



## **Illinois Police Officers' Pension Investment Fund**

### **Board of Trustees Meeting Minutes**

**Friday, December 13, 2024**

A regular meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was conducted at the Peoria Marriott Hotel, Pere Marquette, LaSalle Ballroom, Peoria, IL. 61602. Members of the public were invited to participate remotely or in person.

#### **Members of the Board of Trustees:**

- Philip Suess, Chairperson
- Paul Swanlund, Vice Chairperson
- Lee Catavu, Secretary
- Mark Poulos
- Scott Bowers
- Brad Cole
- Elizabeth Holleb
- Daniel Hopkins
- Michael Inman

#### **Attendees:**

##### **IPOPIF Staff:**

- Richard White, Executive Director
- Kent Custer, Chief Investment Officer
- Regina Tuczak, Chief Financial Officer/Assistant Executive Director
- Greg Turk, Deputy Chief Investment Officer
- Barbara Meyer, Investment Officer
- Steve Yoon, Investment Officer
- Amy Zick, Senior Accountant

- Kate Cobb, Administrative Analyst
- Samantha Lambert, Administrative Analyst
- Joe Miller, Information Technologist

**Others Present:**

- Rick Reimer, General Legal Counsel, Reimer, Dobrovolny & Labardi PC
- Taylor Muzzy, Fiduciary Legal Counsel, Jacobs Bums Orlove & Hernandez, LLP
- Tim McEnery, Verus
- Chris Shelby, Verus
- Scott Whalen, Verus
- Kim Shepherd, Shepherd Communications (Zoom)
- William Collins, State Street Bank & Trust
- Brian LeFevre, Sikich CPA LLC
- Megan Holford, Lauterbach & Amen LLP (Zoom)
- Armen Panossian, Oaktree
- Rahav Khanna, Oaktree
- Michael Trefz, Oaktree
- Jack Neumark, Fortress
- Aaron Blanchette, Fortress
- Alex Margolies, Fortress
- Lucy Liu, Fortress
- Danny Kayne, Fortress
- Sudhir Krishnamurthi, Rock Creek
- Matt Bullough, Rock Creek
- Kevin Kelly, Rock Creek
- Sengal Selassie, Brightwood (Zoom)
- Amira Artis, Brightwood
- Delia Roges, Brightwood
- Members of the Public

## **Agenda**

All members of the Board of Trustees, staff, legal counsel, and the public were provided with a copy of the agenda. The agenda was also posted on the IPOPIF website, IPOPIF office door, and on the door of the meeting room.

## **Call to Order**

The meeting was called to order by Chairperson Suess at 10:00 A.M.

## **Roll Call**

### 2.1- Roll Call: Discussion and Potential Action:

A roll call was conducted. Eight (8) Trustees were present in the meeting room and one (1) Trustee via Zoom. A quorum was established with the required number of six (6) Trustees present in the meeting room.

Board of Trustees:

Present:

- Philip Suess, Chairperson
- Paul Swanlund, Vice Chairperson
- Lee Catavu, Secretary
- Scott Bowers
- Elizabeth Holleb
- Daniel Hopkins
- Michael Inman
- Mark Poulos

Zoom:

- Brad Cole (Zoom)

All individuals present are reflected in the list of attendees.

A motion was made by Trustee Inman and seconded by Trustee Poulos to allow Trustee Cole to participate in the December 13, 2024, meeting of the Board of Trustees by audio and video conference pursuant to Section 7 of the Open Meetings Act due to employment purposes.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Holleb, Hopkins, and Cole

Nayes- None

Absent- Trustee Cole

Trustee Cole joined the meeting via Zoom at 10:02 A.M.

## **Board of Trustees**

### 3.1- Board of Trustees Recognition of Trustee Elizabeth Holleb: Discussion and Potential Action:

On January 30, 2020, Governor JB Pritzker appointed the IPOPIF Transition Board of Trustees consisting of nine members in accordance with 40 ILCS 5/22B-115. Elizabeth Holleb was appointed to the Transition Board of Trustees with a term of office from January 2020 through December 2020.

In 2020, Elizabeth Holleb was elected to the first IPOPIF Permanent Board of Trustees representing municipalities with a term of office January 2021 through December 2024. Trustee Holleb did not seek re-election to the Board of Trustees for an additional term.

