

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

MEETING MINUTES – NOVEMBER 13, 2020

A meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was held on Friday, November 13, 2020 at 9:00 a.m. through the Zoom Digital Platform.

TRUSTEES PRESENT: Shawn Curry
Dan Hopkins (*Joined at 9:19 a.m.*)
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
Bukola Bello, Vision M.A.I. Consulting, Governmental Liaison
Allie Rysell, Plan Administrator, Foster & Foster, Inc.
Members of the Public

CALL TO ORDER: Chairperson Curry called the meeting to order at 9:14 a.m.

ROLL CALL: All Trustees were present as reflected above.

MEETING MINUTES: *Review – Approved September 28, 2020 Audit Committee Meeting Minutes:* The Board reviewed the minutes from the September 28, 2020 Audit Committee meeting. A motion was made by Trustee Suess and seconded by Trustee Inman to approve the Audit Committee's meeting minutes for the meeting held on September 28th. Motion carried by roll call vote.

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

Review/Approve – October 9, 2020 Board Meeting Minutes: The Board reviewed the minutes from the October 9, 2020 Board meeting. A motion was made by Trustee Holleb and seconded by

Trustee Prochaska to approve the October 9, 2020 meeting minutes. Motion carried by roll call vote.

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

Review – Approved October 16, 2020 Audit Committee Meeting Minutes: The Board reviewed the minutes from the October 16, 2020 Audit Committee meeting. A motion was made by Trustee Suess and seconded by Trustee Holleb to approve the Audit Committee's meeting minutes for the meeting held on October 16th. Motion carried by roll call vote.

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

Trustee Hopkins joined the meeting at 9:19 a.m.

CLOSED SESSION: The Board reviewed a memorandum dated November 13, 2020 regarding the "Closed Session Item" with the Board. A motion was made by Trustee Prochaska and seconded by Trustee Cole to adjourn into closed session at 9:19 a.m. under the 5ILCS 120-2(c)1 exception for the purposes of discussing the employment and compensation of legal counsel for the public body. Motion carried unanimously by roll call vote.

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

A motion was made by Trustee Cole and seconded by Trustee Poulos to return to open session at 9:46 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 exception for the purposes of discussing compensation and employment of legal counsel for the Board. The closed session was audio recorded as required by law and no final action was taken.

NEW BUSINESS: *Review/Discuss – Resignation of Conflict Counsel:* Chairperson Curry noted that Attorney Marzullo tendered a resignation letter on October 28, 2020 indicating that Puchalski Goodloe Marzullo, LLP will no longer serve as Conflict Counsel to the Fund. The Board will select a law firm to serve as Conflict Counsel for the limited purposes of providing legal services pertaining to the election.

Discussion/Potential Action – Legal Counsel: A motion was made by Trustee Prochaska and seconded by Trustee Hopkins to retain Jacobs, Burns, Orlove & Hernandez, LLP for legal services for the limited purpose of serving as Conflict Counsel for election services through December 31, 2020, subject to attorney review and approval of the contract agreement, and to amend the Election Policy as needed. 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 November 5, 2020 regarding the "Treasurer's Report – IPOPIF Board Meeting November 13, 2020" with the Board.

Monthly Financial Report: The October 31, 2020 monthly financial report was provided for review. The financial activities for the month of October were discussed with the Board as well as the fiscal year of July 1st through October 31st including a comparison against the approved budget. As of October 31, 2020, the fiduciary net position restricted is (\$123,487.87). A motion was made by Trustee Holleb and seconded by Trustee Poulos to approve the October Monthly Financial Report. 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 – Budget Amendments (If Needed): Treasurer Holleb and Mr. White reviewed the proposed Budget Amendments with the Board. Amendments were made to the Fiscal Year 2021 Budget to include additional amounts totaling \$73,875 which includes election services and governmental liaison services. A motion was made by Trustee Poulos and seconded by Trustee Prochaska to approve Resolution 2020-12 amending the Budget for the 2021 fiscal year. Treasurer Holleb recommended an amendment to the language in Paragraph 2 of the Resolution to indicate that this amendment reflects an additional amount and indicated that Exhibit 1 was not attached to the Resolution. An amended motion was made by Trustee Poulos and seconded by Trustee Prochaska to approve Resolution 2020-12 amending the Budget for the 2021 fiscal year in the additional amount totaling \$73,875 and attaching page 48 as Exhibit 1. Motion carried by roll call vote.

