

# ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

IPOPIF

Shawn Curry  
Chairperson

Daniel Hopkins  
Vice-Chairperson

Paul Swanlund  
Secretary

Elizabeth Holleb  
Treasurer

Lee Catavu  
Trustee

Mark Poulos  
Trustee

Michael Inman  
Trustee

Phil Suess  
Trustee

Brad Cole  
Trustee

## ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

### AUDIT AND BUDGET COMMITTEE

#### MEETING MINUTES – NOVEMBER 2, 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 2021-27 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  
AJ Weber, Chief Financial Officer, Lauterbach & Amen, LLP  
Stephanie Masson, Chief Financial Officer, Lauterbach & Amen, LLP  
Meghan Holford, Human Resources, Lauterbach & Amen, LLP  
Jason Coyle, Financial Auditor, Baker Tilly US, LLP  
Allie Rysell, Plan Administrator, Foster & Foster, Inc.  
Members of the Public

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

**ROLL CALL:** As reflected above.

**MEETING MINUTES:** *Review/Approve – June 9, 2021 Meeting Minutes:* The Committee reviewed the draft minutes from the June 9, 2021 meeting. A motion was made by Trustee Poulos and seconded by Trustee Swanlund to approve the minutes from the June 9, 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:** *Review Draft Comprehensive Annual Financial Report – Baker Tilly US, LLP:* Executive Director White reviewed a memorandum regarding the "Comprehensive Annual Financial Report" with the Committee. Mr. Coyle reviewed the draft Comprehensive Annual



Financial Report for the period ended June 30, 2021. Chairperson Holleb requested clarification on the budgeted to actual loan proceeds and inquired if this item should be amended from \$1,400,000 to \$1,200,000. After further review and discussion, CFO Weber and Mr. Coyle determined that this amendment is needed. The budgeted to actual loan proceeds will be amended and a revised report will be provided to the Committee for review at a future meeting.

Chairperson Holleb discussed the accounting structure of the Fund and how it will be presented in the next Comprehensive Annual Financial Report. She inquired if the Fund will be managed as two separate funds for administrative expenses and investments or if it would be combined as a single fund. Mr. Coyle stated that he had preliminary discussions regarding the reporting structure for next year's audit. He presumes that the Fund could operate internally as two sub-funds, an administrative and operations fund and investment fund. From an external perspective, Mr. Coyle stated that the IPOPIF should be reported as one single fund in the Comprehensive Annual Financial Report. Chairperson Holleb stated that it would be her preference to operate internally as two sub-funds for organization and transparency purposes and to assist with the development of the Budget. Further discussion regarding this item will be held later in the meeting.

*Mr. Coyle left the meeting at 9:28 a.m.*

*Review Job Description for Finance Director/Assistant Executive Director (PP-2021-06):* Executive Director White reviewed a memorandum regarding the "Finance Director/Assistant Executive Director Job Description" with the Committee. Chairperson Holleb inquired if the Contract Committee has reviewed the personnel policy. Executive Director White stated that the Board approved several components of the employee benefits package, but the full employee manual has not yet been finalized. The employee manual will be presented at a future Board meeting for review and consideration.

The Committee discussed the desired skills, abilities, and qualifications for the position. Chairperson Holleb noted that the proposed job description references preferred management experience and knowledge in public pension funds. She requested Staff and Committee feedback regarding the proposed language considering the IPOPIF is not a pension fund. Executive Director White provided background information regarding the development of the job description and preferred experience. Trustee Poulos informed the Committee that he agrees with the proposed job description. He stated that it would be beneficial to the Fund and helpful to Executive Director White for the Finance Director/Assistant Executive Director to be familiar with how the pension system operates since there is a lot of work to be done. Chairperson Holleb stated that investment experience could be valuable as well and encouraged staff to be open to candidates with this background experience. Trustee Poulos agreed with Chairperson Holleb's comments. Executive Director White stated that the proposed job description aligns with Chairperson Holleb's comments, and public pension fund experience is preferred but not required.

Chairperson Holleb requested an amendment to Section B(5)(f) to include language indicating that the Finance Director/Assistant Executive Director coordinates the Annual Independent Financial Audit. The Committee discussed the proposed salary range with Ms. Holford. The amended policy will be presented to the Board for consideration at the November 12, 2021 Board meeting.



*Review Draft Cash Reserve Policy (PP-2021-09) and Recommendation to the Full Board for Approval:* Executive Director White reviewed a memorandum regarding the “Cash Reserve Policy” with the Committee. Executive Director White reviewed the draft Cash Reserve Policy with the Committee. The Committee discussed the accounting structure of the Fund and the intentions of the Cash Reserve Policy. Executive Director White stated that the intention of the policy is to determine the cash needs to pay operating expenses on a month-to-month basis on the administrative side, separate from investment expenses. The policy will assist in supporting the financial operations and to allow for timely financial planning in the administration of the Fund. CFO Weber added that this operational policy will be useful for the mid-year budget review when discussing potential draw request changes. Ms. Masson noted that the policy will change as the organization develops. CIO Custer provided a brief overview of the expected cash management on the investment side and discussed liquidity needs for the local funds. Chairperson Holleb reviewed the structure of the 2022 Budget and referenced several investment expenses. She requested that the Cash Reserve Policy be amended to include language indicating that the policy is intended for the administrative side of the Fund’s Budget and not for investments. A motion was made by Trustee Poulos and seconded by Trustee Swanlund to recommend the Board of Trustees approve the Cash Reserve Policy (PP-2021-09) with the revisions as discussed. Motion carried unanimously by roll call vote.

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

*Establish Additional Meeting (If needed):* Executive Director White reviewed a memorandum regarding “Additional Meeting Dates” with the Committee. The Committee established meetings on December 7<sup>th</sup> and December 28<sup>th</sup> at 9:00 a.m.

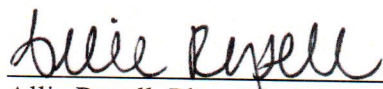
**PUBLIC COMMENT:** There were no comments from the public.

**ADJOURNMENT:** With no further business to discuss, a motion was made by Trustee Swanlund and seconded by Trustee Poulos to adjourn the meeting at 10:15 a.m. Motion carried unanimously by roll call vote.

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

Respectfully Submitted by:

Approved by:

  
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Allie Rysell, Plan Administrator  
Foster & Foster, Inc.

  
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Elizabeth Holleb, Committee Chairperson

Date Approved by the Audit and Budget Committee: December 7, 2021

*The next meeting of the Illinois Police Officers' Pension Investment Fund's Audit and Budget Committee will be held on December 7, 2021 at 9:00 a.m. via the Zoom Digital Platform.*