

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 22-05
MAY 27, 2022

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 22-05

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m. on May 27, 2022, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Ms. Copper presided as President/Chair and called the meeting to order.

Ms. Herman took a roll call:

Present: Copper, Henry*, Kosiba, Kuehne, Miller, Stanish, Stefan

Absent: Mitchell

**Trustee Henry attended the meeting via MS Teams.*

(22-05-01) (Gabriel, Roeder Smith & Company 2021 Actuarial Valuation Report and 2021 Gain/Loss Analysis) Mr. Mark Buis and Mr. Francois Pieterse from Gabriel Roeder Smith Company presented IMRF's Annual Actuarial Valuation as of December 31, 2021, and IMRF's Gain/Loss Analysis, noting that the objective of the Analysis is to calculate employer rates for 3,371 plans for the 2023 calendar year; measure financial position and funding progress; substantiate changes in financial position that occurred during the year; and update on the Pandemic experience and actuarial standards of practice.

Highlights of the presentation included:

- IMRF experienced a net gain in 2021 mostly due to economic experience.
- Average 2023 rates will be lower than 2022 rates.
- 2024 rates will be affected by:
 - Continued emergence of Tier 2;
 - Continued recognition of \$7 billion unrecognized investment gains;
 - Market volatility (up/down tendencies) for 2022; and
 - Potential ongoing pandemic impact.
- IMRF is now 98.6% funded (112.3% based on market value); which is well above the national average.

(22-05-02) (1st Quarter 2022 Investment Performance - Wilshire Associates)

Mr. Ali Kazemi presented the performance summary as of March 31, 2022; and Ms. Dean was present on MS Teams.

Below are the performance highlights as of March 31, 2022.

- The Illinois Municipal Retirement Fund ended March 2022 with a market value of \$54.1 billion, down for the quarter by approximately \$2.7 billion. Market volatility associated with the Russia-Ukraine

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conflict and interest rate hikes intended to tame inflation provided a challenging environment for growth and defensive assets.

- IMRF underperformed the benchmark during the quarter, returning -4.44% versus -2.99% for the Total Fund Benchmark. This was the first quarter of underperformance after 7 straight quarters of outperformance.
- Through the end of March 2022, IMRF returned 7.47% versus its benchmark of 7.37% for the one-year period.
- The U.S. Equity Portfolio underperformed the benchmark during the quarter, returning -6.22% versus -5.01%. In aggregate, investment manager performance in Large Cap Growth was the largest contributor to relative underperformance. Value outperformed growth considerably during the first quarter and portfolio shifts made last year and this year away from growth helped mitigate further losses.
- Over the trailing one-year, the U.S. Equity portfolio underperformed the benchmark, returning 9.27% versus 12.24%.
- The International Equity Portfolio underperformed the benchmark during the first quarter, returning -7.76% versus -5.44%. Investment manager underperformance in Large Cap Growth, Large Cap Core, and Emerging Markets were the largest detractors for the quarter.
- Emerging Markets as a whole were challenged as the Russia/Ukraine conflict impacted other regions and drove up energy prices, higher quality companies and underweights to energy names were headwinds that contributed to underperformance.
- Over the trailing one-year, the International Equity portfolio underperformed the benchmark, returning -2.51% versus -1.48%.
- The Fixed Income Portfolio outperformed the benchmark during the quarter, returning -5.54% versus -5.93%. Investment manager performance was mixed, however, a structural tilt to less rate sensitive assets provide some protection as rates increased in the quarter.
- During the trailing one-year period, the Fixed Income portfolio outperformed the benchmark, returning -3.40% versus -4.15%.
- As of March quarter-end, Domestic Equity was 5.9% over its target. The current Statement of Investment Policy states that when actual allocations of the asset class differ by more than four percentage points from the policy target, a recommendation for rebalancing will be made to the Board of Trustees. At this time, IMRF is implementing the new asset allocation that was approved by the Board at the February 2022 meeting.

(22-05-03) Monthly Manager Performance Report Mr. Ali Kazemi and Ms. Rose Dean presented the monthly manager performance report for the month of April 2022. Below are the performance highlights for the month of April 2022.