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

Review/Approve – Warrants Summary: Treasurer Holleb reviewed Warrants #14 and #15 as reflected in the Summary of Payments, along with all corresponding invoices. The total amount due for Warrant #14 is \$6,627.43 and the total amount due for Warrant #15 is \$43,173.72 for the period October 10, 2020 through November 13, 2020. Treasurer Holleb noted that Warrant #14 was sent for payment on October 14, 2020 which only included one invoice for payment, submitted

by Survey & Ballot Systems. A motion was made by Trustee Holleb and seconded by Trustee Inman to approve Warrant #14, ratifying Survey Ballot & Systems' invoice #13911 in the amount of \$6,627.43. Motion carried unanimously by roll call vote.

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

Treasurer Holleb requested a language amendment on Warrant #15 to change the language from "custodial" to "banking" to the Lake Forest Bank & Trust line item. A motion was made by Trustee Prochaska and seconded by Trustee Poulos to approve Warrant # 15, 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

Approval of Vendors and Purchases (If Needed): The approval of vendors or purchases will be discussed under other agenda items.

Review Loan Activity: Treasurer Holleb reviewed the loan activity with the Board. As of October 31, 2020, the Fund has drawn down \$400,000 from the Illinois Finance Authority (IFA) loan for operating purposes. A draw of \$200,000 occurred on November 2, 2020, as anticipated in the Fiscal Year 2021 Budget.

Other: Treasurer Holleb noted that the Audit Committee is requesting Board action on items included under the Audit Committee's Report. Treasurer Holleb also noted that Mr. White and Mr. Earnhardt are working with Lake Forest Bank & Trust/Wintrust to execute collateral agreements. No additional fees will be incurred by the Fund to have the bank balance fully collateralized, eliminating the need for the Fund to secure secondary banking services at this time. The required paperwork is also being processed to reopen the Money Market Account, which was inadvertently closed by Wintrust due to the lack of banking activity.

AUDIT COMMITTEE'S REPORT: Committee Chairperson Holleb directed the Board's attention to a memorandum dated November 13, 2020 regarding the "Audit Committee Report" prepared by Mr. White. The Committee requested that the Board approve the engagement letter with Baker Tilly US, LLP as well as adding Baker Tilly US, LLP as a vendor. The Committee also requested that the Board approve and adopt the Purchasing Policy (PP-2020-11).

Review/Approve – Auditor Services Engagement Letter – Baker Tilly US, LLP: Mr. White reviewed the Baker Tilly US, LLP engagement letter with the Board. A motion was made by Trustee Holleb and seconded by Trustee Inman to approve the engagement letter with Baker Tilly US, LLP and to add 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

Review/Adopt – Purchasing Policy (PP-2020-11): The draft Purchasing Policy (PP-2020-11) was reviewed with the Board. A motion was made by Trustee Inman and seconded Trustee Holleb to approve the Purchasing Policy (PP-2020-11). Committee Chairperson Holleb requested clarification on a few items pertaining to the Purchasing Policy. All questions were answered by Mr. White. After discussion, Trustee Inman decided to amend his motion. A motion was made by Trustee Inman and seconded by Trustee Holleb to approve the Purchasing Policy (PP-2020-11) incorporating Treasurer Holleb's suggested language amendments, deleting 13c and adding provision language related to budget expenses along with an amendment to reflect that the subdivision of purchases to avoid the thresholds are prohibited. 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 – Audit of Fiscal Year 2020 Financial Statements: This item was not discussed with the Board. An update was provided in the Audit Committee Report.

GOVERNMENTAL LIAISON'S REPORT: A memorandum dated November 13, 2020 regarding the "Governmental Liaison Report" was provided to the Board to review, prepared by Mr. White summarizing Ms. Bello's report and indicating that no action is required from the Board.

