

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 23, 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 2021-06 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
Phil Suess
Brad Cole
Lee Catavu
Mark Poulos
Michael Inman

TRUSTEES ABSENT: None

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
Taylor Muzzy, Fiduciary Counsel, Jacobs Burns Orlove & Hernandez, LLP
Paul Sachs, Project Architect, Adirondack Investment Advisors, LLC
Bukola Bello, Governmental Liaison, Vision M.A.I. Consulting
AJ Weber, CFO/Accountant, Lauterbach & Amen, LLP
Stephanie Masson, Accountant, 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 9:07 a.m.

ROLL CALL: As reflected above.

EXECUTIVE DIRECTOR'S REPORT: *Status Update – Transition Project, Adirondack Investment Advisors, LLC:* Executive Director White reviewed a memorandum dated April 23, 2021 regarding a "Status Update – Transition Project Report" with the Board. Mr. Sachs reviewed a presentation with the Board that included a status update report on the consultation project. He reviewed the roles and responsibilities, consolidated project plan, and initial actions with the Board. Trustee Hopkins requested additional information regarding the implementation process along and Mr. Sachs' role when the General Investment Consultant is selected. Mr. Sachs' clarified that his role as the Project Architect

is to provide guidance, planning, and communications to the consolidation process and to support the Executive Director, Chief Investment Officer, General Investment Consultant, Custodian, Legal Counsel, and other services providers that will be assisting with the transition. Trustee Suess noted that Mr. Sachs will also provide oversight in terms of risk control as the Fund moves through the transition. Mr. Sachs provided additional information regarding the proposed transition plan. All questions were answered by Mr. Sachs, Executive Director White, CIO Custer, and Trustee Suess.

Mr. Sachs left the meeting at 9:41 a.m.

Recruiting/Human Resources – Adoption of Job Descriptions and Proposed Salary Ranges: Executive Director White reviewed a memorandum dated April 23, 2021 regarding a “Investment Operations – Approval of Job Descriptions” with the Board. Executive Director White reviewed the Investment Analyst job description (PP-2021-03) and Investment Officer job description (PP-2021-02) with the Board. The salary ranges for both positions were reviewed. Executive Director White noted that the recruitment of the positions will commence upon approval of the job descriptions by the Board of Trustees. CIO Custer provided additional information on the two positions and answered questions regarding the proposed hiring timeline. Trustee Holleb informed the Board that the budget will need to be adjusted to reflect these two positions if approved by the Board.

Trustee Cole reviewed the New Role Compensation Analysis for both positions, noting that the external comparable analysis prepared by Lauterbach & Amen, LLP does not include staff for the Firefighters' Pension Investment Fund (FPIF) and inquired why they were not included as a comparable. Trustee Cole noted that the FPIF is the closest comparable to the IPOPIF. He would like to see the FPIF included as a comparable for future positions moving forward. Executive Director White noted that he will follow up with Megan Holford for additional information. Trustee Cole also requested confirmation that the benefit package that will be determined by the Board will be consistent for all positions. Executive Director White confirmed that the benefit package will be consistent for all positions.

A motion was made by Trustee Poulos and seconded by Trustee Catavu to approve the Investment Analyst job description (PP-2021-03) and salary range of \$95,000 to \$125,000 and to approve the Investment Officer job description (PP-2021-02) and salary range of \$125,000 to \$175,000. Motion carried unanimously by roll call vote.

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

OLD BUSINESS: *Discussion/Possible Action – General Investment Consultant Services:* Executive Director White reviewed a memorandum dated April 23, 2021 regarding a “Retention of the General Investment Consultant” with the Board. CIO Custer noted that he reviewed the proposals and presentations of all responding firms to the Request for Proposal (RFP) and reviewed his feedback with the Trustees. He stated that he was pleased with the response to the RFP along with the selection process and added that all candidate firms appear to be capable of effectively servicing the Fund. CIO Custer recommended the Board select Verus Advisory Inc. as the Board's General Investment Consultant. He noted that Verus stands out based on the strength of their consulting team, strong presentations, and their detailed approach to the transition. He is confident that the team at Verus will

be the best option to help the Fund navigate the difficult transition and build a high-performing portfolio.

Trustee Holleb thanked CIO Custer for his remarks and the time and effort he put into his report that was provided to the Trustees to review in advance of the meeting. Trustee Holleb added that she is prepared to vote in favor of hiring Verus Advisory Inc. based on CIO Custer's recommendation. She requested additional information regarding five-year engagement, adding that the Board has not yet reviewed a draft contract agreement.

