

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 20-07S

SPECIAL MEETING

OF THE

BOARD OF TRUSTEES

A Special Meeting of the Board of Trustees was held electronically via GoToMeeting at 10:45 a.m. on July 30, 2020. (Per Executive Order 2020-48 and 5 ILCS 120/7(e)). The public could participate telephonically by dialing: 1-786-535-3211. Access Code: 933-866-037.

Mr. Miller presided as Chair and called the meeting to order.

Ms. Enright took a roll call:

Present: Copper, Henry, Kuehne, Miller, Stanish, Stafford, Wallace, Williams  
Absent: None

Ms. Dean from Wilshire Associates was also present via GoToMeeting.

(20-07S-01) (Report of the July 30, 2020 Audit Committee Meeting)

The Chair of the Audit Committee presented a report on the Audit Committee Meeting that was held on July 30, 2020.

The Chair of the Audit Committee reported that the Chief Financial Officer presented an analysis of the Request For Proposals for an Outside Financial Audit Contract that were reviewed by staff.

It was the consensus of the Audit Committee to recommend the Board approve the engagement of Plante Moran LLC for a 5-year contract for Audit Services; a 4-year contract for SOC 1 Type 2 services; subject to legal due diligence.

It was moved by Mr. Wallace, seconded by Ms. Henry, to approve the recommendation of the Audit Committee:

Vote:

Aye: Copper, Henry, Kuehne, Miller, Stafford, Stanish, Wallace, Williams  
Nay: None  
Absent: None

(20-07S-02) (Report of the July 30, 2020 Investment Committee Meeting)

The Chair of the Investment Committee presented a report on the Investment Committee Meeting that was held on July 30, 2020.

The Chief Investment Officer gave a Private Equity presentation to the Investment Committee that included recommendations, followed by presentations from two Private Equity managers (Clearlake Flagship Plus Partners, L.P. and EnCap Energy Transition Fund I, L.P.).

It was the consensus of the Investment Committee to recommend the Board approve the following recommendations:

- Authorize a commitment of up to \$75 million to Clearlake Flagship Plus Partners, L.P., subject to satisfactory legal due diligence;
- Authorize a commitment of up to \$25 million to EnCap Energy Transition Fund I, L.P., subject to satisfactory legal due diligence; and,
- Authorize staff to complete all documentation necessary to execute this recommendation.

Next, the Chief Investment Officer and Investment Consultant, Wilshire Associates, gave a presentation to the Investment Committee on the Opportunistic and Distressed Private Credit Manager Search that included a recommendation, followed by a presentation from one Opportunistic and Distressed Private Credit Manager (H.I.G. Bayside Loan Opportunity Fund VI, L.P.).

It was the consensus of the Investment Committee to recommend the Board approve the following recommendation:

- Authorize a commitment of up to \$25 million to H.I.G. Bayside Loan Opportunity Fund VI, L.P., subject to satisfactory legal due diligence; and,
- Authorize staff to complete all documentation necessary to execute this recommendation.

It was moved by Ms. Henry, seconded by Mr. Kuehne, to approve the recommendations of the Investment Committee:

Vote:

Aye: Copper, Henry, Kuehne, Miller, Stanish, Stafford, Wallace, Williams  
Nay: None  
Absent: None

Trustee Stanish left the meeting at 11:05 a.m.

(20-07S-03) (Bids) The Associate General Counsel presented the following bids for approval:

Bids

Cubicle Mounted Dividers  
Awarded Contractor: Forward Space  
Awarded Contract Amount: \$43,464.00.

Death Match Audit Services - 3 Year Term  
Approved Bidder: Pension Benefit Information, LLC (PBI)  
Approved Bid: \$240,000.00.

After questions and discussion, it was moved by Ms. Henry, seconded by Mr. Stafford, to approve the bids as presented.

Vote:

Aye: Copper, Henry, Kuehne, Miller, Stafford, Wallace, Williams  
Nay: None  
Absent: Stanish

Trustee Stanish entered the meeting (via GoToMeeting) at 11:09 a.m.

(20-07S-04) (Resolutions) The Associate General Counsel presented the following resolutions for Board approval:

Resolution Rescinding Outdated Resolutions

WHEREAS, Section 7-198 of the Illinois Pension Code authorizes the Board of Trustees of the Illinois Municipal Retirement Fund to establish rules necessary or desirable for the efficient administration of the Fund; and

WHEREAS, the Board of Trustees has previously adopted Resolution 2012-07-06 which established the policy that employers may not adopt an Early Retirement Incentive program earlier than five years after the close of a previous Early Retirement Incentive program; and

WHEREAS, this policy reflected an interpretation of Section 7-141.1 of the Illinois Pension Code; and

WHEREAS, the Board no longer believes that this policy best serves the member and employers of IMRF; and

WHEREAS, it is appropriate that this resolution be rescinded.

NOW THEREFORE BE IT RESOLVED that Board Resolution 2012-07-06 be and is hereby rescinded.

The Associate General stated that Legal Staff periodically review active IMRF Board Resolutions to recommend amendment or rescission where necessary.

He noted Resolution 2012-07-06 added restrictions on when an employer may enact an Early Retirement Incentive (ERI) in addition to those set forth in the Pension Code.

After questions and discussion, it was moved by Mr. Kuehne, seconded by Ms. Copper, to approve the above resolution which rescinds Board Resolution 2012-07-06.

