

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, AUGUST 13, 2021 AT 9:00 A.M.

A regular meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was held through the Zoom digital platform in accordance with Executive Order 2021-15 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
Paul Swanlund
Elizabeth Holleb (*arrived at 9:09 a.m.*)
Michael Inman
Brad Cole
Lee Catavu
Phil Suess

TRUSTEES ABSENT: Mark Poulos
Daniel Hopkins

OTHERS PRESENT: Richard White, Interim Executive Director
Kent Custer, Chief Investment Officer
Rick Reimer, General Counsel, Reimer Dobrovolny & LaBardi PC
Joe Burns, Fiduciary Counsel, Jacobs Burns Orlove & Hernandez, LLP
AJ Weber, Chief Financial Officer, Lauterbach & Amen, LLP
Scott Whalen, General Investment Consultant, Verus Advisory, Inc.
Barb Utterback, Plan Administrator, Foster & Foster, Inc.
Members of the Public

CALL TO ORDER: Chairperson Curry called the meeting to order at 9:03 a.m.

ROLL CALL: As reflected above.

MEETING MINUTES: *Review/Approve – June 25, 2021 Board Meeting and Closed Session:* The Board reviewed the minutes from the June 25, 2021 meeting. A motion was made by Trustee Inman and seconded by Trustee Swanlund to approve the minutes from the June 25, 2021 Board meeting, and the revised minutes from the June 25, 2021 Closed Session. Motion carried by roll call vote.

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

Review/Approve – July 9, 2021 Board Meeting Minutes: The Board reviewed the minutes from the July 9, 2021 meeting. A motion was made by Trustee Curry and seconded by Trustee Cole to approve the minutes. Motion carried by roll call vote.

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

Trustee Holleb arrived at 9:09 a.m.

INVESTMENTS: *Transition Status Report:* Mr. Custer introduced the newest staff member, Steve Yoon, who was hired as the Investment Officer for the Fund. Mr. Custer stated that the team is making substantial progress on all key workstreams and currently expects the asset transfer to begin in December 2021 or January 2022. Mr. Whalen described the project plan and the integration with the Smart Sheet software that will be used to track the activities, responsibilities of the project team, the timeline, and the status of completion.

Mr. Custer provided an update on the completion of the Custody Agreement with State Street and stated that he is initiating subject-specific workstream meetings. The due date for the proposals for Transition Management was extended from August 6th to August 16th, and the target date for Board selection is at the September 10, 2021 meeting. Proposals for the Passive Investment Management services are due August 30, 2021, and the target date for Board selection is October 8, 2021.

Investment Strategy: Mr. Custer stated that trustee education was completed on July 9, 2021 with Verus, and he is continuing to meet with Verus regarding investment strategy and modeling. The target date for adoption of the Asset Allocation is at the September 10, 2021 meeting, and the target date of adoption of the Investment Policy is October 8, 2021.

Investment Philosophy and Preview of Asset Allocation: Mr. Custer outlined the proposed Investment Philosophy Statement that was developed with Verus. The final Investment Philosophy will be incorporated in the Investment Policy Statement. All questions were answered by Mr. Whalen and Mr. Custer. The recommended changes from Trustee Cole will be incorporated in the final document. Mr. Custer stated that the recommendations from Trustee Suess and Holleb will be evaluated by Mr. Custer and he will advise the Board when the revised document is available for review.

Transition Implementation Rules: Mr. Custer stated that he is preparing the Transfer of Asset Rules with State Street, and there is no recommendation for action at this meeting. A draft summary of the proposed Rule will be provided to the Trustees once a draft copy is completed.

Asset Allocation Preview: Mr. Custer stated that Verus and IPOPIF staff have developed independent allocation mixes, models, and assumptions, and all team members are working toward a recommended approach. Various approaches for lower-funded plans are being considered, along with expected and assumed rates of returns. After further discussion, Chairperson Curry stated that the asset allocations presented today are simply a starting point for discussion and that further discussion and review will be forthcoming. The approval of asset allocation is scheduled for the September 10, 2021 Board meeting.

ADMINISTRATION AND OPERATIONS: *Review/Approve – Warrant #30, Summary of Payments*

The Board reviewed Warrant #30, covering payments from July 24, 2021 through August 13, 2021 for a total amount of \$10,369.70. Copies of the listed invoices were also provided. A motion was made by Trustee Holleb and seconded by Trustee Catavu to approve payment of Warrant #30 in the total amount of \$10,369.70. Motion carried by roll call vote.

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

Status Report – Administration and Operations: Executive Director White stated that the Request for Proposals for Actuarial Services was released today. The due date for receipt of proposals is October 1, 2021. He also stated that Baker Tilly started working on the audit of the financial statements for the fiscal year ended 2021. The Request for Proposals for CPA-Certified Asset List firms was released on July 23, 2021, with responses due on September 3, 2021. Regarding Communications, the IPOPIF website is operational, and additional content for the website will be added in the coming weeks. Shepherd Communications has been retained for strategic and operational communications starting August 1, 2021.

