conference Presentation, Executive Director Introduction Article, and Foster & Foster Non-Disclosure and Non-Solicitation Agreement.

Status Update Memorandum: Mr. White noted that Deputy Governor Dan Hynes requested a report on IPOPIF activities on behalf of Governor J.B. Pritzker. Mr. White reviewed a memorandum dated September 15, 2020 regarding the “IPOPIF Update” with the Board which summarized the Fund activities and achievements thus far. Mr. White noted that this memorandum was submitted to Deputy Governor Hynes for Governor Pritzker’s review. Trustee Holleb thanked Mr. White for including this report in the agenda packet for review.

IPPFA Conference Presentation: Mr. White informed the Board that he was invited to attend and present as a speaker at the 2020 MidAmerican Pension Conference that was held from September 30, 2020 through October 2, 2020 in Naperville, Illinois. The conference agenda along with a copy of his presentation was included in the agenda packet for Board review.

Executive Director Introduction Article: Mr. White informed the Board that he was interviewed for an article that was recently included in a publication of the Metropolitan Alliance of Police. A copy of the article was included in the agenda packet for Board review.

Non-Disclosure and Non-Solicitation Agreement with Foster & Foster, Inc.: Mr. White noted that a Non-Disclosure and Non-Solicitation Agreement with Foster & Foster, Inc. was prepared and executed to ensure that proprietary information and company materials be protected since Foster & Foster’s Naperville office is serving as the interim office for the IPOPIF. The agreement was reviewed by Attorney Reimer and was recently executed. No Board action was required.

GENERAL COUNSEL’S REPORT: Attorney Reimer noted that the summary of Article 1 provisions that were specifically adopted in Article 22B was emailed to the Board for review along with a summary of the Article 1 investment restrictions that are not applicable to Article 22B. Trustee Suess thanked Attorney Reimer for preparing these documents for the Board to review.

Review/Adopt – Ethics Policy: Attorney Reimer recommended that the Board establish a Governance Committee to review the policy and make a recommendation to the full Board for approval. All questions were answered by Attorney Reimer.

Selection of Ethics Officer Position: Attorney Reimer recommended the Board establish a Governance Committee to discuss the selection of the Ethics Officer position. All questions were answered by Attorney Reimer.

A motion was made by Trustee DiGiacinto and seconded by Trustee Poulos to table discussion of the Ethics Policy and Ethics Officer position until the next meeting. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

OLD BUSINESS: There was nothing outstanding to discuss.

NEW BUSINESS: Trustees Suess inquired if approved meeting minutes will be posted online for the public to view. Foster & Foster will work with Mr. White to prepare a Dropbox file with approved meeting minutes since the selection of a website developer has been postponed. This file will be posted on the Fund's dedicated Facebook and LinkedIn pages for the public to access after Attorney review. Trustees requested clarification from Attorney Reimer regarding Fund documents that are subject to FOIA. All questions were answered by Attorney Reimer.

Executive Director White noted that he will be developing an agenda and agenda packet schedule for both IPOPIF Staff and the Board of Trustees. All questions were answered by Mr. White.

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 12:16 p.m. Motion carried unanimously by roll call vote.

AYES: Trustees Curry, Hopkins, DiGiacinto, Holleb, Prochaska, Poulos, Inman, Suess and Cole
NAYS: None
ABSENT: None

Approved by:



Shawn Curry, Chairperson



Andrea DiGiacinto, Secretary

Date Approved by the Board of Trustees: November 13, 2020

The next Board meeting of the Illinois Police Officers' Pension Investment Fund will be held on Friday, November 13, 2020 at 9:00 a.m. via the Zoom Digital Platform.