

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 23-12
DECEMBER 15, 2023

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 23-12

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m. December 15, 2023, in the Fund Office at 2321 York Road, Suite 400, Oak Brook, Illinois.

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

Ms. Herman took a roll call:

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

Absent: All present

Public Comments - There were no Public Comments.

(23-12-01) (Investment Reports) Ms. Angela Miller-May, CIO for IMRF, reported the following changes to asset classes for the month-to-date period ending December 13, 2023:

- Domestic Equity increased 4.04% from \$18,071 million to \$18,801 million
- International Equity increased by 2.80% from \$9,531 million to \$9,798 million
- Fixed Income increased by 2.04% from \$12,056 million to \$12,302 million
- Real Assets increased by 0.16% from \$5,009 million to \$5,017 million
- Alternative Investments decreased by -.09% from \$5,519 million to \$5,514 million
- Cash decreased by -46.06% from \$389 million to \$210 million
- The overall fund saw an increase of 2.11% going from \$50,575 million to \$54,641 million

Furthermore, the following monthly benchmark returns were reported:

S&P 500	+3.09% (MTD)
Custom U.S. Equity Benchmark	+3.52%
93% Russell 3000 Index	
7% FTSE Global Core Infrastructure 50/50 Index (Net)	
MSCI ACWI Ex-U.S.	+4.48%
Broad International equity market benchmark	
Bloomberg Barclays Aggregate	+2.52%
Broad U.S. bond market benchmark	

Ms. Miller-May reminded everyone of IMRF's Investment Philosophy which includes the following:

- IMRF is a long-term and patient investor that has exceeded its expected rate of returns over the long investment horizon.
- Asset allocation is the primary driver of long-term total fund returns and IMRF is disciplined to their Asset Allocation Targets.
- Strategic Decisions will prevail in determining asset allocation rather than tactical or short-term market timing decisions.
- Investment Structure and Rebalancing is vital in complying with asset allocation targets.
- Diversification is key across all asset classes and is the main defense against realizing losses.

Monthly Minority Manager Utilization and Brokerage reports were given as information as well. Ms. Miller-May reported that minority manager utilization totaled 26.4% of total assets as of 10/31/2023.

In addition, the Wilshire monthly report was posted for review. Highlights of the summary included:

- Market value as of October 31, 2023 was \$47.9 billion, down for the month by approximately \$1 billion. IMRF returned -2.26% during the month, underperforming the Total Fund Benchmark, which returned -1.67%. Growth and defensive assets posted negative returns to begin the 4th quarter as bond yields moved up and geopolitical uncertainty weighed on investor sentiment.
- The broad U.S. Equity market was negative for the month, with Small Cap stocks underperforming Large Cap. The U.S. Equity Portfolio underperformed its benchmark during October, returning -3.00% versus -2.59%. Investment manager performance in Large Cap Growth was the largest contributor to relative underperformance.
- International Equity markets were negative in October, while Emerging Markets outperformed Developed. The International Equity portfolio outperformed the benchmark during the month, returning -3.92% versus -4.13%. In aggregate, investment manager performance in Large Cap Growth and Emerging Markets were the largest contributors to relative outperformance.
- Fixed Income markets were generally negative in October as yields rose and spreads widened. The Fixed Income Portfolio underperformed the benchmark during the month, returning -1.37% versus -1.33%. Investment manager performance in Core and Core Plus were the largest contributors to relative underperformance.
- As of October 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.

(23-12-02) (Approval of 2023 Diversity Report) The Chief Investment Officer presented the 2023 Annual Diversity Report to the Board for approval, noting that per the Pension Code, IMRF is required to submit an annual report to the Governor and General Assembly that identifies the policies that set goals for:

- Increasing the utilization of "emerging investment managers",
- Increasing the utilization of "minority investment managers",
- Increasing the utilization of "minority broker-dealers",

- Increasing the racial, ethnic, and gender diversity of its fiduciaries, including its consultants and senior staff, and
- Increasing the utilization of businesses owned by minorities, women, and persons with disabilities for contracts and services.

It was moved by Mr. Kosiba, seconded by Ms. Copper, to approve the 2023 Diversity Report and authorize the CIO to release the report to the Governor and General Assembly.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(23-12-03) (Actuarial Bidder Presentations) Representatives from the following actuarial firms were at the Board meeting to present their bid proposals for actuarial services for IMRF:

- Milliman
- GRS
- Segal

Board members were able to ask questions pertaining to the bids, and the bidders appropriately answered their questions and/or concerns.