Job descriptions are in development for senior-level administrative/operation, investment, and administrative positions and will be finalized once the office lease is in place. The employee handbook will be reviewed at a future meeting; additions and clarifications are in progress. The medical plans have been approved by the Trustees and will be implemented. The dental and vision plan is on hold until four employees are hired. Legislation regarding participation in IMRF for IPOPIF employees is expected later this month. If the legislation is adopted, a one-time cost study will be performed by IMRF. Further updates will be provided at the next meeting.

The transition planning group is meeting regularly with staff and service providers, led by CIO Kent Custer, as well as with IFPIF, IFGOA, and IDOI to assist with the transition process. Multiple communications have been sent to Article 3 pension funds to obtain authorized representatives. Additional mailings will be sent in the next few weeks to those who have not yet responded.

Trustee Holleb stated that she has participated in working group meetings with IFGOA and feels it is important for the legal structure of IPOPIF to be the same legal structure as IFPIF.

Regarding the new office location, Executive Director White stated that the process of securing the lease is in process, and communications are continuing. Temporary office space in the Twin Towers building can be provided until such time as renovations are complete for the IPOPIF staff, if necessary, prior to completion of the office space. He is hopeful that move-in space will be available in October.

Review/Approve – Search for Actuarial Services Provider: The final copy of the Request for Proposal for Actuarial Services was presented to the Board. It is anticipated that a service provider for actuarial services will be selected at the November 12, 2021 meeting. The RFP will be modified to remove a reference to ERISA. Trustees Suess and Holleb stated that the tax levy needs to be filed by the last Tuesday in December, regardless of the fiscal year-end. Trustee Cole indicated that the proposed levy amount will need to be determined 60 days before the filing date. All questions were answered by Mr.

White and Mr. Weber. A motion was made by Trustee Cole and seconded by Trustee Catavu to approve the Request for Proposal, as amended. Motion carried by roll call vote.

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

NAYS: None

ABSENT: Trustees Poulos and Hopkins

Review/Approve – Revised 2021 Meeting Dates: The Trustees reviewed the revised Board schedule of meeting dates for the remainder of 2021. The previously scheduled meeting dates of September 24th and December 10th have been canceled. Future meetings may be held in Peoria based on the status of the Governor's Executive Order in place at the time of the meeting. A motion was made by Trustee Cole and seconded by Trustee Swanlund to adopt the revised meeting schedule for 2021. Motion carried by roll call vote.

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

NAYS: None

ABSENT: Trustees Poulos and Hopkins

CHAIRPERSON'S REPORT: *Closed Session: Discussion of Performance Evaluation and Employment Agreement for Richard A. White, Jr.:* At 11:05 a.m., a motion was made by Trustee Inman and seconded by Trustee Swanlund to enter closed session for the purpose of discussing the performance evaluation and employment Agreement for Richard White, pursuant to the 5 ILCS 120/2(c)(1) exception of the Open Meetings Act. Motion carried by roll call vote.

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

NAYS: None

ABSENT: Trustees Poulos and Hopkins

A motion was made by Trustee Holleb and seconded by Trustee Inman to resume open session at 11:45 a.m.

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

NAYS: None

ABSENT: Trustees Poulos and Hopkins

No final action was taken in closed session; the Board will proceed as discussed.

FIDUCIARY COUNSEL'S REPORT: *Closed Session – Status Update on Pending Litigation:*

At 11:46 a.m., a motion was made by Trustee Cole and seconded by Trustee Swanlund to recess from open session and enter closed session to discuss pending litigation pursuant to the 5 ILCS 120/2(c)11 exceptions to the Open Meetings Act. Motion carried by roll call vote.

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

NAYS: None

ABSENT: Trustees Poulos and Hopkins

A motion was made by Trustee Inman seconded by Trustee Holleb to resume open session at 12:10 p.m. Motion carried by roll call vote.

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

No final action was taken in closed session. Legal Counsel provided an update and guidance to the Board.

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 Swanlund to adjourn the meeting at 12:13 p.m. Motion carried unanimously by roll call vote.

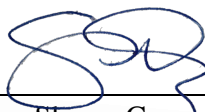
AYES: Trustees Curry, Swanlund, Catavu, Holleb, Inman, Suess, and Cole
NAYS: None
ABSENT: Trustees Poulos and Hopkins

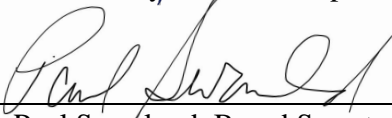
Respectfully submitted by:



Barb Utterback, Plan Administrator
Foster & Foster, Inc.

Approved by:



Shawn Curry, Board Chairperson


Paul Swanlund, Board Secretary

Date Approved by the Board of Trustees: October 8, 2021

The next Board meeting of the Illinois Police Officers' Pension Investment Fund will be held on Friday, August 27, 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.