Trustee Suess requested additional information on the reference checks. Executive Director White provided an update to the Board, adding that all reference checks received have been positive.

Several trustees requested additional information on the proposed structure and provisions of the contract agreement along with the termination clause. All questions were answered by Attorney Burns.

Trustee Holleb inquired if the draft contract agreement is expected to come back to the Board for approval. The Board discussed the next steps in approving the contract agreement with Verus along with future contracts. All questions were answered by Legal Counsel, Executive Director White, CIO Custer, and Chairperson Curry.

A motion was made by Trustee Holleb and seconded by Trustee Hopkins to retain Verus Advisory, Inc. as the General Investment Consultant for a five-year engagement, to accept the five-year fee structure, to add Verus as an IPOPIF Vendor, to direct the Interim Executive Director and Fiduciary Legal Counsel to complete the services agreement negotiations with Verus, and to execute the investment consultant services agreement on behalf of the IPOPIF with the condition that the contract agreement is approved by the Contract Committee before execution. Motion carried unanimously by roll call vote.

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

MEETING MINUTES: *Review/Accept – January 15, 2021 Governance Committee Meeting Minutes:* The Board reviewed the approved minutes from the January 15, 2021 Governance Committee meeting. A motion was made by Trustee Inman and seconded by Trustee Holleb to accept the Governance Committee meeting minutes. Motion carried unanimously by roll call vote.

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

Review/Accept – March 4, 2021 Legislative Committee Meeting Minutes: The Board reviewed the approved minutes from the March 4, 2021 Legislative Committee meeting. A motion was made by Trustee Holleb and seconded by Trustee Poulos to accept the Legislative Committee meeting minutes. Motion carried unanimously by roll call vote.

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

Review/Approve – March 12, 2021 Board Meeting Minutes and Closed Session: The Trustees reviewed the minutes from the March 12, 2021 Board meeting and closed session. A motion was made by Trustee Catavu and seconded by Trustee Inman to approve the minutes from the February 26, 2021 Board meeting and closed session. Motion carried by roll call vote.

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

Review/Approve – March 26, 2021 Board Meeting Minutes and Closed Session: The Trustees reviewed the minutes from the March 26, 2021 Board meeting and closed session. A motion was made by Trustee Catavu and seconded by Trustee Inman to approve the minutes from the March 26, 2021 Board meeting and closed session. Motion carried by roll call vote.

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

Trustee Inman left the meeting at 10:28 a.m.

TREASURER'S REPORT: Treasurer Holleb reviewed her memorandum dated April 14, 2021 regarding the "Treasurer's Report – IPOPIF Board Meeting April 23, 2021" with the Board.

Monthly Financial Report – Review March 2021 Financial Statements: The March 31, 2021 Monthly Financial Report was reviewed with the Board as prepared by Lauterbach & Amen, LLP. The financial activities for the month of March were reviewed with the Board as well as the fiscal year of July 1st through December 31st, including a comparison against the approved budget. As of March 31, 2021, the fiduciary net position restricted is \$219,207.35. All questions were answered by CFO Weber. A motion was made by Trustee Holleb and seconded by Trustee Poulos to approve the Monthly Financial Report. Motion carried by roll call vote.

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

Trustee Inman returned to the meeting at 10:33 a.m.

Review/Approve – Warrant #22, Summary of Payments: The Board reviewed Warrant #22 as prepared by Foster & Foster, Inc. The Board reviewed the Summary of Payments along with all corresponding invoices. The total amount due for the period March 27, 2021 – April 23, 2021 is \$37,803.27 and itemized as follows: Service provider invoices totaling \$32,120.88; Executive Director White's

reimbursement request totaling \$1,348.13 for AT&T business cellphone fees, office supplies, and photography at the April 9, 2021 Board meeting; Transamerica Retirement Solutions deposits related to the Executive Director's agreement in the amount of \$4,166.68; and Lake Forest Bank & Trust fees totaling \$167.58. A motion was made by Trustee Holleb and seconded by Trustee Swanlund to approve Warrant #22. Motion carried unanimously by roll call vote.

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

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

Approval of Vendors and Purchases (If Needed): Treasurer Holleb noted that the expenses for the Trustee headshots and event photos at the April 9, 2021 Board meeting were paid by Executive Director White and approved for reimbursement, so no action is needed. No other vendor or purchase approvals were requested at this time.

Review Loan Activity: Treasurer Holleb reviewed the loan activity with the Board. As of March 31, 2021, the Fund has drawn down \$1,000,000 from the Illinois Finance Authority loan for operating purposes. She noted that a draw of \$200,000 settled in March and the next draw is anticipated to occur in May.