Monthly Board Report: Ms. Bello reviewed the initial Lobbyist Report dated October 26, 2020. Ms. Bello reviewed the Legislative Activity, House Special Investigating Committee II – Political Proceeding, Illinois Legislative Black Caucus Agenda, Illinois Credit Rating, A Subject Matter Hearing on MWDBE Investments, and the Legislative Watch List. Ms. Bello recommended that the items included under the Legislative Watch List be reviewed and discussed by the Legislative Committee at a future meeting. A Tracked Police Reform Legislation report was also included in the agenda packet for Board review. Ms. Bello is monitoring bills filed for Article 22B as well as Article 22C and will inform the Board on any areas of interest that the Board may want to act upon. She also recommended that a Resolution be filed recognizing the accomplishments made by the Transition Board of Trustees in preparation of the Permanent Board of Trustees being seated. All questions were answered by Ms. Bello, Mr. White and Attorney Reimer.

Attorney Reimer noted that under the Lobbyist Registration Act, one of the requirements is that the Board needs a written policy which includes a prohibition on sexual harassment. The Ethics Policy includes a place holder for a Sexual Harassment Policy, which will be considered for Board review and discussion at a later date. Mr. White noted that the Board is up to date with all registration requirements pertaining to lobbying needs. The first monthly expenditure report was completed and submitted by Mr. White on behalf of the Board of Trustees. Trustee Holleb voiced

her concerns regarding the legislative process along with this Board's responsibilities and Ms. Bello and Mr. White discussed these concerns with the Board.

GOVERNANCE COMMITTEE: *Establish Governance Committee and Appoint Chairperson:* Mr. White reviewed a memorandum dated November 13, 2020 titled "Establish Governance Committee" with the Board. The Governance Committee will be assigned with developing and recommending new and existing governance policies and procedures to the full Board in addition to monitoring, implementing, and the compliance of governance policies. A motion was made by Trustee DiGiacinto and seconded by Trustee Poulos to establish a Governance Committee and to appoint Trustees Inman, Curry, and Poulos to the Committee, appointing Trustee Poulos to serve as Committee Chairperson. Motion carried unanimously by roll call vote.

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

Establish Future Governance Committee Meeting(s): This item was discussed under General Counsel's Report.

ELECTION COMMITTEE'S REPORT: *Status Update – Participant Election:* Committee Chairperson Prochaska reviewed a memorandum dated November 13, 2020 regarding the "Election Status Update" with the Board, prepared by Mr. White. The election ballots were mailed to all eligible voters on October 30, 2020 and all ballots must be received by December 1, 2020. Committee Chairperson Prochaska reviewed all of the important election dates with the Board. The Board will certify the election results at the December 14, 2020 meeting. Mr. White noted that as of November 12, 2020, Survey & Ballot Systems has received approximately 23% of all eligible ballots. Election reminders will be posted on the Fund's social media accounts to remind and encourage all eligible voters to submit their ballot by the December 1, 2020 due date. Mr. White informed the Board that there were a few inquiries regarding the election ballots and updates were provided to the Board.

EXECUTIVE DIRECTOR'S REPORT: Mr. White reviewed a memorandum dated November 13, 2020 regarding the "Executive Director Report" with the Board and noted that the Board will be considering the approval of a 2021 Board and Committee Meeting Schedule, A Chief Investment Officer job description and recruitment process, and the new Request for Proposal for the Fiduciary Counsel position.

Review/Approve – 2021 Board of Trustees and Committee Meeting Schedule: The Board reviewed the 2021 Board of Trustee and Committee Meeting Schedule. The 2021 Board of Trustees meetings will be held on the second Friday of each month and are scheduled for 10:00 a.m. in person or 9:00 a.m. if the meeting is conducted via a digital platform. The Board is scheduled to meet on January 8th, February 12th, March 12th, April 9th, May 14th, June 11th, July 9th, August 13th, September 10th, October 8th, November 12th and December 10th. All meeting locations are to be determined.

The Board established their Committee meetings. The Audit Committee is scheduled to meet on January 15th, April 16th, July 16th and October 15th at 10:00 a.m. in person or 9:00 a.m. if the meeting is conducted via a digital platform. The Election Committee is scheduled to meet on January 22nd at 2:00 p.m. in person or on a digital platform. The Governance Committee is scheduled to meet on January 15th, April 16th, July 16th and October 15th at 2:00 p.m. in person or on a digital platform. The Legislative Committee is scheduled to meet on January 22nd, April 23rd, July 23rd and October 22nd at 10:00 a.m. in person or 9:00 a.m. if the meeting is conducted via a digital platform. All meeting locations are to be determined.