- IMRF ended April 2022 with a market value of \$50.8 billion, down for the month by approximately \$3.32 billion. IMRF returned -5.52% during the month, slightly underperforming the Total Fund Benchmark, which returned -5.46%. Growth and defensive assets saw steep sell offs to begin the second quarter as rising rates coupled with uncertainty around future interest rate hikes to combat inflation weighed on investor sentiment.
- U.S. Equity markets sold off steeply due to Fed rate hike expectations, with growth underperforming value in both the small and large cap spaces. The U.S. Equity Portfolio underperformed the

benchmark during the month, returning -9.07% versus -8.60%. In aggregate, investment manager performance in Large Cap Growth was the largest contributor to relative underperformance.

- o The internally Managed GSAM-Factor Diversity Portfolio outperformed the benchmark during April, returning -8.16% versus -9.04% for the benchmark. Since inception, the strategy has outperformed the benchmark, returning 12.72% versus 12.69%.
- o The Internally Managed Scientific Beta Portfolio outperformed the benchmark during the month, returning -5.79% versus -6.10% for the benchmark.
- International Equity markets suffered their weakest month since March 2020 primarily driven by the continued war in Ukraine and monetary policy tightening. The International Equity Portfolio underperformed the benchmark during April, returning -6.69% versus -6.28%. In aggregate, investment manager performance in Large Cap Growth and Large Cap Core underperformed their respective benchmarks during the month.
- U.S. Treasury yields moved significantly during April, with the longer end of the yield curve increasing more than the shorter end, reversing the recent flattening trend. The Fixed Income Portfolio underperformed the benchmark during the month returning -3.41% versus -3.24%. Investment manager performance in Core Plus contributed to relative underperformance during April. The Bank Loan portfolio was a bright spot, as the floating rate nature of the bonds were able to benefit from rising interest rates.
- As of April month-end, all underlying asset class allocations in the Portfolio are within the stated four percentage point rebalancing range as outlined by the current Statement of Investment Policy.

(22-05-04) (Investment Reports) CIO Angela Miller-May reported that the total fund value as of May 25, 2022 was \$50.2 billion, which reflects a change in percentage of -1.14% from the month before. She further explained that as of May 25, 2022, our International Equity portfolio was down -2.08%; our Fixed Income portfolio was up +5.59%; and our Real Estate portfolio was down -0.32% from the month before. Also, our Domestic Equity portfolio was down -5.76%; our Alternative Investments portfolio was up +1.70%; and the cash portfolio was down -16.77% from the month before.

Furthermore, the following benchmark returns were reported:

S&P 500	-3.56%
Custom U.S. Equity Benchmark	-3.48%
93% Russell 3000 Index	
7% FTSE Global Core Infrastructure 50/50 Index (Net)	
MSCI ACWI Ex-U.S.	-2.45%
Broad International equity market benchmark	
Bloomberg Barclays Aggregate	+1.02%
Broad U.S. bond market benchmark	

(22-05-05) (Consent Agenda) The President/Chair presented an agenda consisting of a Consent Agenda. The following items remained on the Consent Agenda since no Board member asked for their removal.

(A) Schedules - for March and April 2022

- Schedule A - Benefit award listing of retirement, temporary disability, death benefits, and refund of employee contributions processed during the preceding calendar month under Article 7 of the Illinois Pension Code.
- Schedule B - Adjustment of Benefit Awards showing adjustments required in benefit awards and the reasons therefore.
- Schedule C - Benefit Cancellations.
- Schedule D - Expiration of Temporary Disability Benefits terminated under the provisions of Section 7-147 of the Illinois Pension Code.
- Schedule E - Total and Permanent Disability Benefit Awards recommended by the Fund's medical consultants as provided by Section 7-150 of the Illinois Pension Code.
- Schedule F - Benefits Terminated.
- Schedule G - Administrative Benefit Denials.
- Schedule H - Final Administrative Action (Denial)
- Schedule P - Administrative Denial of Application for Past Service Credit.
- Schedule R - Prior Service - New Governmental Units.
- Schedule S - Prior Service Adjustments.