Other: There were no other items to report to the Board.

COMMITTEE REPORTS: *Audit Committee:* Committee Chairperson Holleb informed the Board that the Audit Committee rescheduled their meeting to April 23, 2021 at 2:00 p.m. due to scheduling issues. The Committee's activities will be reviewed with the Board at the May 28, 2021 Board meeting.

Contract Committee: Committee Chairperson Suess informed the Board that he did not have any updates to review with the Board. As discussed earlier, the Committee will schedule a meeting to review and approve the contract agreement for the Fund's selected General Investment Consultant, Verus Advisory, Inc.

Election Committee: There was nothing new to report to the Board.

Governance Committee – Report on March 30, 2021 and April 16, 2021 Meetings: Committee Chairperson Poulos noted that a memorandum prepared by Executive Director White was included in the agenda packet for the Board's review which summarized the Committee's activities at their March 30, 2021 and April 16, 2021 meetings.

Legislative Committee – Report on April 2, 2021 Meeting: Chairperson Curry noted that a memorandum prepared by Executive Director White was included in the agenda packet for the Board's review which summarized the Committee's activities at their April 2, 2021 meeting. The Committee requested action on the amended Legislative Policy (PP-2020-08) and the Legislative Action Items.

The amended Legislative Policy (PP-2020-08) was included in the agenda packet for the Board's review. Trustee Cole noted that the revised policy expands the scope of the involvement with

legislation beyond the current policy adding that he did not vote in favor of the proposed policy revisions at the Committee's April 2, 2021 meeting. All questions were answered by Executive Director White. A motion was made by Trustee Catavu and seconded by Trustee Poulos to adopt the revised Legislative Policy (PP-2020-08). Motion carried by roll call vote.

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

Governmental Liaison Bello reviewed the Legislative Committee's Action Items Report with the Board. She provided status updates on various bills and noted that the Committee is requesting Board action on specific legislative pieces.

Ms. Bello provided a status update on House Bill 0308. Executive Director White noted that Committee Members Curry and Catavu voted to oppose House Bill 0308 and Committee Member Cole voted against taking any action. Trustees Holleb stated that she does not find it appropriate for the Board to take a position on bills that fall outside the scope of responsibilities of the IPOPIF. All questions were answered by Ms. Bello and Executive Director White. A motion was made by Trustee Catavu and seconded by Trustee Hopkins to oppose House Bill 0308 as recommended by the Legislative Committee. Motion carried by roll call vote.

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

Ms. Bello provided a status update on House Bill 2522. Executive Director White noted that Committee Members Curry and Catavu voted to support House Bill 2522 and Committee Member Cole voted against taking any action. A motion was made by Trustee Catavu and seconded by Trustee Poulos to support House Bill 2522. Motion carried by roll call vote.

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

Ms. Bello provided a status update on House Bill 2523. Executive Director White noted that Committee Members Curry and Catavu voted to support House Bill 2523 and Committee Member Cole voted against taking any action. All questions were answered by Ms. Bello. A motion was made by Trustee Catavu and seconded by Trustee Hopkins to support House Bill 2523 as recommended by the Legislative Committee. Motion carried by roll call vote.

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

Ms. Bello provided a status update on House Bill 3004. Ms. Bello noted that the Legislative Committee did not take action on House Bill 3004 and directed her to continue monitoring the bill. The Board discussed House Bill 3004 with Attorney Reimer. No Board action was taken on House Bill 3004.

Ms. Bello provided a status update on Senate Bill 2107. Chairperson Curry noted that the Committee voted unanimously to support Senate Bill 2107. Trustee Cole stated that he supports this bill and reiterated his comments that were made at previous meetings, noting that this is an additional retirement plan as a benefit for some of the Fund's contractual employees. A motion was made by Trustee Hopkins and seconded by Trustee Catavu to support Senate Bill 2107 as recommended by the Legislative Committee. Motion carried unanimously by roll call vote.

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

NEW BUSINESS: There were no new business items to discuss.

CLOSED SESSION: There was no need for closed session.

FIDUCIARY TRAINING: *Role of a Trustee – Jacobs, Burns, Orlove & Hernandez, LLP:* All Trustees participated in a one-hour fiduciary trustee training education session administered by Fiduciary Legal Counsel. All questions were answered by Attorneys Burns and Muzzy.

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 Cole to adjourn the meeting at 12:21 p.m. Motion carried by roll call vote.

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

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, May 14, 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.