December 13, 2024, will be the final meeting of the term for Trustee Holleb. The Illinois Police Officers' Pension Investment Fund, the Board of Trustees, the executive team and staff, service providers, and stakeholders appreciate the service of Trustee Holleb and wish her well in her future endeavors.

Trustee Inman exited the meeting at 10:10 A.M.

### 3.2- Annual Comprehensive Financial Report FY 2024: Discussion and Potential Action:

In accordance with the Pension Code (40 ILCS 5/22B-125): At least annually, the books, records, accounts, and securities of the Fund shall be audited by a certified public accountant selected by the board and conducted in accordance with the rules and procedures promulgated by the Governmental Accounting Standards Board. The audit opinion shall be published as a part of the annual report of the Fund, which shall be submitted to the transferor pension funds and to the Department of Insurance.



Fund staff prepared the Annual Comprehensive Financial Report (ACFR) for Fiscal Year 2024, which includes the financial statements as of and for the years ended June 30, 2024, and 2023. Also included in the ACFR is an Introductory Section, an Investment Section, and a Statistical Section. A final draft of the ACFR was provided to the Board of Trustees for review.

Brian LeFevre, Principal, Sikich CPA LLC, presented to the Board of Trustees. Sikich was engaged to perform the audit of the Fund's financial statements as of and for the year ended June 30, 2024. In addition to their audit opinion included in the ACFR, generally accepted auditing standards require certain matters to be communicated to those charged with governance at the conclusion of the audit. A final draft of the document that communicates these required matters was prepared by Sikich and included in the materials provided. Mr. LeFevre indicated that an unmodified (clean) audit opinion will be issued; there are no audit adjustments and no management comments or recommendations.

Chief Financial Officer (CFO) Tuczak and Mr. LeFevre answered all questions from the Board of Trustees.

A motion was made by Trustee Holleb and seconded by Trustee Bowers to approve the annual comprehensive financial report as of and for the year ended June 30, 2024.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb, and Cole

Nays- None

Absent- Trustee Inman

### 3.3- Financial and Operational Policies Review: Discussion and Potential Action:

Per the Audit and Budget Committee Policy (PP 2020-09), the Audit & Budget Committee's responsibilities include the following:

*Meet with the Executive Director, Chief Investment Officer, and Chief Financial Officer, at least annually, to discuss the effectiveness of the internal financial and operational control policies and compliance with all financial and regulatory reporting requirements. It is suggested that this annual review be held in conjunction with the review of the Annual Comprehensive Financial Report (ACFR)*

The information is presented to the Board of Trustees in conjunction with the review of the ACFR as an Audit and Budget Committee meeting is not scheduled until the first quarter of calendar 2025.

CFO Tuczak summarized the financial and operational procedures transitioned or assumed by Finance and Accounting operations during Fiscal Year 2024, including the related controls pertaining to these procedures. Compliance with financial and regulatory reporting requirements was also presented in the summary.

CFO Tuczak noted that evaluation of the procedures and related internal controls continues to be under review for improvements and efficiencies. Further changes are anticipated as part of the Strategic Plan for Finance and Accounting.

CFO Tuczak answered all questions. No formal action was taken on this item.

3.4- Meeting Minutes- October 18, 2024: Discussion and Potential Action:

Executive Director White presented the Board of Trustees Meeting Minutes from October 18, 2024, to the Board of Trustees and recommended they be approved.

Executive Director White answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Holleb to approve the Board of Trustees Meeting Minutes from October 18, 2024.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb, and Cole

Nayes- None

Absent- Trustee Inman

3.5- Board of Trustees Closed Session Minutes- June 14, 2024, July 19, 2024, and September 13, 2024: Discussion and Potential Action:

General Legal Counsel Reimer provided the closed session meeting minutes to the Board of Trustees for June 14, 2024, July 19, 2024, and September 13, 2024.

General Legal Counsel Reimer and Executive Director White answered all questions.

Trustee Holleb suggested to the Board of Trustees that the meeting minutes be presented as a summary in the future and not like a transcript.

A motion was made by Trustee Bowers and seconded by Trustee Hopkins to approve the Closed Session Meeting Minutes for June 14, 2024, July 19, 2024, and September 13, 2024.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb, and Cole

Nayes- None

Absent- Trustee Inman

A motion was made by Trustee Hopkins and seconded by Trustee Poulos to release the Closed Session Meeting Minutes for June 14, 2024, July 19, 2024, and September 13, 2024.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb, and Cole

Nayes- None

Absent- Trustee Inman

### 3.6- Board of Trustees and Committee Meeting Schedule: Discussion and Potential Action:

Executive Director White presented a revised calendar of Board of Trustee Meeting dates and Committee Meeting dates to the Board of Trustees. The revision that is being presented today is to re-schedule Committee Meetings from February 7, 2025, to March 14, 2025.

