

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND**MEETING MINUTES – FEBRUARY 24, 2020**

A meeting of the Board of Trustees of the Illinois Police Officers' Pension Investment Fund was held on Monday, February 24, 2020 at 9:30 a.m. in the Training Room located at the Peoria Police Department, 600 SW Adams Street, Peoria, IL 61602.

TRUSTEES PRESENT: Shawn Curry Brian Prochaska Michael Inman
Dan Hopkins Mark Poulos Phil Suess
Andrea DiGiacinto Elizabeth Holleb Brad Cole

TRUSTEES ABSENT: None

OTHERS PRESENT: Sean Smoot, Illinois Police Benevolent and Protective Association
Tim Kobler, Patrolman, Village of Willowbrook
Cindy M. Scribner, Certified Shorthand Reporter
Members of the Public (Attached)

CALL TO ORDER: The meeting was called to order at 9:30 a.m. Trustee Curry lead the Pledge of Allegiance. A moment of silence was observed to honor all fallen officers.

SPECIAL ORDERS: *Introduction to the Police Officers' Pension Investment Fund:* Mr. Smoot welcomed everyone to the first meeting of the Illinois Police Officers' Pension Investment Fund (IPOPIF). Mr. Smoot thanked the board members for their service on behalf of the annuitants and beneficiaries.

ROLL CALL: All trustees were present, as reflected above. Mr. Smoot invited board members to introduce themselves. All trustees provided brief introductions and background on their current positions.

Discussion/Potential Action – Election of Officers – Chair: Mr. Smoot requested nominations for the position of Board Chairman. Trustee Poulos nominated Shawn Curry as Chairman, which was seconded by Trustee Prochaska. With no other nominations or further discussion, Mr. Smoot called for a voice vote. Motion carried unanimously by voice vote. Mr. Smoot congratulated Trustee Curry on his position as Board Chairman and released the meeting over to his command.

Discussion/Potential Action – Election of Officers – Vice-Chair: Chairman Curry requested nominations for the position of Board Vice-Chairman. Trustee Inman nominated Brad Cole as Vice-Chairman, which was seconded by Trustee Holleb. Trustee Poulos nominated Dan Hopkins as Vice-Chairman, which was seconded by Trustee DiGiacinto. With no other nominations or further discussion, Chairman Curry called for a roll call vote.

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

With five votes for Dan Hopkins and four votes for Brad Cole, Dan Hopkins was elected as Board Vice-Chairman by majority vote.

Discussion/Potential Action – Election of Officers – Secretary: Chairman Curry requested nominations for the position of Board Secretary. Trustee Poulos nominated Andrea DiGiacinto as Secretary, which was seconded by Chairman Curry. Trustee Holleb nominated Brad Cole as Secretary, which was seconded by Trustee Suess. With no other nominations or further discussion, Chairman Curry called for a roll call vote.

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

With five votes for Andrea DiGiacinto and four votes for Brad Cole, Andrea DiGiacinto was elected as Board Secretary by majority vote.

Discussion/Potential Action – Election of Officers – Treasurer: Chairman Curry requested nominations for the position of Board Treasurer. Trustee Hopkins nominated Elizabeth Holleb as Treasurer, which was seconded by Trustee DiGiacinto. With no other nominations or further discussion, Chairman Curry called for a roll call vote.

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

Elizabeth Holleb was named as Board Treasurer by a unanimous vote. Chairman Curry congratulated Trustee Holleb on her position of Board Treasurer.

Discussion/Potential Action – Election of Officers – Ethics Officer: Chairman Curry noted that the Ethics Officer position will not be assigned to a trustee on the board. Chairman Curry will obtain clarification to determine the appropriate body and process in which an Ethics Officer will be selected. Further discussion will be held at a future meeting.

Discussion – FOIA Officer and OMA Designee: Chairman Curry informed the board that in order to be in compliance with the Freedom of Information Act (FOIA), a FOIA Officer shall be assigned. Chairman Curry informed the board that it is customary for Board Secretary to be named as the FOIA Officer and inquired if Trustee DiGiacinto would agree to assume this role. With no other board discussion or nominations, Trustee DiGiacinto accepted the position as FOIA Officer.

