

IMRF  
Board of Trustees  
Candidate Packet

2024



June 2024

Dear IMRF Member:

Thank you for expressing an interest in becoming a Trustee of the Illinois Municipal Retirement Fund. We are frequently asked questions by prospective candidates concerning the time commitments and what it's like to be a Trustee.

This booklet was designed to help you in your decision-making process. If you are already a candidate, then it will help you better understand what being a Trustee is all about. It consists of materials found in several different sources. None of this information is confidential. Many items are on the IMRF website.

If you are elected to the IMRF Board, you will be required to file a written statement of economic interest annually. In addition, you will be required to attend at least eight hours of ethics training each year, e.g., training on ethics, fiduciary duty, and investment issues. This training is separate from the orientation and education IMRF provides to new Trustees. It is up to each Trustee to meet this ethics training requirement; however, IMRF will facilitate the training when possible.

This booklet is only a start. It is not intended to be comprehensive. You are welcome to attend a Board or Committee Meeting. Or you can give us a call. Any one of the directors is ready, willing, and able to assist you and to help you understand the operations of the organization. Current Trustees can also be an important resource and may be reached by contacting me at 630-368-5355.

We look forward to hearing from you.

Very truly yours,

Brian Collins  
Executive Director



# IMRF Board Candidate Packet

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# Board Elections & Powers

IMRF is governed by an eight-member Board of Trustees. IMRF Board members serve five-year staggered terms:

- Four of the Board members are Executive Trustees and are elected by participating units of government,
- Three are Employee Trustees and are elected by active members of IMRF, and
- One is an Annuitant Trustee elected by IMRF retirees (annuitants).

For the 2024 election, IMRF members will elect one Employee Trustee for a five-year term of office that will run from January 1, 2025 through December 31, 2029.

The following explains Board elections and Board powers.

# Board Elections and Powers

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IMRF is governed by Article 7 of the Illinois Pension Code (40 ILCS 5/7 101 et seq.).

The statute specifies how Board elections are to be conducted as well as the powers of the IMRF Board.

To view Article 7 of the Illinois Pension Code, click [here](#) or go to the link provided on the IMRF website at **[imrf.org/pension-code](http://imrf.org/pension-code)**.



# Time Commitment

IMRF Trustees commit a significant amount of time to attending Board meetings, committee meetings, and performing other duties on behalf of IMRF. The following provides an example of the amount of time a Board member spends fulfilling his or her Board duties.

# Time Commitment

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An IMRF Trustee not only spends time attending Board and Committee meetings, he or she should spend time preparing for those meetings.

- On average, a Trustee will spend a minimum of five hours preparing for the Board meeting.
- If a Trustee is the member of a committee(s), he or she or she may spend several additional hours preparing for committee meeting(s).
- Trustees are required to attend at least eight hours of ethics and fiduciary training annually.
- To provide Trustees with additional educational opportunities, Trustees are encouraged to attend business and educational functions, such as workshops, conferences, and symposiums. Trustees are limited to two out-of-state and two in-state events per year.
- IMRF also provides Trustees with various pension-related and business publications.

**Please note:** Trustees are generally not reimbursed for time spent in their office or place of work handling IMRF-related telephone calls or document study. If you participate in committee or Board meetings by telephone, your employer is reimbursed for time spent.

## Board meetings

- The full Board typically meets 7 times per year, and Board meetings are usually on the fourth Friday of the months in which they are held, starting at 9 AM. The meeting can last from four to six hours. Board meetings are currently not scheduled for April, June, July, or October, but it is possible one could become necessary.
- Trustees who live more than 50 miles from the IMRF Oak Brook office have the option of arriving the day before the Board meeting, with lodging provided by IMRF.
- Trustees have the option of participating in Board meetings from the Springfield office by videoconference.