Executive Director White answered all questions.

A motion was made by Trustee Bowers and seconded by Trustee Hopkins to approve the revision to the Board of Trustees 2025 Meeting Schedule to re-schedule the February 7, 2025, Committee Meetings to March 14, 2025.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb, and Cole

Nayes- None

Absent- Trustee Inman



## **Administration**

### 4.1 Governmental Liaison Report

This item was not addressed.

### 4.2- Retainer Agreement- Jacobs, Burns, Orlove, & Hernandez, LLP: Discussion and Potential Action:

The Board of Trustees retained the services of Jacobs, Burns, Orlove & Hernandez, LLP (JBOH) to perform fiduciary legal counsel duties to the IPOPIF. These services have been provided since 2021 and were originally retained by the Board of Trustees via the RFP process.

The retainer agreement is on a calendar year basis and the 2025 retainer agreement is presented for Board approval. There are no changes, or fee increases in the new retainer agreement.

IPOPIF Investment and Administrative Executive Team are very pleased with the services provided by JBOH and support the extension of the services agreement.

Executive Director White answered all questions from the Board of Trustees.

A motion was made by Trustee Swanlund and seconded by Trustee Hopkins to approve the Attorney Retainer Agreement with Jacobs, Burns, Orlove & Hernandez, LLP (JBOH) and authorize the Executive Director to execute the agreement.

Motion carried by roll call vote.

Ayes- Trustees Sues, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb, and Cole

Nayes- None

Absent- Trustee Inman

### 4.3- Professional Services Agreement- Lake Forest Bank & Trust: Discussion and Potential Action:

The IPOPIF and the Lake Forest Bank & Trust (Wintrust Community Bank) entered into a Professional Services Agreement (PSA) to provide the Fund with commercial banking services which were retained after the RFP process on May 8, 2020. The initial agreement

was for a two-year period beginning on June 1, 2020, through May 31, 2022. The PSA also provided for a renewal option for an additional two-year period terminating on May 31, 2024.

The Fund and the LFBT communicated regarding the expiration and an extension of the PSA was executed on November 19, 2024, with a term of June 1, 2024, through May 31, 2026, under the same terms that are presently contained in the current Agreement, except for one change to the current interest rate of 0.10% which will be converted to an Earnings Credit Rate of 0.30% on deposits which minimally impacts the Fund due to the low balances kept in these accounts. Consistent with the initial agreement, the extension allows for termination with 30 days written notice.

This extension was important to allow for the continuation of banking services to the Fund and was reviewed by the General Legal Counsel and Chief Financial Officer during this process.

A motion was made by Trustee Hopkins and seconded by Trustee Poulos to approve a one-time exemption to the Purchasing and Professional Services Contracting Policy (PP-2020-11) Section E-6 Length of Contracts to provide for the Lake Forest Bank and Trust Company contract to extend for a six-year period through 2026.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb, and Cole

Nayes- None

Absent- Trustee Inman

#### 4.4- IPOPIF Employee Handbook: Discussion and Potential Action:

Executive Director White presented the Board of Trustees with revisions to the IPOPIF Employee Handbook sections regarding the Illinois Personnel Records Review Act, and the Illinois Human Rights Act.

Fiduciary Legal Counsel Muzzy reviewed all documents before submission to the Board of Trustees.

Executive Director White answered all questions.

A motion was made by Trustee Hopkins and seconded by Trustee Poulos to approve the Employee Handbook, revised as of January 1, 2025.



Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb, and Cole

Nayes- None

Absent- Trustee Inman

4.5- Manager of External Affairs and Communications- Job Description: Discussion and Potential Action:

Executive Director White presented to the Board of Trustees a new position for a Manager of External Affairs and Communication.

This position is a new position for IPOPIF. This position would be responsible for more “client service” contacts with our stakeholders and increased external communications for the Fund which would include proactive outreach, communication, and contacts with the Article 3 police pension funds including regular meetings with the Board members at their individual meetings and at group events where these members attend to communicate about the Fund, respond to questions, and generally build upon the trust and accountability between the IPOPIF and our stakeholders.