Following the presentations, General Counsel Shuliga and CFO Mark Nannini explained the background process leading up to the selection of the three companies presenting today. The RFP was launched on 9/23/23 and sent to 34 firms, where IMRF received 5 submissions and chose 3 for presentations. A team of 6 IMRF employees reviewed the RFPs and independently judged the applications using a common scorecard with the evaluation criteria. All 3 firms complied with the RFP requirements. Mark Nannini explained how each firm was rated and their responses to 27 questions related to the ability to produce annual annuitant valuations, the triennial experience study, and employer cost studies. Out of 150 possible points for "ability to deliver services" the scores were:

GRS	123.75
Segal	95.75
Milliman	75.00

The cost for regular services for each firm was:

GRS	\$425,000
Milliman	\$450,000
Segal	\$556,000

Each will charge an annual increase.

Discussion ensued regarding costs paid last year to GRS and the proposed costs. The proposed costs will be slightly more than what IMRF has paid GRS in past years.

Staff recommends approving the bid submitted by GRS and hiring GRS for a 5-year term. GRS was the highest-rated proposal and reduces the risk of transitioning to a new vendor, especially with Horizon integration.

(23-12-04) (Approval of the Appointment of an Actuarial Consultant) The Board agreed that, after approving the actuarial consultant, IMRF should go out for actuarial RFPs every 5 years.

It was moved by Mr. Kosiba, seconded by Mr. Miller, to approve a contract for actuarial consulting services with Gabriel, Roeder, Smith & Co. for a 5-year term, subject to due diligence.

ROLL CALL VOTE:

6 AYES

2 NAYS (COPPER, HENRY)

0 ABSENT

MOTION CARRIED

The Board took a break at 10:44am and resumed at 10:54am.

(23-12-05) (Insurance Renewals) General Counsel presented the following Insurance Renewals for approval.

Approved Insurance Consultant: Arthur J. Gallagher Risk Management

Approved 2024 Cost: \$289,019 - broken down as follows:

• Commercial Property Package	\$24,077
• Business Automobile	\$16,939
• Workers Compensation	\$33,481
• Commercial Umbrella	\$19,529
• Fiduciary Dishonesty	\$16,577
• Fiduciary Liability	\$72,959
• Cyber Network Security	<u>\$105,457</u>
	\$289,019

Mr. Shuliga explained that the largest individual policy increase was on the commercial property package, which was primarily driven by the increased business property values from upgrades and additions to our IS infrastructure. Mr. Shuliga further explained that, for the first time in several years, the cyber network security policy premium actually decreased. This is due to IMRF's continuing efforts to improve our cybersecurity posture and a more competitive marketplace for public sector entities. The overall annual increase for the insurance package is 2.5%.

It was moved by Mr. Kosiba, seconded by Ms. Stanish, to approve the renewal of the above-named insurance policies through Gallagher for a total cost of \$289,019.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(23-12-06) (Consent Agenda) The 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 - November, 2023

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 P - Administrative Denial of Application for Past Service Credit.
- Schedule R - Prior Service - New Governmental Units
- Schedule S - Prior Service Adjustments

Approval of Minutes

- (B) Regular Meeting minutes from November 17, 2023
- (C) Executive Session Meeting minutes from November 17, 2023

(D) Bids

VMware Maintenance Renewal

Approved Bidder: vCloud Tech, Inc.
 Approved Bid: Not to Exceed \$638,000

2024 Avaya Cloud Office (ACO) and Avaya Experience Platform (AXP) Renewal

Sole Source: Bluewire Communications
 Approved Bid: \$129,824.45

3-Year Maintenance Renewal for Avaya Support Advantage

Sole Source: Waterfield Technologies, Inc.
 Approved Bid: \$187,500

2024 Glasshouse Mainframe Support - Time & Material

Sole Source: Glasshouse Systems, Inc.
 Approved Bid: Not to Exceed \$114,000 (payment as needed for IBM mainframe support)

2024 Laptop Lifecycle Replacements (50)

Approved Bidder: Dell Technologies
 Approved Bid: \$105,545.47

2024 LogRhythm Maintenance Renewal

Approved Bidder: Optiv Security, Inc.