## Preparation Time for Board Meetings

- IMRF uses BoardDocs—a secure, Web-based electronic format—to distribute Board meeting materials. Approximately one week before the Board meeting, Trustees receive an email with a link to the electronic Board packet. Newly elected Trustees will receive training in how to use BoardDocs.
- This Board packet includes information related to that month's meeting agenda. See a sample Board meeting agenda on pages 11-12.
- Board packet material includes:
  - Investment Advisory report (see below for more information)
  - Reports from various investment managers and consultants (see page 22 for more information)
  - Summaries of Other Schedules
    - A - Approved Benefits
    - B - Adjusted Benefits
    - C - Benefit Cancellations

- D - Total and Permanent Disability Benefits Denied
- E - Total and Permanent Disability Benefits Awarded
- F - Benefit Payment Terminations
- G - Administrative (Staff) Denial of Benefit Claims
- P - Administrative Denial of Applications for Past Service Credit
- R - Prior Service - New Governmental Units
- Schedule T - Expenditure Report for previous month
- Minutes from previous month’s Board meeting
- Bid Invitation acceptance letters
- Recommendations regarding units of government wishing to join IMRF
- Committee reports and/or minutes
- Litigation update
- Legislative update
- Listing of upcoming seminars and conferences

### **Committee meetings**

- A Trustee may serve as chair and/or member of one or more Board committees. The Board President nominates membership and the full Board approves.
- Although **all Board members must fulfill their fiduciary duties as stewards of IMRF assets**, committee chairs and members are expected to develop a greater in-depth knowledge of the Committee they serve.

### **Required Fiduciary Training**

- Trustees are required to attend at least eight hours of ethics and fiduciary training annually. This training may be on the topics of ethics, finance, investments, actuarial and accounting principles, and other issues of pension fund administration.



### **Benefit Review Committee**

- The Benefit Review Committee generally meets every month in which there is a Board meeting. Meetings are generally held the morning of the Board meeting and can last anywhere from two to four hours.
- Benefit Review Committee materials, which include information about the claims to be reviewed, e.g. medical reports, correspondence, and any other information pertinent to the claim, are available for committee members on BoardDocs.
- Time spent reviewing Benefit Review material depends on the number of appeals to be heard by the Committee, and can range from one to three hours a month.

### **Investment Committee**

- The Investment Committee generally meets every month in which there is a Board meeting. Meetings are generally held the day before the monthly Board meeting and can last three to four hours.
- IMRF employs 71 individual investment managers who handle 91 separate accounts. Board members receive investment reports via the online portal BoardDocs.
- All Investment Committee materials are available for committee members on BoardDocs. The amount of time a Trustee spends reviewing Investment Committee material varies, and is based upon the level of detail that the Trustee wishes to review
- On average, if a Trustee is not a member of the Investment Committee, he or she can expect to spend five hours a month reviewing investment material. If a Trustee is a member of the Investment Committee, he or she can expect to spend an average of seven hours a month reviewing investment material.
- Investment material includes numerous reports on portfolio holdings, performance information, portfolio analytics, market strategy reports, transaction reports, and economic reports.
- In addition, all Board members receive business periodicals such as *The Wall Street Journal*, *Institutional Investor* magazine, *Pension & Investments* magazine, and *Plan Sponsor* magazine.

### **Legislative Committee**

- The Legislative Committee may meet four times by telephone while the General Assembly is in session (usually four months a year). The Committee also meets in the fall to set the coming year's legislative agenda.
- Committee members can view materials on BoardDocs prior to the meeting, which include position papers and background information on House and Senate bills.
- Time spent reviewing materials can range from less than one hour to more than two hours per meeting.

### **Audit Committee**

- The Audit Committee meets at least twice a year. Meetings are generally held the day of the monthly Board meeting.
- Committee members can view materials on BoardDocs prior to the meeting, which include information about IMRF's financial reporting process, internal control over financial reporting, internal and external audit process, compliance with laws and regulations, and the Board's Ethics Code and Travel Policy.
- An Audit Committee member can expect to spend an average of one hour reviewing Audit material per meeting.



Locally funded, financially sound.

**Friday, December 16, 2022**  
**Regular Board Meeting \* Time Allocated**

**1. Roll Call**

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A. Meeting begins at 9:00 a.m.

**2. Public Comments**

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**3. Investment Update \*5 minutes**

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A. Investment Report (Angela Miller-May)

**4. Action Item - Diversity Report \*5 minutes**

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A. Approval of 2022 Diversity Report (Angela Miller-May)

**5. Action Item - Insurance Renewals \*5 minutes**

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A. Insurance Renewals (Vladimir Shuliga)

**6. Action Item-Commitment \*5 minutes**

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A. Schedules A-S (December, September)