Chairman Curry informed the board that in order to be in compliance with the Open Meetings Act (OMA), an OMA Designee should be established. Chairman Curry informed the board that it is also customary for Board Secretary to assume the role as the OMA Designee and inquired if Trustee DiGiacinto would agree to assume this role. With no other board discussion or nominations, Trustee DiGiacinto accepted the position as OMA Designee. Chairman Curry directed all trustees to provide all OMA training certificates of completion to Trustee DiGiacinto for record keeping.

Discussion – Chief Investment Officer Position: Chairman Curry stated that the board will need to hire a Chief Investment Officer (CIO). Once all assets of the local funds are consolidated, the Fund will have fiduciary control of approximately \$10 billion in assets. According to 2018 data, the IPOPIF could be the fourth or fifth largest public safety fund in the nation. The statute requires that the position of CIO and the Executive Director positions be selected, but also allows for one person to hold both positions. Chairman Curry informed the board that he would prefer that the CIO and Executive Director positions remain separate, to provide oversight along with checks and balances. Both persons selected would work independently and collectively to serve the board. Chairman Curry would like to begin the process of selecting a CIO as soon as practical once an Executive Director is selected.

Trustee Suess agreed that the board should discuss the vision of the structure of the organization and the board should develop the duties required of the CIO. He would prefer that the structure of the organization stay consistent with the model of the police board as it currently exists, versus the infrastructure that has been established with a large organization like the IMRF. Trustee Holleb inquired if there were any other trustees that were in favor of merging the CIO and Executive Director positions into one, given that the management of investment assets is the primary responsibility of the Fund. Chairman Curry noted that the statute identifies the CIO and Executive Director as separate positions and would prefer that the positions remain separate. The board could delegate the Executive Director to manage the day-to-day operations and the CIO to be dedicated strictly with the operations of investments. Chairman Curry reiterated that it is his preference that both persons would have separate duties and responsibilities as determined by the board. The CIO and Executive Director would report independently but also work collectively for the purposes of oversight and checks and balances. Trustees Hopkins and Prochaska informed the board that they agree with Chairman Curry's statements. Chairman Curry noted that the CIO does not have to be determined right now and that the immediate need is for the selection of an Executive Director.

Discussion/Potential Action – Job Description and Posting for Interim Executive Director Position: Chairman Curry noted that the Executive Director Position shall be established by the 31st of March 2020. Trustee Cole noted that the statute requires the appointment of an Executive Director within 60 days or as soon as practicable thereafter, so there is no hard deadline. The board reviewed a draft outline of the job description for the Executive Director position, as drafted by Trustee DiGiacinto. Chairman Curry requested all board member participation in reviewing the job description and providing input regarding the preferred qualifications and qualities for this position. Chairman Curry requested that trustees send all proposed language for the Executive Director position to Trustee DiGiacinto. Trustee DiGiacinto will prepare the draft job description for board review and consideration at the next meeting. The board expects to have the job description finalized and posted after the conclusion of the next meeting so the board can begin

accepting applications. The board discussed the process in which applications or resumes will be received; via electronic format or mail delivery, which was not determined at this time.

CORRESPONDENCE: *Discussion/Potential Action – Establish Board Member Email Addresses:* Chairman Curry informed the board that he would like to establish an email system dedicated exclusively to board members of the IPOPIF. Once established, he would like trustees to send all board related correspondence via their dedicated email address, so all board business is conducted and contained in one system in the event of a subpoena, FOIA request, or lawsuit.

Chairman Curry informed the trustees that Trustee DiGiacinto created a public Facebook page for the IPOPIF which will store board related information in the interim until a website is established. Trustee DiGiacinto noted that future agendas and other pertinent board documents will be posted on the Facebook page. The board will continue to provide agendas and other board documents for posting to other outlets until a dedicated website is established. Trustee DiGiacinto will inquire if a government website and emails can be established. An update will be provided at the next meeting.