A motion was made by Trustee Inman and seconded by Trustee Cole to approve and adopt the 2021 Board of Trustees and Committee Meetings Calendar. Motion carried unanimously by roll call vote.

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

Chief Investment Officer (CIO) – Review/Adopt – Job Description for CIO: Mr. White reviewed the draft Chief Investment Officer (CIO) Job Description with the Board. All questions were answered by Mr. White. A motion was made by Trustee Poulos and seconded by Trustee DiGiacinto to approve and adopt the Chief Investment Officer Policy 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

Chief Investment Officer (CIO) – Review/Approve – Recruitment Process for CIO: The proposed recruitment process for the CIO position was reviewed with the Board. Mr. White is proposing that the CIO Recruitment Flier is approved by the Board and posted on November 13, 2020 and all applications must be received no later than 4:30 p.m. Central Standard Time on January 15, 2021. The Board may consider interviewing candidates at the February 12, 2021 Board meeting. Mr. White noted that the recruitment flier will be posted on various websites which will be determined shortly. Trustee Suess requested that the CIO Recruitment Flier is also posted through CFA as well. The final version will also be distributed to all Trustees. A motion was made by Trustee Cole and seconded by Trustee Inman to approve the CIO Recruitment Flier and approve the formal recruitment process for the CIO. 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 – Review/Approve – Request for Proposal for Outside Fiduciary Legal Counsel: At the October 9, 2020 meeting, the Board directed Mr. White to reopen the recruitment

for the Fiduciary Counsel Position. The Board reviewed the Request for Proposal (RFP) as prepared by Mr. White. Mr. White is recommending that the RFP is approved by the Board and posted on November 13, 2020 and all applications must be received no later than 4:30 p.m. Central Standard Time on January 22, 2021. The Board may consider all submitted proposals at the February 12, 2021 Board meeting. A motion was made by Trustee DiGiacinto and seconded by Trustee Inman to approve the Outside Legal Fiduciary Counsel Service Request for Proposal and authorize the release of the RFP. Motion carried unanimously by roll call vote.

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

GENERAL COUNSEL'S REPORT: *Review/Discuss – Board Motion Procedures:* Attorney Reimer informed the Board that he will prepare a memo detailing proposed motion procedures for Board review.

Review/Adopt – Ethics Policy: Attorney Reimer noted that the draft Ethics Policy can be reviewed now, or at a future Governance Committee meeting. Chairperson Curry requested that the Governance Committee review the policy and make a recommendation to the full Board for approval at a future meeting. Further discussion will be held at the December 14, 2020 Board meeting.

Discussion – Ethics Officer Position: Attorney Reimer noted that the Ethics Officer Position can be discussed now or at a future Governance Committee meeting. Chairperson Curry requested that the Governance Committee review the policy and make a recommendation to the full Board for approval at a future meeting. Further discussion will be held at the December 14, 2020 Board meeting.

Mr. White noted that a Governance Committee meeting will be scheduled and held prior to the December 14, 2020 Board meeting.

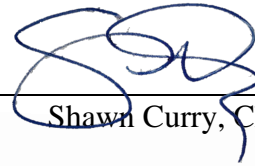
OLD BUSINESS: There was nothing outstanding to discuss.

PUBLIC COMMENT: There were no comments from the public.

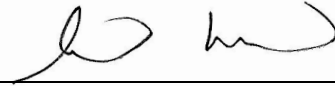
ADJOURNMENT: With no further business to discuss, a motion was made by Trustee Prochaska and seconded by Trustee Hopkins to adjourn the meeting at 11:43 a.m. Motion carried unanimously by roll call vote.

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

Approved by:



Shawn Curry, Chairperson



Andrea DiGiacinto, Secretary

Date Approved by the Board of Trustees: December 14, 2020

The next Board meeting of the Illinois Police Officers' Pension Investment Fund will be held on Monday, December 14, 2020 at 9:00 a.m. via the Zoom Digital Platform.