This role would assume many of the commitments that the Executive Director, Chief Financial Officer, and Chief Investment Officer performed during the transition period which translates to a more efficient use of time and resources for the executive team. This approach is more proactive and cost-efficient for the Fund in continuing our marketing and communication efforts.

Executive Director White answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Hopkins to approve the Manager of External Affairs and Communication job description, the salary compensation range for Manager of External Affairs and Communication, the addition of Manager of External Affairs and Communication as a full-time position and delete the Communication Specialist position to the Fiscal Year 2025 annual budget, from February 2025 through June 2025.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, and Holleb

Nayes- Trustee Cole

Absent- Trustee Inman

4.6- Administration and Operations Update: Discussion and Potential Action:

Executive Director White briefed the Board of Trustees on current and upcoming events.

Executive Director White answered all questions.

**Finance**

5.1- Monthly Financial Reports: Discussion and Potential Action:

CFO Tuczak explained the delay in the issuance of the October 2024 Financial Statements to the Board of Trustees, due to the Tranche 14 transition of Article 3 funds effective October 1, 2024. No action was taken on this item.

5.2- Warrants: Discussion and Potential Action

5.2.1- Warrant #2025-05: Discussion and Potential Action:

CFO Tuczak presented Warrant #2025-05 to the Board of Trustees and recommended approval.

CFO Tuczak answered all questions.

A motion was made by Trustee Poulos and seconded by Trustee Bowers to approve Warrant #2025-05.

Motion carried by roll call vote.

Ayes- Trustees Sues, Catavu, Poulos, Bowers, Hopkins, Holleb

Nayes- Trustee Cole

Absent- Trustee Inman and Swanlund

5.2.2- Warrant #2025-06: Discussion and Potential Action:

CFO Tuczak presented Warrant #2025-06 to the Board of Trustees and recommended approval.

CFO Tuczak answered all questions.

A motion was made by Trustee Bowers and seconded by Trustee Hopkins to approve Warrant #2025-06.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb

Nayes- Trustee Cole

Absent- Trustee Inman

### 5.3- Finance and Accounting Update: Discussion and Potential Action:

CFO Tuczak presented a finance and accounting update to the Board of Trustees, noting the Agreed-Upon Procedures for /Tranche 1 of the Article 3 Funds included 30 participating funds. Procedures began on October 1 and concluded on November 30. Twenty-eight of those funds were responsive and submitted some or all requested materials.

Tranche 2 is scheduled to begin in January of 2025, with approximately sixty Pension Funds to be selected. CFO Tuczak also noted that with the conclusion of the external audit and communication of the audit results, the Annual Comprehensive Financial Report will be distributed to the Illinois Department of Insurance and the Board of Trustees.

CFO Tuczak answered all questions.

## **Investments**

### 7.3- Verus Quarterly Report- 3Q2024: Discussion and Potential Action:

Tim McEnergy, Verus, and Scott Whalen, Verus, presented the third quarter investment performance review report to the Board of Trustees as of September 30, 2024.

Mr. Whalen, and Mr. McEnergy answered all questions.

Trustee Cole exited the meeting at 11:21 A.M.

### 7.4- Investment Update Report: Discussion and Potential Action:

Chief Investment Officer (CIO) Custer provided an investment update including performance, value growth, funding & rebalancing, asset allocation, and cash flow.

CIO Custer discussed two investment operations issues. Staff is working on an update to the Cash Management Policy to delete provisions relating to participant fund cash

forecasting. Based on cash flow experience and portfolio liquidity, there would be minimal value in the forecasting process. IPOPIF staff is also evaluating custody structure and reporting options to optimize the incorporation of investments that report on a lagged basis vs. daily.

CIO Custer answered all questions.

#### 7.5- Investment Manager Database Subscription Renewal: Discussion and Potential Action:

CIO Custer reviewed staff's request to renew the eVestment database subscription for three years. The contract price is \$38,245 for 2025, with options for two extensions with 3% price increases.

CIO Custer answered all questions.

A motion was made by Trustee Hopkins and seconded by Trustee Bowers to approve a new three-year subscription to the eVestment database as a sole-source procurement.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, and Holleb

Nayes- None

Absent- Trustees Inman and Cole

#### 6.0- Lunch Break

A motion was made by Trustee Bowers and seconded by Trustee Hopkins to recess for lunch.

Motion carried by roll call vote.

Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, and Holleb

Nayes- None

Absent- Trustees Inman, and Cole

Lunch recess at 11:47 A.M.

A motion was made by Trustee Poulos and seconded by Trustee Hopkins to reconvene general session.

Motion carried by roll call vote.



Ayes- Trustees Suess, Swanlund, Catavu, Poulos, Bowers, Hopkins, and Holleb

Nayes- None

Absent- Trustees Inman, and Cole

General Session reconvened at 12:32 P.M.

7.1- Investment Custodian Review: Discussion and Potential Action:

Chief Investment Officer Custer discussed the services and performance of the investment custodian, State Street Bank and Trust (SSBT). He then introduced William Collins, SSBT VP and Relationship Manager, who made a presentation to the Board of Trustees covering the SSBT organization, service offerings, and technology and performance improvement initiative.

Mr. Collins, CIO Custer, and CFO Tuczak answered all questions.

7.2- Private Credit Interviews and Manager Selection: Discussion and Potential Action:

Investment Officer Yoon and Verus Consultant Chris Shelby briefed the Board of Trustees regarding the Private Credit asset class, the investment manager search process, and the agenda for the Board interview.

At 1:19 P.M. Armen Panossian, Raghav Khanna, and Michael Trefz from Oaktree presented to the Board of Trustees. Upon conclusion, they answered all questions.

At 1:58 P.M. Alex Margolies, Lucy Liu, Jack Neumark, Danny Kayne, and Aaron Blanchette from Fortress presented to the Board of Trustees. Upon conclusion, they answered all questions.

At 2:35 P.M. Sudhir Krishnamurthi, Matt Bullough, and Kevin Kelly from Rock Creek presented to the Board of Trustees. Upon conclusion, they answered all questions.

At 2:57 P.M. Sengal Selassie, Amira Artis, and Delia Roges from Brightwood presented to the Board of Trustees. Upon conclusion, they answered all questions.

A motion was made by Trustee Hopkins and seconded by Trustee Holleb to approve a 3% commitment to a customized private credit platform to be managed by Oaktree Capital Management, L.P. This commitment would equate to approximately \$390 million based on IPOPIF total fund value of \$13 billion.



Motion carried by roll call vote.

Ayes- Trustees Sues, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb

Nayes- None

Absent- Trustees Cole and Inman

7.6- Private Markets Consultant Search Update: Planning: Discussion and Potential Action:

CIO Custer and Deputy CIO (DCIO) Turk provided an update regarding the search for a Private Markets Consultant.

CIO Custer and DCIO Turk answered all questions.

The Board discussion indicated a desire for the Board to interview the same high caliber firms interviewed by staff including Albourne, Callan, Verus, and Wilshire.

A motion was made by Trustee Hopkins and seconded by Trustee Bowers to invite Albourne, Callan, Verus, and Wilshire to interview at the Board of Trustees meeting in January for final selection by the Board.

Motion carried by roll call vote.

Ayes- Trustees Sues, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb

Nayes- None

Absent- Trustees Cole and Inman

**General Legal Counsel**

8.1- General Legal Counsel Report: Discussion and Potential Action:

Rick Reimer, General Legal Counsel, did not have a report to the Board of Trustees.

**Fiduciary Legal Counsel**

9.1- Fiduciary Legal Counsel Report: Discussion and Potential Action:

Taylor Muzzy, Fiduciary Legal Counsel, did not have a report to the Board of Trustees.

**Public Comment**

10.0- Public Comment:

An opportunity for public comment was provided at 3:44 P.M. No comments were heard, and no discussion was provided.

## **Adjournment**

### 12.0- Adjournment:

A motion was made by Trustee Holleb and seconded by Trustee Bowers to adjourn the Board of Trustees Meeting.

Motion carried by a roll call vote.

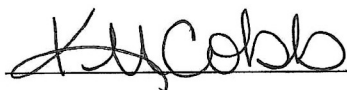
Ayes- Trustees Sues, Swanlund, Catavu, Poulos, Bowers, Hopkins, Holleb

Nayes- None

Absent- Trustees Cole and Inman

Meeting adjourned at 3:45 P.M.

Respectfully submitted by:

A handwritten signature in cursive script, appearing to read "Kate Cobb", written over a horizontal line.

Kate Cobb, Administrative Analyst

Approved by:



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Phil Sues, Chairperson, Board of Trustees



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Lee Catavu, Secretary, Board of Trustees

Date Approved by the Board of Trustees: January 24, 2025