(B-C) Approval of Minutes

Minutes of March 25, 2022 Board Meeting
Minutes of March 25, 2022 Board Meeting Executive Session

(D) Bids

Mail House Services - Five Year Contract
Approved Bidder: Advantage Marketing Group (WBE)
Sole Source Bid: \$.022/per newsletter; \$.031/election piece

RSA SecurID Cloud Plus
Approved Bidder: Software House International
Approved Bid: Not to Exceed a total amount of \$51,615

2022 Sitecore Maintenance Renewal
Sole Source Vendor: Sitecore
Sole Source Bid: \$28,676

Waterfield Premier Services Program (PSP) Agreement
Sole Source Vendor: Waterfield
Sole Source Bid: \$500,940

Audio-Visual End-of-Support Replacements (5Large) - Addendum 1
Sole Source Vendor: AVI-SPL
*New ceiling amount for 5Large A/V project of \$43,525.65 rather than \$42,753.04

Avaya Telephony System Enhancements & Horizon Integration - Addendum 6.0
Sole Source Vendor: Avaya
*New ceiling amount for Avaya Telephony enhancements of \$1,131,429.66 rather than \$1,035,217.23

2022 IBM Maintenance Renewal
Approved Bidder: SIA Innovations
Approved Bid: \$302,933.72

Konsultek - Consulting Services Agreement
Sole Source Vendor: Konsultek
Sole Source Bid: \$45,000

Presort Services - Five Year Contract
Approved Bidder: United Business Mailing
Approved Bid: \$750,000 for 5 years

(E) Participation of 4 New Units of Government

Pingree Grove & Countryside Fire Protection District
County: Kane
2022 Employer Rate: 4.48%
Effective Participation Date: June 1, 2022
Number of IMRF Employees: 1

East Peoria Housing Authority
County: Tazewell
2022 Employer Rate: 6.07%
Effective Participation Date: June 1, 2022
Number of IMRF Employees: 2

Lincolnwood Public Library District
County: Cook
2022 Employer Rate: 10.10%
Effective Participation Date: July 1, 2022
Number of IMRF Employees: 21

Schaumburg Township, Cook County, Hoffman Estates, Illinois
County: Cook
2022 Employer Rate: 10.98%
Effective Participation Date: January 1, 2023
Number of IMRF Employees: 38

(F) Review of April and May Financial Reporting Packages

(G) Statement of Fiduciary Net Position - February and March 2022

(H) Impact of 2022 Year-to-Date Investment Income of Employer Reserves, Funding Status and Average Employer Contribution Rate

(I) Schedule T - April and May 2022

It was moved by Mr. Kuehne, seconded by Mr. Miller, to approve the items on the consent agenda.

Vote:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT

(22-05-06) (Report of the Audit Committee Meeting) The Chair of the Audit Committee gave a report on the meeting that was held on May 27, 2022. She reported that the Committee approved/accepted the following:

- November 19, 2021 Virtual/In-person Audit Committee Meeting minutes
- 2021 Annual Comprehensive Financial Report of the Illinois Municipal Retirement Fund
- 2021 SOC 1 Type 2 engagement of the Illinois Municipal Retirement Fund
- 2022 Plante Moran modified Contract for Audit with an additional 3% increase for remaining 3 years of the contract based on the economy

It was moved by Mr. Kosiba, seconded by Mr. Stefan to support and approve the recommendations given by the Audit Committee.

Vote:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT

(22-05-07) (Report of the Benefit Review Committee) The Chair of the Benefit Review Committee reported on the Benefit Review Committee Meeting that was held on May 26, 2022, at 1:00pm.

He reported that the Committee approved the open session minutes from March 24, 2022.

It was moved by Mr. Kuehne, seconded by Ms. Stanish to approve the following recommendations of the Benefit Review Committee:

- After deliberation, the Committee recommended that the Board affirm the staff decision denying temporary disability benefits in the James Principe case. The Committee finds that the surveillance video showing Mr. Principe amidst a crowd and away from home for several hours contradicted Mr. Principe's testimony about being unable to leave his home for more than fifteen minutes and experiencing disabling anxiety when he is in a crowded place. Furthermore, the Committee finds that the medical opinion of Mr. Principe's treating physician is not reliable because it is based on Principe's self-reported limitations. The video evidence directly contradicted Mr. Principe's self-report limitations. Therefore, the Committee finds that Mr. Principe does not meet the eligibility criteria for temporary disability benefits as set forth in Section 7-146.