B. Participation of New Unit of Government (Vladimir Shuliga)

C. Minutes of November 18, 2022 Regular Board Meeting (Vladimir Shuliga)

D. Minutes of November 18, 2022 Executive Session (Vladimir Shuliga)

E. Bids (Vladimir Shuliga)

F. Review of November Financial Reporting Package (Mark Nannini)

G. Statement of Fiduciary Net Position (Mark Nannini)

H. Impact of 2022 Year-To-Date Investment Performance, Employee Reserves, Funding Status and Average Employer Contribution Rate (Mark Nannini)

I. Schedule T - Report of Expenses (Mark Nannini)

**7. Action Item - Executive Trustee Election \* <5 minutes**

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A. Certification of Results of Executive Trustee Election (Vladimir Shuliga)

**8. Action Item-Election Of 2023 Board Officers \* minutes**

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A. Election of 2023 Board Officers (Taking Office January 1, 2023)(Natalie Copper, Chair)(Brian Collins)

**9. Action Item - 2023 Board Meeting Dates \*5 minutes**

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A. 2023 Board Meeting Dates (Natalie Copper, Chair)(Brian Collins)

**10. Action Item-Appointment of Consultants to the Board for 2023 \*5 minutes**

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A. Actuary - Gabriel, Roeder, Smith & Co. (Mark Nannini)

B. Medical Consultants - MMRO and Network Medical Review (Vladimir Shuliga)

**11. Action Item - Committee Reports \*10 minutes**

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- A. Benefit Review Committee (Pete Stefan, Chair)(Vladimir Shuliga)
- B. Investment Committee (Louis Kosiba, Chair)(Angela Miller-May)
- C. Legislative Committee (Tom Kuehne, Chair)(Vladimir Shuliga)

**12. Action Item - Compensation \*5 minutes**

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- A. Executive Director Compensation (Vladimir Shuliga)

**13. Staff Reports \* <5 minutes**

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- A. Litigation Update (Vladimir Shuliga)
- B. Legislative Update (Bonnie Shadid)

**14. Report of Executive Director \*30 minutes**

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- A. Horizon Update (Keyla Vivas)
- B. Actuarial RFP Update (Brian Collins)
- C. FOIA Requests (Vladimir Shuliga)
- D. Miscellaneous Reports (Brian Collins)

**15. Trustee Comments**

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**16. Trustee Forum \* <5 minutes**

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- A. Conference Requests (Brian Collins)
- B. Conference/Seminar Listing (Brian Collins)
- C. Trustee Ethics Training (Vladimir Shuliga)

**17. Adjourn**

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- A. Motion to Adjourn
- B. Anticipated Meeting Length (including a 15-minute break) - 1 hour and 50 minutes

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# Committee Charters

Part of an IMRF Trustee's duties include serving on one or more Board Committees:

- Audit Committee
- Benefit Review Committee
- Investment Committee
- Legislative Committee

Each Committee's charter explains its responsibilities and relationship to the full Board.

# IMRF Board of Trustee Committees

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## 2024 Board Committees

### Audit Committee

Louis Kosiba, Chair  
Gwen Henry, Vice Chair  
Natalie Copper  
Tom Kuehne  
Sue Stanish  
Peter Stefan

### Benefit Review Committee

Natalie Copper, Chair  
Dave Miller, Vice Chair  
Doug Cycholl  
Tom Kuehne  
Peter Stefan

### Investment Committee

Sue Stanish, Chair  
Natalie Copper, Vice Chair  
Doug Cycholl  
Gwen Henry  
Louis Kosiba  
Tom Kuehne  
David Miller  
Peter Stefan

### Legislative Committee

David Miller, Chair  
Doug Cycholl, Vice Chair  
Natalie Copper  
Gwen Henry  
Louis Kosiba  
Tom Kuehne  
Sue Stanish  
Peter Stefan

## IMRF Committee Charters

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## **Audit Committee Charter**

This Audit Committee Charter has been adopted by the Board of Trustees of the Illinois Municipal Retirement Fund. The Audit Committee of the Board shall review and reassess this charter annually and recommend any proposed changes to the Board for approval.

### **Purpose**

To assist the Board of Trustees in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the internal and external audit process, and the Fund's process for monitoring compliance with laws and regulations and the Board's Ethics Code and Travel Policy. Other duties may be assigned to it by the Board.

### **Authority**

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to: Retain outside counsel, accountants, or others to advise the committee or assist in the conduct of an investigation. Seek any information it requires from employees--all of whom are directed to cooperate with the committee's requests--or external parties. Meet with Fund directors, internal auditors, external auditors, or outside counsel, as necessary.