NEW BUSINESS: *Discussion/Potential Action – Approval of Indemnification:* Chairman Curry stated that the statute allows each member, advisor, and employees of the IPOPIF board to be self-indemnified. A draft copy of the indemnification agreement was distributed to the board for review. A motion was made by Trustee Inman and seconded by Trustee Poulos to adopt the proposed agreement. With no further discussion, Chairman Curry called for a roll call vote.

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

The motion to approve the indemnification agreement was carried by a unanimous roll call vote.

Discussion – Retention of Directors & Officers Fiduciary/Business Liability Insurance: Chairman Curry informed the board that proper insurance coverage should be obtained for the IPOPIF when funds are available. Chairman Curry will contact various providers to obtain proposals for the board's review and consideration at a future meeting.

Discussion – Establish By-Laws: Chairman Curry stated that the board will need to establish by-laws and recommended that the board task general counsel, once determined, to prepare by-laws for board review and consideration. Once general counsel is established, the board may consider the selection of Fiduciary Counsel. Further discussion will be held at a future meeting.

Discussion – Development and Appointment of Committees: The board discussed the various committees that will need to be in place, particularly the committee to conduct the election of trustees to the permanent board. Chairman Curry noted that the committee boards, once established, can assist with the creation of board processes, including the election process. The board discussed obtaining outside entities for oversight of the election process. Chairman Curry will contact police unions and other large entities to obtain information on how they conduct their

elections to ensure the board's election process includes proper oversight and no irregularities. Chairman Curry also noted that the board will eventually need to establish a temporary office space to store Fund records. Chairman Curry requested board member input regarding the office space and development of committees for discussion at a future meeting.

Discussion – Intergovernmental Agreement with Illinois Finance Authority: Chairman Curry informed the board that the Illinois Finance Authority (IFA) prepared an Intergovernmental Agreement for board review and consideration. Chairman Curry noted that he was unable to attend a recent IFA meeting and requested that Mr. Kobler attended in his place. Mr. Kobler informed the board that the IFA passed a resolution authorizing the IPOPIF to borrow up to \$7,500,000 as laid out in the statute. Mr. Kobler noted that the IFA voted unanimously to approve the resolution and are eager to work with the IPOPIF. Copies of the resolution were presented to the board for review. The proposed agreement authorizes a loan from the IFA in the amount of \$7,500,000 at an interest rate of 1.5% above the lending rate, with a 3% floor, with payment received no less than 30 months after the transition period has ended. The board was not satisfied with the interest rate and discussed the possibility of acquiring funds from a different entity at a lower interest rate or negotiating with the IFA. Chairman Curry requested that all trustees review the resolution in advance of the next meeting for further board discussion.

Discussion – Employee Directives Manual: Chairman Curry stated that the board will need to establish an Employee Directives Manual and recommended that the board task general counsel, once determined, to prepare the manual for board review and consideration. Further discussion will be held at a future meeting.

Discussion – Annual Budget: Chairman Curry noted that the Treasurer will collaborate with the board to prepare an annual budget for the IPOPIF when funds are available. Once prepared, the budget will be available to the public.

Trustee Hopkins inquired of the board's employer identification number (EIN). Trustee Holleb informed the board that she will obtain the board's EIN.