- After deliberation, the Committee recommended that the Board reverse the staff decision denying total and permanent disability benefits in the Richard Clinton case. The Committee finds that Mr. and Mrs. Clinton's testimony regarding his physical limitations was credible and persuasive. The Committee finds that the results of the FCE did not accurately reflect Mr. Clinton's physical capacity over a full workday. Therefore, the Committee finds that Mr. Clinton meets the eligibility criteria for total and permanent disability benefits as set forth in Section 7-150.
- After further discussion, the Committee recommended reversing the staff determination and granting surviving spouse benefits to Mrs. McGee (in the Ruth McGee case). The Committee further recommended the repayment of the surviving spouse refund at a rate of \$25 per month.
- After further discussion, a motion was made to recommend the adoption of the findings and conclusion of the IMF hearing officer in the Quincy Asbury case.
- After further discussion, a motion was made to recommend the adoption of the findings and conclusion of the IMRF hearing officer in the Lee Ann Terry case.
- After further discussion, a motion was made to recommend the adoption of the findings and conclusion of the IMRF hearing officer in the James Mohn case. The Committee further recommended recovering the prepayment up to a five-year period.

Vote:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT

(22-05-08) (Report of the Investment Committee) The Chair of the Investment Committee gave a report on the Investment Committee Meeting that was held on May 26, 2022.

He reported that the Committee approved the open session minutes from March 24, 2022 meeting.

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

For Private Equity

- Authorize a commitment of up to \$30 million to Lightspeed Partners India IV, LLC, subject to satisfactory due diligence.
- Authorize Staff to complete all documentation necessary to execute this recommendation.

For Real Estate

- Authorize a commitment of up to \$150 million to Blackstone Real Estate Partners X, L.P., subject to satisfactory legal due diligence; and,
- Authorize Staff to complete all documentation necessary to execute this recommendation.

It was moved by Mr. Stefan, seconded by Mr. Kuehne to approve the above recommendations of the Investment Committee.

Vote:

**ALL VOTED AYE - MOTION CARRIED
7 AYES; 1 ABSENT**

In addition, Executive Director Brian Collins congratulated Angela Miller-May on being awarded the 2022 Pacesetter Award by the National Association of Securities Professionals. She will receive the award at the 33rd Annual Financial Services Conference being held on June 27-29, 2022, in Chicago. The Pacesetter Award was created by NASP to recognize individual trustees or funds that have ensured or promoted the full involvement of women and minorities in the securities industry.

(22-05-09) (Approval of Trustee Election Procedures) General Counsel presented the Trustee Election Procedures for the one open Trustee position in 2022. Employers will elect one Executive Trustee with a five-year term of office beginning January 1, 2023. Executive Trustee Tom Kuehne's current term expires on December 31, 2022.

General Counsel stated that the Trustee election will be administered similarly to past elections. Section 7-175.1 of the Illinois Pension Code requires that the Board set dates for ballot return and counting, as well as name the judges and clerks for the election. Election judges coordinate various activities and make administrative decisions allowing for a smooth election process. The clerks are responsible for completing specific activities during the election process.

It was moved by Ms. Stanish, seconded by Mr. Miller, to approve the following ballot return and counting dates and appoint the following IMRF members to serve as judges and clerks for the 2022 Trustee election:

Position	Ballot Return Date	Ballot Counting Date
Executive Trustee	December 9, 2022	Between December 10-12, 2021

Judges

Bonnie Shadid

Brandi Smith

Clerks

Tannia Acevedo

Rick Baier

Arthur Castillo

Larice Davis

Jennifer Ellison

Tamika Harrington

John Krupa

Nick Kurz

Ann-marie Lilly

Michael Nesson

Maureen O'Brochta

Denise Streit

Keyla Vivas

Daniel Martinez

Vote:

**ALL VOTED AYE - MOTION CARRIED
7 AYES; 1 ABSENT**

(22-05-10) (Approval of Board Resolution) General Counsel
presented the following resolution for Board approval.

Resolution Concerning the Transfer Window from Article 3 to IMRF SLEP

WHEREAS, HB 4209 inserts new statutory sections into Articles 3 and 7 to provide a transfer window from July 1, 2022 through December 31, 2023 for active SLEP members to transfer up to ten years of creditable service from an Article 3 fund to IMRF SLEP, and

WHEREAS, upon transfer of the amounts accumulated to the credit of the member in Article 3 and employer contributions in an equal amount, IMRF is required to determine according to the statute how much SLEP service that would purchase; and

WHEREAS, after IMRF determines the amount of SLEP service that Article 3 contributions will purchase, the member shall be given the option to pay an additional amount in order to purchase up to the full amount of Article 3 service transferred or may have his/her account credited with the amount of SLEP service that the Article 3 service will purchase without supplementing that amount;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees that the following rules and regulations be adopted:

1. For applications received by an Article 3 fund between July 1, 2022 December 1, 2023 and by IMRF between July 1, 2022 and January 1, 2023, the Article 3 Fund shall transfer to IMRF as soon as practicable, an amount equal to:
 - a. The amounts accumulated to the credit of the applicant on the books of the fund on the date of the transfer; and
 - b. Employer contributions in an equal amount to that transferred under (a).
 - c. The Article 3 fund must additionally provide IMRF with monthly wages for the period of time being transferred so that IMRF can calculate SLEP contributions for the same period of time.
2. IMRF shall then determine the amount necessary to convert the Article 3 credits to SLEP credits by calculating the difference between:
 - a. The combined employer and employee contributions transferred from the Article 3 fund and
 - b. The combined amount that would have been contributed if the member had participated in SLEP during that time, which includes
 - i. Member contributions using the member contribution rate that would have been required during the period of time being transferred plus interest
 - a. 7.5% for period from June 1, 2006 to present
 - b. 6.5% for July 1, 1988 to May 31, 2006; and
 - c. 5.5% for periods prior to July 1, 1988,
 - ii. Employer contributions using the normal SLEP rate for the member's SLEP employer during the period of time being transferred

Plus interest thereon at the prescribed rate, compounded annually, from the date of service to the date of payment

3. Once IMRF has calculated the total amount required to be paid to transfer the full amount of Article 3 service, the member has two options:
 - a. The member may pay the additional amount determined in 2 above and be credited with the full amount of transferred service, or
 - b. The amount of transferred service shall be reduced by an amount corresponding to the amount determined in 2 above.
4. The member must make an election to pay the additional amount required under item 3(a) above within 60 days after notification by the Fund of the total cost. If such election is not received by IMRF within 60 days, they will receive the reduced service amount calculated in item 3(b) above.
5. Neither the amount transferred from the Article 3 fund, nor the amount credited in IMRF shall exceed the lesser of 10 years or the actual amount of service credit earned in the Article 3 fund.
6. If the amount calculated in item 1a above is greater than the amount calculated in item 2b, the member shall be automatically credited with the lesser of 10 years or the amount of service credit earned in the Article 3 fund and the excess shall be credited to the account of the member's SLEP employer.

It was moved by Mr. Kuehne, seconded by Mr. Kosiba, to approve the above resolution CONTINGENT on the Governor signing HB 4209.

Vote:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT

(22-05-11) (Legislative Update) The Government Affairs Manager gave an update to the Board on current legislative activity.

She reported that the General Assembly adjourned its 2022 Spring session in the early morning hours on April 9th. In summary, only six bills that pertained to IMRF passed the General Assembly. Four of the bills were signed by the Governor on Friday, May 13th, all four of which were sent on April 29th. Two bills, both of which were sent to the Governor's office on May 6th, remain on his desk. He has until early June to sign them. None of the bills to which IMRF is opposed were even voted on in committee or on the floor.

Senate Bill 3651, sponsored by Sen. Karina Villa and Rep. Maura Hirschauer, creates an exemption for accelerated payments that arise due to workers' compensation payments. This is part of the Board's 2022 legislative agenda. It was sent to the Governor on April 29th and signed into law as Public act 102-0849. It was effective as of May 13th.

Senate Bill 3652, also sponsored by Sen. Villa and Rep. Hirschauer, is the second active IMRF legislative agenda bill. It aligns the suggested employer resolution to adopts an Early Retirement Incentive with the statutory language regarding limitations on ERI retirees returning to work for an IMRF employer. It is not Public Act 102-0850. It was also effective May 13th.

Senate Bill 3778, sponsored by Sen. Christopher Belt and Rep. Michael Halpin, which would add two additional SERS job titles to the list of those SERS members that can transfer their IMRF service to SERS. The Board was

neutral on this bill. It is now Public Act 102-0856 and will be effective as of January 1, 2023.

Senate Bill 3785, sponsored by Sen. John Curran and Rep. Mark Batinick, would open a window allowing inactive IMRF members to transfer service credit earned as a county correctional officer out of IMRF and into a downstate police pension fund. The Board is neutral on this bill. It is now Public Act 102-0857 and was effective May 13th.