Approved Bid: \$275,949.20

2024 Member Newsletters

Approved Bidder: Meridian Printing

Approved Bid: \$78,547.00

2024 Microsoft 365 Subscriptions

Approved Bidder: Software House International (SHI) & Crayon Software Experts

Approved Bid: Not to Exceed \$143,448

Cisco Catalyst 9300X Switches (2)

Approved Bidder: Software Warehouse International (SHI)

Approved Bid: \$28,323.50

Cisco Catalyst 9400 Series Line Cards (2)

Approved Bidder: Software House International (SHI)

Approved Bid: \$36,511.02

Cisco C9300 Switches for DR and OB (4)

Approved Bidder: Software Warehouse International (SHI)

Approved Bid: \$31,986.04

Dell Connectrix SAN Switch Upgrades

Approved Bidder: Software Warehouse International (SHI)

Approved Bid: \$88,266.90

SolarWinds Orion & SQL Sentry Subscriptions Addendum

Sole Source: Dell Technologies

Approved Bid: Not to Exceed \$242,500

Veeam Availability Suite Backup Software Renewal

Approved Bidder: vCloud Tech, Inc.

Approved Bid: \$577,597.11

2024 Provaliant Consulting Services

Sole Source: Provaliant

Approved Bid: Not to Exceed \$983,000

(E) Participation of New Unit of Government

Elwood Fire Protection District

County: Will

2023 Employer Rate: 6.83%

Effective Participation Date: January 1, 2024

Number of Employees: 2

New Athens Library District

County: Saint Claire

2023 Employer Rate: 14.28%

Effective Participation Date: January 1, 2024

Number of Employees: 1

Village of Colfax

County: McLean

2023 Employer Rate: 8.95%

Effective Participation Date: January 1, 2024

Number of Employees: 5

(F) November 2023 Financial Reporting Packages

(G) Statement of Fiduciary Net Position

(H) Impact of 2023 Year-To-Date Investment Income of Employer Reserves, Funding Status and Average Employer Contribution Rate

(I) Schedule T - Report of Expenditures

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

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(23-12-07) (Certification of Results of Employee Trustee Election
IMRF's Government Affairs Manager informed that IMRF conducted an election for one Employee Trustee position with a two-year term of office beginning January 1, 2024. Doug Cycholl was the only candidate in this election.

Staff recommends that the Board certify Doug Cycholl as an Employee Trustee for the term of January 1, 2024 to December 31, 2025.

It was moved by Mr. Stulir, seconded by Mr. Kosiba to certify Doug Cycholl as an Employee Trustee for IMRF for the term of January 1, 2024 to December 31, 2025.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(23-12-08) (Certification of Results of Executive Trustee Election
IMRF's Government Affairs Manager informed that IMRF conducted an election for one Executive Trustee position with a five-year term of office beginning January 1, 2024.

	<u>Votes Received</u>
Sue Stanish	498
Jack Bower	346
Write-in Candidates	1
Spoiled Ballots	24

Staff recommends that the Board of Trustees certify Sue Stanish as the winner of the 2023 Executive Trustee election for a five-year term beginning January 1, 2024.

It was moved by Mr. Miller, seconded by Ms. Copper to certify Sue Stanish as an Executive Trustee for IMRF for the term of January 1, 2024 to December 31, 2029.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(23-12-09) (Election of 2024 Board Officers) The Chair reported that the following trustees are recommended to be nominated and elected Board Officers for 2024: Pete Stefan for the Office of President of the Board, Louis Kosiba for the Office of Vice President of the Board, and Sue Stanish for the Office of Secretary of the Board commencing January 1, 2024.

It was moved by Mr. Miller, seconded by Mr. Stulir, to approve the recommendations for the Board Officers.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(23-12-10) (2024 Board Meeting Dates) The Executive Director presented a proposed list of 2024 Board Meeting dates.

It was moved by Mr. Kosiba, seconded by Ms. Stanish, to adopt the following 2024 Board Meeting dates:

- February 33, 2024
- March 29, 2024
- May 31, 2024
- August 30, 2024
- November 22, 2024
- December 20, 2024

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

Ms. Stanish left the meeting at 11:00am.

(23-12-11) (Appointment of Medical Consultants to the Board for 2024) General Counsel reported that it was in order to appoint a medical consultant for 2024.