Vote:

Aye: Copper, Henry, Kuehne, Miller, Stafford, Stanish, Wallace, Williams  
Nay: None  
Absent: None

The Associate General Counsel presented the following amended Board Resolution for Board approval:

WHEREAS, Section 7-198 of the Illinois Pension Code authorizes the Board of Trustees of the Illinois Municipal Retirement Fund to establish rules necessary or desirable for the efficient administration of the Fund; and

WHEREAS, Public Act 99-900, effective August 26, 2016, created Sections 7-137(b)(2.5) and 7-137.2 of the Illinois Pension Code which provide the requirements for participation in IMRF for members of a county board; and

WHEREAS, the Supreme Court found the requirements of Section 7-137.2(a) to be unconstitutional and unenforceable in *Williamson County Board of Commissioners v. Board of Trustees of Illinois Municipal Retirement Fund*, 2020 IL 125330; and

WHEREAS, it is necessary for the Board of Trustees to amend its rules for the efficient administration of Sections 7-137(b)(2.5) and 7-137.2(b).

THEREFORE, BE IT RESOLVED that the following administrative rules be and are hereby adopted by the Board of Trustees:

#### IMRF Participation for County Board Members

A member of a county board may participate in IMRF under the following conditions:

- a. The county board member was first elected or appointed to the county board before August 26, 2016; and
- b. The county board has on file with IMRF a current resolution approved by IMRF finding that the board members are expected to work at least 600 or 1000 hours (as appropriate) or more in a year, as specified in IMRF Board Resolution 2019-05-09(d); and
- c. While a member of the county board, the county board member has elected, in a written notice filed with IMRF, to participate in IMRF; and
- d. The county board member files the time sheets in a form acceptable to IMRF and as provided by Section 7-137.2(b).

#### Documentation of Time Worked on County Business

The time sheets required by Section 7-137.2(b) must:

- a. Contain a detailed record of the time the county board member spent on official government business during each month of the year specifically setting forth the date, length of time, and type of official government business performed; and
- b. Be filed with the county's fiscal officer (or designee) monthly. The form may be in either electronic or paper format. A time sheet must be filed each month, even if the county board member is reporting no hours worked in that month; and
- c. Evidence the county board member worked at least the number of hours required for IMRF participation with the county (either 600 or 1000 hours) on an annual basis. The reporting year will begin as of the later of August 26, 2016, or the month the county board member took office.

#### Definition of Official Government Business

Official government business is defined as:

- a. Attendance at county board and committee meetings;
- b. Preparation for county board and committee meetings;
- c. Meetings and communication with county staff;
- d. Meetings and communication with constituents;

- e. Meetings and communication with other elected officials;
- f. Attendance at official county functions;
- g. Attendance at meetings of other local governmental boards related to county business;
- h. Attendance at meetings of civic and commercial organizations related to county business;
- i. Other activities related to county business, including office hours at the county administration building.

Official government business does not include:

- a. Activities related to campaigning for public office;
- b. Activities defined as "prohibited political activity" at section 1-5 of the State Officials and Employees Ethics Act (5 ILCS 430/1-1 et seq.);
- c. Time spent "on-call" or informally available to constituents.

Travel time:

Travel for which reimbursement would be paid to county employees under the county's personnel policies may be included as official government business.

#### County Board Resolution

In order for a county board member to be eligible to participate in IMRF, the county board must pass a resolution finding that the position of county board member will require at least 600 or 1000 hours (as appropriate for that county) of work in a twelve month period. Refer to IMRF Board Resolution 2019-05-09(d) for additional details on resolutions for governing body members.

The Associate General Counsel stated that in August 2016, Section 7-137(b)(2.5) and 7-137.2 were added to the Pension Code and changed the participation rules for county board members. Section 7-137.2(a), that created the requirement for county boards to recertify IMRF eligibility of the county board position within 90 days of an election was challenged by county board members. In June 2020, the Illinois Supreme Court ruled Section 7-137.2(a) as unconstitutional. Therefore, current Board Resolution 2016-08-12 must be amended in accordance with the Supreme Court's ruling.

After questions and discussion, it was moved by Ms. Henry, seconded by Ms. Copper, to approve the above amended resolution.

Vote:

Aye: Copper, Henry, Kuehne, Miller, Stafford, Stanish, Wallace, Williams  
Nay: None  
Absent: None

(20-07S-05)(Trustee Forum) The Chair reported the following Trustee requested authorization from the Board for the following conference:

Sue Stanish                      Public Funds Summit  
    Opal Group  
    August 19, 2020  
    \*\* Virtual Conference

It was moved by Mr. Stafford, seconded by Ms. Henry, to approve the above Trustee request.

Vote:

Aye: Miller, Copper, Henry, Kuehne, Stanish, Stafford, Wallace, Williams  
Nay: None  
Absent: None

(20-07S-06)(Horizon Project Update)The Executive Director gave an update to the Board on IMRF's Horizon Project that included: an overall assessment; delivery approach; successes; challenges; and, timeline.

Questions and discussion followed.

Trustee Henry left the meeting at 11:25 a.m.

(20-07S-07)(Adjournment)It was moved by Ms. Copper, seconded by Mr. Kuehne, to adjourn the meeting at 11:32 a.m. to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on August 28, 2020.

Vote:

Aye: Miller, Copper, Kuehne, Stafford, Stanish, Wallace, Williams  
Nay: None  
Absent: Henry

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President

\_\_\_\_\_  
Date

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Secretary

\_\_\_\_\_  
Date