House Bill 4209, sponsored by Rep. Katie Stuart and Sen. Rachelle Crowe, would also open a window allowing active members of an Article 3 fund to transfer IMRF service earned in a public safety position to the Article 3 plan and makes equivalent changes for former SURS members. An amendment was filed the day before adjournment that also included language opening a six-month window allowing active SLEP members to transfer up to 10 years of Article 3 service credit to IMRF SLEP. It does not allow members to repay a refund of service credit in the Article 3 fund. It is currently before the Governor and is expected to be signed. It will be effective upon signature, although the window allowing service credit to be transferred into IMRF will begin on July 1st and the window allowing service to be transferred out of IMRF will begin on January 1st.

House Bill 4646, sponsored by Rep. Janet Yang Rohr and Sen. Ram Villivalam, would require all employers to allow IMRF employee trustees at least 20 days to attend IMRF Board and committee meetings and seminars. It would also require IMRF to reimburse employers for the actual cost of a substitute employee during that time. The Board supports this bill. This bill is currently before the Governor and is also expected to be signed.

IMRF's Government Affairs Manager also reported that the virtual legislator meetings have proven to be a popular meeting method for legislators. IMRF staff has met with eight legislators so far (listed below). Another four legislators are scheduled for the week of May 16th and they are waiting for final confirmation from three legislators for the following week. They will then pick up scheduling additional meetings after the June 28th primary.

- Rep. Janet Yang Rohr (D-Naperville)
- Rep. Michael Halpin (D-Rock Island), chair of House pension Committee
- Rep. Kelly Burke (D-Oak Lawn), vice-chair of House pension Committee
- Rep. Margaret Croke (D-Chicago)
- Rep. Mark Luft (R-Pekin)
- Sen. Sara Feigenholtz (D-Chicago), vice-chair of Senate pension committee
- Rep. Martin McLaughlin (R-Barrington Hills)
- Rep. Lance Yednock (D-Ottawa)

(22-05-12) (Litigation Update) The Associate General Counsel gave the following update of the currently pending or recently concluded litigation.

BRANDIE EDWARDS v. IMRF (COOK COUNTY 2020 CH 6213)

Summary: IMRF denied Ms. Edwards' claim for temporary disability at the August Board meeting. Ms. Edwards has filed a Complaint for Administrative Review seeking the reversal of the Board decision.

Status: The Court partially granted IMRF's motion to dismiss without prejudice and granted the Plaintiff time to file and amended complaint. An amended complaint has not yet been filed.

DUNDEE TOWNSHIP PARK DISTRICT v. IMRF, et al. (KANE COUNTY 2021 MR 581)

Summary: IMRF found the annuitant Sherylynn King returned to work in an IMRF qualifying position with the Dundee Township Park District. IMRF further found that the employer knowingly failed to enroll Mrs. King or otherwise notify IMRF to suspend her pension. Therefore, IMRF assigned one-half of the prepayment liability to the employer. The Park District has filed a Complaint for Administrative Review and Declaratory Judgment challenging the assignment of liability to the employer on several grounds. The Park District disputes that it "knowingly" failed to notify IMRF; that its conduct in this case did not warrant the maximum 50% liability; and that the assignment of liability to the employer constitutes an unconstitutional excessive fine.

Status: After IMRF's second motion to dismiss, the Park District has abandoned its constitutional claims. This case proceeded solely on the administrative review count. After hearing, the Court found that the administrative record supported the IMRF Board's finding that the employer knowingly failed to notify IMRF of Mrs. King's return to work. The Court affirmed IMRF's final administrative decision. The time for appealing this decision has not yet run.

LARRY BAULER v. BOARD OF TRUSTEES OF IMRF et al. DUPAGE COUNTY 2021 MR 0989

Summary: Bauler retired from the Wheaton Park District under the ERI enhancement in 2001. In 2013, Bauler began working for the City of Wheaton. The ERI Enhancement statute prohibits an individual who received the enhancement from working for any IMRF participating employer. After an administrative hearing, the Board found that Bauler's work for the City of Wheaton violated the ERI statute and assessed a prepayment of \$209,318.25. Bauler appeals that decision.

Status: Following IMRF's motion to dismiss, Bauler has filed an amended complaint which addresses the deficiencies raised by the motion and staff has filed the Administrative Record. After hearing oral argument, the Court reversed the IMRF Board's decision finding that references to participating employment in the ERI law indicate that the intent of the law was to prohibit re-employment in an IMRF qualifying position. A recent legislative change removed the reference to participating employment in the statutorily recommended resolution; therefore, staff does not recommend appealing this decision.