It was moved by Mr. Stefan, seconded by Ms. Copper, to appoint Managed Medical Review Organization (MMRO) and Network Medical Review as medical consultants to assist the fund in 2024.

VOTE:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT (STANISH)

(23-12-12) (Legislative Activity Resolution) General Counsel explained there are multiple Board Resolutions setting forth the Board's policies and positions on legislation. At the November meeting, the Board voted to merge the existing policies and add two additional policies to the opposition list. The proposed Resolution memorializes the Board's votes and aggregates all Resolutions into one policy which sets forth the Board's policies regarding legislative positions.

He explained that over the years, as different legislative proposals have arisen, the Board has adopted policies relating to these proposals. The current policies are as follows:

BR 2012-10-07: This resolution sets forth the policy that the Board opposes legislation that creates a temporary transfer window allowing members to transfer service between IMRF and another pension fund.

BR 2011-03-06: This Resolution sets forth the policy that the Board opposes legislative proposals that would reduce IMRF's funding goal to less than 100%, interfere with the Board's authority to set employer contribution rates or invest assets under the prudent man rule, or any proposal that interferes with the Board's ability to administer the plan.

BR 2005-10-11(b): This Resolution sets forth the policy that the Board opposes all special legislation that would increase benefits for a select group of members without making corresponding benefits available to all its members.

BR 2008-12-21: This Resolution was passed to oppose specific legislation proposed by the State Treasurer around the time the Resolution was passed. The legislation related to consolidation of the trust funds of the five State-funded retirement systems.

The Board has approved the merging of Resolutions 2010-10-07; 2011-03-06, and 2005-10-11(b) into one resolution. The proposed Resolution combines these policies with two changes. First, the policy referencing the "prudent man" rule is instead amended as "prudent person" rule. Second, the two positions adopted by the Board at the November 2023 meeting are incorporated. These include points 7 and 8 in the list to proposals to which the Board is opposed: legislation that adversely impacts the operational abilities of the Fund, and legislation that my potentially violate state or federal law, including the Pension Protection Clause of the Illinois Constitution, and the Internal Revenue Code.

Last, it is recommended that the Board rescind Resolution 2008-12-21. This resolution related to a specific piece of legislation which is no longer being discussed. Additionally, the Resolution does not accord with the Board's current policy to refrain from taking positions on legislation that does not impact IMRF.

Staff recommends that the Board pass Resolution 2023-12-12(a) which supersedes Resolutions 2010-10-07; 2011-03-06; and 2005-10-11(b); and rescinds Resolution 2008-12-21.

It was moved by Mr. Kosiba and seconded by Mr. Miller to pass Resolution 2023-12-12(a) which supersedes Resolutions 2010-10-07; 2011-03-06; and 2005-10-11(b); and rescinds Resolution 2008-12-21.

VOTE:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT (STANISH)

(23-12-13) (Appreciation of Service) Executive Director Brian Collins informed that today is Jeff Stulir's last day on the Board and he presented the following resolution:

WHEREAS, Jeffrey Stulir has faithfully served five years on the IMRF Board of Trustees, and;

WHEREAS, Jeffrey Stulir served as an Employee Trustee from 2012 through 2015, and from May 2023 through December 2023, and;

WHEREAS, as one of the eight members of the IMRF Board of Trustees, Jeffrey Stulir was responsible for the governance of the IMRF pension system, including the assessment of the Executive Director, of which he worked with two (Louis Kosiba and Brian Collins), and;

WHEREAS, under Jeffrey Stulir's stewardship, IMRF assets grew from \$24.8 billion in December 2011 to more than \$50 billion in December 2023, and;

WHEREAS, under Jeffrey Stulir's stewardship, IMRF's funded status was more than 98% at the time of his departure, and;

WHEREAS, during Jeffrey Stulir's tenure, IMRF received Illinois Performance Excellence Silver Awards for "Progress toward Excellence" in 2012 and 2014 in recognition of the organization's ongoing commitment to improving customer service and operations, and then later received the Malcolm Baldrige National Quality Award, becoming the first public pension fund in the nation to earn our country's highest presidential honor for performance excellence, and;

THEREFORE, BE IT RESOLVED, that the IMRF Board of Trustees recognizes and honor Jeffrey Stulir for his significant contributions and excellent service to the Illinois Municipal Retirement Fund.