Discussion – Retention of Professional Services: General Counsel: Chairman Curry stated that the board will need to obtain legal counsel to assist with navigating the new bill, to provide legal advice, prepare rules and regulations, create an employee handbook, board policies and so forth. An attorney with institutional legal experience will be necessary. Chairman Curry requested authority from the board to post a job description for legal services, with a two-week timeline for responses to be received. A motion was made by Trustee Inman and seconded by Trustee Poulos to proceed with the hiring of legal counsel for the board. Trustee Suess noted that he would prefer to prepare a job description along with a list of services to be provided by general counsel for board review and consideration prior to posting. Trustee Hopkins requested clarification on the job posting for legal counsel. Chairman Curry clarified that the board is seeking general counsel at this time and will seek Fiduciary Counsel at a later time. Trustee Prochaska noted that the annual budget and loan have not yet been established, so the board will need to develop an agreement with general counsel to determine payment of services until funds are received. Chairman Curry requested that trustees send all proposed language for the general counsel position to Trustee DiGiacinto. Trustee DiGiacinto will prepare the draft job description for board review and

consideration at the next meeting. The board expects to have the job description finalized and posted after the conclusion of the next meeting so the board can begin accepting applications. After further discussion, the motion by Trustee Inman was withdrawn.

Discussion – Retention of Professional Services: Investment Professionals: Chairman Curry noted that the board will need to obtain consultants and financial professionals and would like the CIO to assist in the process, once established. Further discussion will be held at a future meeting.

Discussion – Retention of Professional Services: Independent Auditing Firm: Chairman Curry noted that the board will eventually need to obtain an independent auditing firm. A request for proposals will be prepared at a later time. Further discussion will be held at a future meeting.

Discussion – Retention of Professional Services: Actuary: Chairman Curry noted that the board will eventually need to obtain an actuary. A request for proposals will be prepared at a later time. Further discussion will be held at a future meeting.

Discussion – Retention of Professional Services: Administrative Support: Chairman Curry would like to request proposals for administrative support services to ensure that board meeting minutes and records are well documented. Chairman Curry inquired if it would be the board's preference to prepare a job description along with a list of services to be provided by an administrative support provider for board review and consideration at the next meeting. Trustee Poulos inquired if the board should delay the retention of an administrative support provider until an Executive Director is established. Chairman Curry noted that several meetings will be held prior to the selection of an Executive Director and would prefer that an administrative support provider is established to ensure board meetings are well documented. Chairman Curry noted that the board can determine the length of the service agreement, through the end of the year or until an Executive Director is selected. The board discussed all viable options to ensure that board meetings are well documented until an agreement can be established with an administrative support provider.

Trustee Hopkins inquired as to who scheduled and paid for a court reporter to attend the meeting. Trustee Cole informed the board the court reporter present was provided and paid for by the Illinois Municipal League (IML). Trustee Hopkins voiced his objection of the IML providing a court reporter to the board, as it can be seen as a violation of the state ethics law to accept a donation from the IML. Trustee Cole informed the board that the court reporter present was in attendance to take the minutes for the IML, not the board of trustees. Chairman Curry noted that Foster & Foster volunteered to attend this meeting to prepare the minutes for the board. Trustee Suess offered his assistance in exploring viable options for an administrative support provider to attend future meetings to prepare the minutes until a formal selection is made by the board. Trustee Hopkins and Chairman Curry agreed with Trustee Suess' comments and thanked him for his assistance.

Chairman Curry noted that the IPOPIF is representing police officers and beneficiaries from communities throughout the state of Illinois. At this time, it would be his preference to hold future meetings at various police departments throughout the state so that local police officers and beneficiaries have the opportunity to attend meetings. Chairman Curry requested that the interim administrative support provider be willing and able to travel for board meetings.

Discussion – Development and Appointment of Committees (continued): Trustees Suess and Hopkins discussed the need of a structured process for soliciting information for the retention of officers, advisors, and employees. Trustee Suess recommended that future meetings be conducted as meetings of the whole at this time, and suggested that committee boards be established at a later date. Trustee Hopkins agreed with Trustee Suess' comments and noted that meetings of the whole will maintain transparency.

CORRESPONDENCE (CONTINUED): Trustee Poulos inquired as to the outlets in which the board intends on utilizing to notify the public of the job postings. Chairman Curry noted that he will contact the state to inquire if job postings can be made available on their website, in addition to the IML, Fraternal Order of Police (FOP), Illinois Police Benevolent & Protective Association, and Metropolitan Alliance of Police. Further discussion will be held at the next meeting.