WILLIAM SAUNDERS v. MICHAEL S. HEDRICK v. IMRF and COUNTY OF LAKE (US DIST. COURT FOR the NORTHERN DISTRICT OF ILL 2020 cv 6835)

Summary: This is a legal malpractice lawsuit in which retired IMRF member William Saunders alleges that his former attorney committed malpractice by failing to consider pension implications in his representation of Saunders in an employment claim against Saunders' former employer. The defendant

attorney has added a third-party complaint against the County of Lake and IMRF alleging that each owes contributions if Saunders is successful in his core claim against Hedrick.

Status: Staff has filed a motion to dismiss which has been fully briefed. The parties await a ruling from the Court. In the underlying case, the defendant has also filed a motion for summary judgment which may resolve the litigation in its entirety. Prior to ruling on the defendant's motion for summary judgment, the Court has granted IMRF's motion to dismiss with prejudice. Therefore, IMRF is no longer a party to this litigation.

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM ET AL. v. PETROBRAS-PETROLEO BRASILEIRO S.A. (MARKET ARBITRATION CHAMBER, ARBITRAL PROCEEDING No. 72/2016)

Summary: A group of investors is seeking recovery through arbitration proceedings against Brazilian corporation, Petrobras, related to the overstatement of the corporation's assets and earnings along with potential liabilities that the corporation was exposed to as a result of a widespread bribery and kickback scheme. Once knowledge of the bribery and kickback scheme became public, the price of Petrobras securities declined significantly, causing substantial losses for investors.

Status: A U.S. District Court for the Southern District of New York declined to exercise jurisdiction over claims related to Petrobras shares traded in Brazil. Therefore, these claims are pending before that Market Arbitration Chamber of the Brazilian Stock Exchange. IMRF has participated in proceedings to establish its right to a claim, but the actual calculation of individual damages for each claimant has not yet been addressed.

KEITH GARDNER v. BOARD OF TRUSTEES OF IMRF et al. (DUPAGE COUNTY 2021 MR 1377)

Summary: Gardner was a sheriff's deputy for the Kane County Sheriff's Office. He then received temporary disability benefits for a number of months. Upon evaluation of his claim for total and permanent disability benefits, IMRF received new information showing that Gardner had refused to attempt to return to work with medical accommodations offered by Kane County. Therefore, the IMRF Board retroactively terminated Gardner's temporary disability benefits rendering the question of total and permanent disability benefits moot. Gardner appeals the decision.

Status: Staff has filed the administrative record and the Court has entered a briefing schedule. The Court indicated that it would issue a ruling based on the briefs and without need for a hearing.

TAMIKA WILSON v. IMRF (IDHR 2022CR0504)

Summary: This is a charge of discrimination by a former employee through the Illinois Department of Human Rights.

Status: IMRF is cooperating with the IDHR investigation.

GORDON v. IMRF et al. (U.S. EEOC 440-2022-3068; U.S. DIST. COURT for the NORTHERN DISTRICT OF ILL 2021ev6653)

Summary: This is a new EEOC charge of discrimination by a current employee. Additionally, Gordon has filed a lawsuit in federal court stemming from the same allegations that were previously dismissed by the IDHR and EEOC.

Status: IMRF is cooperating in the investigation of the new EEOC charge and will file an appropriate responsive pleading in the lawsuit.

IMRF et al. v. PACIFICORP, et al. (DOUGLAS COUNTY, OREGON 20CV37637)

Summary: IMRF is one of a group of landowners in Oregon bringing suit against electric company Pacificorp for the loss of timberland due to a forest fire in the Archie Creek area of Oregon believed to be caused by the company. This litigation was previously authorized by the IMRF Board of Trustees.

Status: Although the parties have engaged in pre-litigation settlement discussions, this matter is now proceeding to formal litigation. With the filing of the initial pleading, we await a response from the defendants.

GLENCORE PLC (UNITED KINGDOM INVESTOR GROUP ACTION)

Summary: A group of investors is seeking recovery through the UK's Financial Services and Markets Act against multinational commodity trading and mining company, Glencore PLC. The claim is based on alleged misstatements and omissions concerning Glencore's operations in the Democratic Republic of Congo. Specifically, the entity failed to disclose that its business operations in the DRC were secured through possibly corrupt means. Once knowledge of the bribery and corruption scheme became public, the price of Glencore's securities declined significantly, causing substantial losses for investors.