It was moved by Ms. Copper and seconded by Mr. Kosiba to approve the Resolution for Appreciation of Service for Mr. Jeffrey Stulir.

VOTE:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT (STANISH)

Brian Collins also presented the following resolutions for Appreciation of Service for Denise Streit, Dave Buchanan, and Tena Carr.

Appreciation of Service for Denise Streit

WHEREAS, Denise Streit, Office Services Manager, has faithfully served IMRF from October 1995 through December 2023, and;

WHEREAS, Denise Streit held positions in the Office Services Department, first as an Imaging Analyst, and since October 1996 as the Office Services Manager, and;

WHEREAS, Denise Streit managed the everyday upkeep of the physical offices, including recommending special cleanings especially during the pandemic and recommending projects to keep the physical space clean and in good condition, and;

WHEREAS, Denise Streit led the first official process improvement approach which paved the way for IMRF's continuous process improvement (CPI) program we use today that includes our IAPI (Identify, Analyze, Prioritize, Implement) decision-making process, OFI (Opportunities for Improvement) process, and DMAIC (Define, Measure, Analyze, Improve, Control) tools process, and;

WHEREAS, over the years, Denise Streit worked closely with more than 30 contractors and vendors on special office improvement projects including updating the lunchroom and kitchenettes, adding plexiglass partitions, preparing for and installing new wall art, installing a new audio-video system in the Oak Brook Boardroom, installing Mission Vision and Values Posters, etc., and;

WHEREAS, during her tenure, Denise Streit supported 28 mailings for the Board of Trustees elections ensuring timely and accurate processing of materials in the Mail Center, and;

WHEREAS, Denise Streit was heavily involved in the 22-year Jacket Conversion Project that included converting microfiche to our current imaging system for 300,000 member records, and;

WHEREAS, over the course of Denise Streit's IMRF career, Denise received five awards from the Mail Systems Management Association (MSMA) and the Office Services Professional Certification including Chicago MSMA Mail Center Manager of the Year, Chicago MSMA Mail Center of the Year, National Mail Center Manager of the Year, Office Services Gold Award, and Distinguished Service Award, and;

WHEREAS, Denise Streit promoted career development for the Office Services Department by assisting with study sessions for the Office Services Professional Certification (OSPC) that is a training and certification program for non-managers in office services, support services, and mail operations, and;

WHEREAS, Denise Streit demonstrated IMRF's Values of Respect and Empathy by making sure IMRF staff felt comfortable at their workstations and in the office space and also IMRF's Value of Accuracy by making sure things were done correctly, and;

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

Appreciation of Service for Dave Buchanan

WHEREAS, Dave Buchanan, Digital Print Coordinator, has faithfully served IMRF from December 1993 through January 2024, and;

WHEREAS, Dave Buchanan bridged the gap from analog print to digital print technology that IMRF uses today, and;

WHEREAS, over the years, Dave Buchanan transformed IMRF's self-serve print shop to IMRF's print center we use today producing consistent, quality material, and;

WHEREAS, Dave Buchanan scheduled and coordinated the completion of more than 50 million print pieces including booklets and bound reports for our members, and;

WHEREAS, Dave Buchanan tracked inventory of all paper and ordered supplies as needed, as well as tracked usage and repair history on all copiers, fax machines, and bindery equipment, and;

WHEREAS, Dave Buchanan worked closely with staff and managers to plan copy work and determine priorities, and;

WHEREAS, as part of a team, Dave Buchanan was heavily involved in the rebranding of the IMRF logo and printing of the Horizon logo on various material, and;

WHEREAS, Dave Buchanan demonstrated IMRF's Value of Accuracy by making sure deadlines were met and also IMRF's Value of Honesty for being so candid, and;

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

Appreciation of Service for Tena Carr

WHEREAS, Tena Carr, Business Solution Analyst, has faithfully served IMRF from October 2009 through January 2024, and;

WHEREAS, Tena Carr held positions in the Disability Department, Benefits Department, Information Services Department, and Member Services Department, first as a Disability Claims Examiner, then as a Benefits Department Analyst, then as a Business Solution Lead for IS (Enterprise Solutions) and since September 2022 as the Business Solution Analyst for Member Services, and;

WHEREAS, Tena Carr supported the Member Customer Service Core Business Process Team and Member Customer Service Business Process Owner (BPO) in successfully implementing the Horizon Project business solutions in the Member Services Department by preparing for Horizon meetings, preparing and maintaining all necessary documentation, assisting with developing written materials, "How To" videos, and conducting or arranging for all systems training, and;