NEW BUSINESS (CONTINUED): *Discussion/Potential Action – Establish Meeting Schedule:* Board members reviewed their schedules and determined that the next meeting date will be held on Wednesday, March 4, 2020 at 10:00 am at a location to be determined, tentatively at the Aurora Police Station. Once the location is confirmed, all trustees will be notified, and an agenda will be prepared. The board will discuss a structured meeting schedule at the next meeting.

OTHER BUSINESS: There was no other business for discussion.

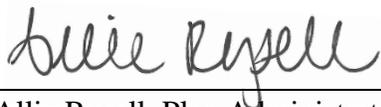
PUBLIC COMMENT: Chairman Curry inquired if there were any comments from the members of the public. The following members of the public addressed the board:

1. Jim McNamee, retired officer and Board President of the Illinois Public Pension Fund Association (IPPPFA), thanked the board for holding their first meeting at a police department. Mr. McNamee voiced his support of holding future board meetings at police departments for transparency and reassurance to the public that the board is working in the best interest of police officers and retirees in the management of the retirement fund assets. Mr. McNamee informed the board that the IPPFA would be willing to post any IPOPIF documents on their website and assist the board in any way that they can. Mr. McNamee noted there is no other state that has gone through a consolidation as large as this and voiced his concerns regarding the transition process. Chairman Curry thanked Mr. McNamee for his comments.
2. Shaun Ivey, Pekin Police Pension Fund, voiced his objection of Trustee Cole being appointed to the IPOPIF and shared his concerns with the board. Chairman Curry thanked Mr. Ivey for his comments.
3. Dave Alig, Board President of the Eureka Police Pension Fund and FOP Steward, voiced his concerns regarding the appointment of an IML representative to the IPOPIF board. He opposes an IML representative being in the board position of Chairman or Vice-Chairman. Mr. Alig does not entrust a member of the IML to work in the best interest of police officers and retirees in the management of the retirement fund assets.

4. Greg Johnson, Peoria Police Benevolent Association, noted that concerns have been brought to his attention regarding the process in which the individual local funds will be transferred along with concerns regarding the funds being accessed by special interest investors. Chairman Curry informed Mr. Johnson that the board will work with the Chief Investment Officer to determine the best process in which the local fund assets will be transferred. Chairman Curry informed the public that he is aware of member concerns. He assured all attendees that a good board is in place and asked for confidence that the board will do the right thing and will work through any hiccups that come along. He further stated that the board will hire the right professionals, Chief Investment Officer and Executive Director, and assured openness and transparency. He stated that this board is autonomous and will work as a team with everyone's input.
5. Brian Terry, Peoria Police Department, requested additional information on a recent police reform bill that has been proposed. Chairman Curry noted that all concerns regarding any legislation should be directed to Sean Smoot, the FOP, or local union leadership, as the IPOPIF is solely tasked with the management of investment of assets.
6. John Falduto, Sawyer Falduto Asset Management, requested clarification from the board on where the public can locate future board meeting information. Chairman Curry noted that board documents will be posted on websites including the IML, IPPFA, FOP, PPBA, and a copy will be provided to the State. Trustee Cole confirmed that the IML intends on posting any board documents that are received from the board. Trustee DiGiacinto reiterated that a public Facebook page has been established for the Fund which will support future meeting information.

ADJOURNMENT: With no other public comments and no other business for discussion, a motion was made by Trustee Hopkins and seconded by Trustee Suess to adjourn the meeting at 10:44 a.m. Motion carried unanimously by voice vote.

Respectfully submitted by:



Allie Rysell, Plan Administrator
Foster & Foster, Inc.

Approved by:

Shawn Curry, Chairman
IPOPIF

Date Approved by the Board of Trustees: _____

The next meeting of the Illinois Police Officers' Pension Investment Fund will be held on Wednesday, March 4, 2020 at 10:00 a.m. at the Community Room located at the Aurora Police Department, 1200 E. Indian Trail Road, Aurora, IL 60505.