Status: IMRF has opted to participate in one of the investor group actions. The action is still gathering qualified investors for the group action and pleadings have not yet been filed. The litigation of these claims will be handled by an outside English counsel.

(22-05-13) (Strategic Planning Process: Steps 2 & 3 - STEP & SWOT Analyses) IMRF's Organizational Excellence Officer, Kathy Goerdt, and OE Supervisor, Michael Everett, reviewed what STEP/SWOT analyses include, and they reviewed responses that were previously submitted by some Trustees and Directors for each category. Then, teams of Trustees and Staff discussed and listed their top 3 priorities within each category of STEP & SWOT. They also had the opportunity to add responses if they were not originally listed.

(22-05-14) (Horizon Update) Executive Director Brian Collins, and IMRF's Chief Information Services Officer, Keyla Vivas, along with Karine Pettigrew from Lifeworks and Ray Smith from Provaliant, updated the Board on the status of the Horizon Project. Keyla explained each component that makes up Horizon and informed that the Go Live date is anticipated to be 10/31/2022.

(22-05-15) (Report of Executive Director) The Executive Director, Brian Collins, gave an update on the envisioned organizational change that will take place to align/reposition proper staff to support Horizon for tasks using existing employees and budget.

The Executive Director also gave an update on the 1st Quarter 2022 Strategic Goals. He provided information on FOIA requests and an updated personnel report as well.

(22-05-16) (Appreciation of Service) The Executive Director recognized Valerie Peavey who is retiring after almost 20 years of service to IMRF, and he asked the Board to approve the following resolution that was presented to Valerie.

WHEREAS, Valerie Peavey, Senior Imaging Clerk, has faithfully served IMRF from November 2023 through April 2022, and;

WHEREAS, Valerie Peavey held positions in the Office Services Department, first as an Imaging Clerk, and since April 2019 as a Senior Imaging Clerk, and;

WHEREAS, during her tenure, Valerie Peavey entered thousands of correspondence from IMRF members and employers into our imaging system, and entered thousands of survey responses into Survey Monkey before distributing the surveys to the appropriate departments, and;

WHEREAS, Valerie Peavey played a significant role in supporting the Horizon Project by participating in UAT (User Acceptance Testing), and;

WHEREAS, as part of a team, Valerie Peavey was heavily involved in the 20-year Jacket Conversion Project that included converting microfiche to our current imaging system, and;

WHEREAS, Valerie Peavey received her Office Services Professional Certification, a training and certification for non-managers working in office services, support services, and mail operations, and;

WHEREAS, Valerie Peavey demonstrated IMRF's Value of Empathy by helping out with various projects as needed, and also demonstrated IMF's Value of Accuracy when entering correspondence into our imaging system and survey responses into Survey Monkey, and;

THEREFORE, BE IT RESOLVED, that the IMRF Board of Trustees recognizes and honors Valerie Peavey for her significant contributions and service to the Illinois Municipal Retirement Fund.

It was moved by Mr. Kosiba, seconded by Mr. Kuehne to adopt the Resolution of Appreciation of Service for Valerie Peavey.

Vote:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT

(22-05-17) (Trustee Forum) The Chair reported that there were the following four new requests for travel to conferences:

- Sue Stanish - Annual Public Funds Summit East (Opal Group), Rhode Island
- Louis Kosiba - NASP Annual Conference, Chicago
- Natalie Copper - NASP Annual Conference, Chicago
- Dave Miller - IFEBP Trustees & Administrators Institute, Seattle, WA

It was moved by Mr. Kuehne, seconded by Mr. Stefan, to approve the four travel requests for Trustee conferences.

Vote:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT

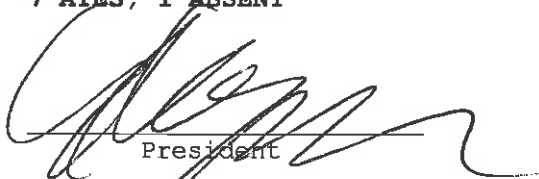
A list of conferences, as well as a chart listing accumulated trustee training hours, were also included as part of the Trustee Forum agenda item.

(22-05-18) (Adjournment) It was the moved by Ms. Stanish, seconded by Mr. Kosiba, to adjourn the Board Meeting at 12:22 p.m., and to reconvene at 9:00 a.m. on August 19, 2022.

Vote:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT



President



Date



Secretary



Date