WHEREAS, Tena Carr resolved Horizon system problems by providing workarounds and requesting system fixes, and monitored the status of system fixes, and;

WHEREAS, Tena Carr monitored and facilitated the maintenance of all systems (i.e. Horizon, CRM, Library Manager, telephony software) that impact Member Services processes including writing problem reports, any needed change controls, etc., and;

WHEREAS, as part of a team, Tena Carr assisted in processing thousands of disability claims for our members, and;

WHEREAS, as a Disability Claims Examiner, Tena Carr worked closely with the Information Services Team to upgrade SPECTRUM with several design enhancements to make the disability claims process better, and;

WHEREAS, Tena Carr demonstrated IMRF's personal Values of Accountability and Courage by being a Change Champion for the Horizon Project, and;

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

It was moved by Ms. Copper and seconded by Mr. Kosiba to approve the Resolutions for Appreciation of Service for Denise Streit (30 years), Dave Buchanan (28 years), and Tena Carr (14 years).

VOTE:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT (STANISH)

(23-12-14) (Benefit Review Committee) The Chair of the Benefit Review Committee reported on the Benefit Review Committee Meeting that was held on December 14, 2023.

The minutes from the November 16, 2023 Benefit Review Committee were approved by the Committee.

It was moved by Mr. Miller, seconded by Mr. Stefan, to accept the following recommendations of the Benefit Review Committee:

- Affirm the staff decision denying temporary disability benefits. Based on the medical documentation provided by Ms. Pamela Bails, as well as the Disability Peer Review, Ms. Bails' condition has been stable with medication, and course of treatment is not consistent with a disabling condition. No intensive treatment or outpatient programs had been recommended, which would indicate a possible disabling diagnosis. Ms. Bails has since returned to work. Therefore, the Committee finds that Ms. Bails does not meet the eligibility requirements for total and permanent disability benefits as set forth in Section 7-146.
- Reverse staff's decision and permit Ms. Joyce Ringdahl to reinstate her refunded service.
- Affirm the staff decision denying total and permanent disability benefits for Mr. Richard Reid. The Committee was persuaded by the four expert reports indicating that Mr. Reid is able to perform sedentary or light work, as well as evidence showing that Mr. Reid's personal doctors believe that he can perform gainful activity. The Committee noted inconsistencies in Mr. Reid's testimony and the evidence within the record. Therefore, the Committee finds that Mr. Reid does not meet the eligibility requirements for total and permanent disability benefits as set forth in Section 7-150.

VOTE:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT (STANISH)

(23-12-15) (Legislative Committee Meeting) The Chair of the Legislative Committee reported on the Legislative Committee meeting that was held on December 14, 2023.

The Committee began by approving the minutes of the November 16, 2023 Legislative Committee meeting.

After discussion, the Committee then recommended the following proposals for the 2024 IMRF Board of Trustees' Legislative Agenda:

- Allow the Board to review the circumstances of any return to work of separation of service violation and assign liability for the amount of the overpayment based on the proportional liability between the employer and the member.
- Increase the death benefit from \$3,000 to \$8,000 for those who first retire on or after the effective date of the legislation.
- Rescind the proposal from the November meeting that proposed to increase the death benefit from \$3,000 to \$5,000.
- Amend the charter to incorporate the changes to legislative procedure that were adopted in November.

It was moved by Mr. Kosiba and seconded by Mr. Miller to approve the Legislative Committee recommendations listed above.

VOTE:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT (STANISH)

(23-12-16) (Investment Committee Meeting) The Chair of the Investment Committee reported on the Investment Committee Meeting that was held on December 14, 2023.

The Committee began the meeting by approving the minutes of the November 16, 2023 Investment Committee meeting.

It was moved by Ms. Henry and seconded by Ms. Copper to approve the following Committee recommendations for Private Credit:

For Private Credit

- o Authorize a commitment of up to \$100 million to Comvest Credit Partners Fund VII, L.P., subject to satisfactory legal due diligence;
- o Authorize a commitment of up to \$100 million to AG Direct Lending Evergreen Fund, L.P., subject to satisfactory legal due diligence;
- o Authorize a commitment of up to \$50 million to Capital Spring Senior Income Fund II, L.P., subject to satisfactory due diligence;
- o Authorize a commitment of up to \$100 million to Atalaya A4, L.P., subject to satisfactory due diligence;
- o Authorize a commitment of up to \$50 million to PennantPark Credit Opportunities Fund IV, L.P., subject to satisfactory due diligence; and,
- o Authorize staff to complete all documentation necessary to execute these recommendations.

VOTE:

ALL VOTED AYE - MOTION CARRIED

7 AYES; 1 ABSENT (STANISH)

It was moved by Mr. Henry and seconded by Mr. Stefan to approve the following Committee recommendations for Private Equity:

For Private Equity

- o Authorize a commitment of up to \$35 million to Coalesce Capital Fund I, L.P., subject to satisfactory due diligence; and,
- o Authorize staff to complete all documentation necessary to execute this recommendation

VOTE:

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

It was moved by Mr. Henry and seconded by Mr. Kosiba to approve the following Committee recommendations for Real Estate Equity:

For Real Estate Equity

- o Authorize a commitment of up to €100 million to Ares European Property Enhancement Fund IV, L.P., subject to satisfactory due diligence; and,
- o Authorize Staff to complete all documentation necessary to execute these recommendations

VOTE:

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

(23-12-17) (Executive Director Compensation) The Board Chair explained that the Board met in Executive Session in November to discuss compensation for the Executive Director for 2024.

Based on the Board's discussion in November, a salary increase of 5% for Brian Collins, Executive Director, effective January 1, 2024, has been posted in accordance with Illinois Law, and staff is recommending that the Board approve a salary increase in the amount of 5% for the IMRF Executive Director.

It was moved by Ms. Henry and seconded by Mr. Stefan to approve a 5% salary increase for the Executive Director, effective January 1, 2024.

ROLL CALL VOTE:

**4 AYES (HENRY, KUEHNE, MILLER, STEFAN)
3 NAYS (COPPER, KOSIBA, STULIR)
1 ABSENT (STANISH)
MOTION CARRIED**

(23-12-18) (Litigation Update) The following is an update of the currently pending or recently concluded 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 the 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. The parties have recently agreed to a list of qualified experts. The experts will assist the arbitration panel in resolving questions of econometric causation and calculation of alleged damages.

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 appealed the decision.

Status: The retroactive denial of temporary disability benefits to Mr. Gardner was affirmed by the Circuit Court. Mr. Gardner appealed the Circuit Court's decision. The Appellate Court issued its decision on October 16, 2023, which reversed the decision of the Circuit Court. The Appellate Court determined that IMRF should not have retroactively denied Mr. Gardner temporary disability benefits. IMRF determined to not request appeal to the Supreme Court. The case was remanded back to the Circuit Court, who will in turn remand it to IMRF for a determination on his application for total and permanent disability benefits. The next circuit court date is set for December 13, 2023.

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 DRB 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. Staff is working

with English counsel and IMRF's investment managers to establish standing for each group of shares that may be recoverable in this action.

VERONICA MONTOYA v. BOARD OF TRUSTEES OF IMRF et al.
DUPAGE COUNTY 2022 MR 756)

Summary: Montoya was the transportation coordinator for Rockford School District 205. She applied for and was granted temporary disability benefits from IMRF for the maximum statutorily permitted amount of time. Upon evaluation for total and permanent disability benefits and after an administrative hearing, the IMRF Board denied Montoya's claim for total and permanent disability benefits. Montoya appealed the decision.

Status: The Court issued its decision on October 18, 2023, which reverses IMRF's denial of total and permanent disability benefits. IMRF has filed an appeal with the Appellate Court at the Board's direction. A briefing schedule has not been set. IMF has also filed a motion to stay judgment at in the trial court, pending outcome of the Appellate court case.

GIVENS v. IMRF (U.S. EEOC 440-2022-09088; N.D. ILL, 1:23-CV-14101)

Summary: This is a charge of discrimination by a current employee through the U.S. Equal Employment Opportunity Commission.

Status: Plaintiff's Counsel has indicated that she will be filing an amended complaint to make corrections to the original complaint. IMRF will file an appropriate responsive pleading once the amended complaint is received.

GREGORY PALMER v. VILLAGE OF SUMMIT, IMRF et al.
(COOK COUNTY 2023 CH 8087)

Summary: IMRF was named as a necessary party to litigation involving the Village of Summit and Palmer, its former employee. Palmer claims that he was eligible to participate in IMRF in 1993 but that the Township failed to enroll him. He seeks mandamus, declaratory judgment, and a civil rights claim against the Village to require the Village to execute an omitted service application for IMRF service credit. Palmer is a current IMRF retiree. Prior to this lawsuit, Palmer submitted an omitted service application to IMRF, however the form was denied on the basis that it was incomplete due to not providing the time period for which service was being requested.

Status: IMRF's position is that IMRF is not a necessary party to the action. IMRF has filed a motion to dismiss itself as a misjoined party. Palmer filed a motion to stay the proceedings due to pending settlement between the employer and former employee. Status is set for January 10, 2024.

MARY SERDAR v. IMRF BENEFIT REVIEW COMMITTEE et al.
(WILL COUNTY 2023 MR 382)

Summary: Serdar was the building secretary for the Village of Plainfield. She applied for and was granted temporary disability benefits from IMRF for the maximum statutorily permitted amount of time. Upon evaluation for total and permanent disability benefits and after an administrative

hearing, the IMRF Board denied Serdar's claim for total and permanent disability benefits. Serdar appealed the decision.

Status: IMRF was served with the suit on October 27. IMRF has filed a motion to dismiss on the basis that Serdar did not name the IMRF Board of Trustees as defendant. The motion status date is set for December 8, 2023.

IN RE GILLIM
(BANKR. N.D. ILL. 23-81265)

Summary: IMRF retiree Tara Gillim previously received IMRF disability benefits. It was later discovered that she had been approved for Social Security disability benefits for the same time period, thereby accruing a prepayment for the difference. As of her bankruptcy filing, her remaining prepayment is less than \$5,000. Member has now filed for Chapter 7 bankruptcy and IMRF was named a creditor.

Status: IMRF's position is that the prepayment is not subject to discharge in bankruptcy. IMRF is working with counsel and the bankruptcy trustee to protect IMRF's ability to collect the prepayment.

(23-12-19) (Approval of Archie Creek Litigation Settlement) General Counsel explained the terms of the Settlement Agreement and Release between IMRF and PacifiCorp power.

It was moved by Mr. Kosiba and seconded by Mr. Miller to approve the settlement agreement with PacifiCorp, as presented, and authorize the Executive Director to execute all necessary documentation on behalf of IMRF.

VOTE:

ALL VOTED AYE - MOTION CARRIED
7 AYES; 1 ABSENT (STANISH)

(23-12-20) (Report of the Executive Director) Executive Director Brian Collins provided information on the following projects.

(A) Horizon Update. The Executive Director explained that after the holidays pass and the new year begins, the focus of the Horizon project will transition into preparing for the March Go Live of Horizon. This transition will include both business and technical preparations. With all software ready and technical staging underway, staff will focus on transitioning work-in-progress in both member and employer areas to the new Horizon solution and will resume training and assisting employers to be ready for Go Live in March. Support for members is also underway as the contact centers practice using Horizon for responding to member calls and questions about the expanded services that Horizon will provide. He added that there will be an update at the next Board meeting.

(B) FOIA Requests. Provided as information.

(C) Miscellaneous. The Personnel Update report was provided as information.

(23-12-21) (Trustee Forum) The Chair reported the following Trustees requested authorization from the Board to attend the following conferences:

Dave Miller Investment Education Symposium 2024
Opal Group
February 6 - 10, 2024
New Orleans, LA

Louis Kosiba Private Markets
Pensions & Investments
April 9 - 10, 2024
Chicago, IL

It was moved by Ms. Copper and seconded by Mr. Stefan, to approve the requests of two Board members to attend the conferences listed above.

VOTE:
ALL VOTED AYE - MOTION CARRIED
7 AYES; 1 ABSENT (STANISH)

An updated list of conferences was provided for all to review. Also provided was a chart listing the training hours each Trustee accrued in the year 2023.

(23-12-22) (Adjournment) It was moved by Mr. Stulir and seconded by Ms. Copper, to adjourn the Board Meeting at 11:32 a.m., and to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, IL, at 9:00am, on February 23, 2024.

VOTE:
ALL VOTED AYE - MOTION CARRIED
7 AYES; 1 ABSENT (STANISH)



President

02-23-2024

Date



Secretary

02-23-2024

Date