### **Composition**

The audit committee will consist of at least three members of the Board of Trustees. The president of the Board will appoint and the full Board will approve committee members, the committee chair, and vice-chair for one-year terms. The members of the audit committee collectively shall possess the expertise and experience in accounting, auditing, and financial reporting needed to understand and resolve issues raised by the internal and external auditors. Each committee member will be both independent and financially literate, as determined by the Board of Trustees.

### **Meetings**

The committee will meet at least twice a year, with authority to convene additional meetings, as circumstances require. Meetings are subject to the Open Meetings Act. All committee members are expected to attend each meeting, in person or via teleconference or videoconference. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It may hold private meetings with auditors and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared. The internal auditor or the external auditor may request to meet privately with the committee if there are significant matters involving the office of the executive director or any other part of the organization or if the executive director has failed to respond to recommendations of either the internal or external auditors.



## **Responsibilities**

The Audit Committee will carry out the following responsibilities:

### **Financial Statements**

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review with management and the external auditors the results of the financial statement audit, including any difficulties encountered.
- Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review other sections of the annual report before release and consider the accuracy and completeness of the information.
- Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.
- Review with management and the external auditors any reports on any additional work for which the external auditors have been engaged.

### **Internal Control**

- Consider the effectiveness of the Fund's internal control over annual and interim financial reporting, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Inquire of management, the internal and external auditors about significant risks or exposures and assess steps management has taken to minimize such risk to the Fund.

### **Internal Audit**

- Review with management and the internal auditor the charter, the annual internal audit plan, activities, staffing, and organizational structure of the internal audit function.
- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the internal auditor.
- Review the effectiveness of the internal audit function, including compliance with professional standards for the practice of internal auditing.
- Review with management and the internal auditor significant findings during the year and management's responses.
- On a regular basis, meet separately with the director of internal audit to discuss any matters that the committee or internal audit believes should be discussed without management present.

**External Audit**

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
- On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed without management present.

**Compliance**

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the Ethics Code and Travel Policy to Fund personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and Fund legal counsel regarding compliance matters.

**Reporting Responsibilities**

- Regularly report to the Board of Trustees about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and the Board of Trustees.
- Review any other reports the Fund issues that relate to committee responsibilities.

**Other Responsibilities**

- Perform other activities related to this charter as requested by the Board of Trustees.
- Institute and oversee special investigations as needed.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the committee's and individual members' performance on a regular basis.

# **Benefit Review Committee Charter**

The Board of Trustees of the Illinois Municipal Retirement Fund has adopted this Benefit Review Committee (“Committee”) Charter. The Benefit Review Committee of the Board shall review and reassess this charter annually and recommend any proposed changes to the Board for approval.

## **Purpose**

To assist the Board of Trustees in fulfilling its oversight responsibilities for the process of hearing appeals of certain staff determinations regarding members’ claims for benefits, benefit calculation errors and resulting benefit recoupment and non-ERI related return to work issues. The Committee will review written findings and conclusions of the IMRF Hearing Officer related to employer contribution delinquencies, employer rates, accelerated payments, eligibility for participation, IMRF reportable earnings, felony forfeitures, contested beneficiary designations, ERI return-to-work violations and other appeals assigned to the IMRF Hearing Officer for determination. The Board may assign other duties to the Committee.

## **Authority**

The Benefit Review Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- Utilize outside medical consultants or others to advise the committee or assist in the conduct of an investigation.
- Seek any information it requires from Fund employees--all of whom are directed to cooperate with the Committee’s requests--or external parties.
- Meet with Fund staff, medical consultants, outside counsel, and members as necessary.

## **Composition**

The Benefit Review Committee will consist of at least three members of the Board of Trustees. At the January Board Meeting, the president of the Board will nominate, and the full Board will elect, committee members, the committee chair, and vice-chair for one-year terms.

## **Meetings**

The Committee will generally meet as scheduled, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via teleconference or videoconference. In the absence of the

Chairperson, the vice chairperson shall preside. In absence of both the chairperson and vice chairperson the other members of the Committee shall designate a chairperson pro tem to preside over the Committee meeting.

The Committee will require that staff, medical consultants, and others attend meetings to provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance of the meetings. Staff will provide the Committee with a copy of the statement of claim, a statement of the position of the administrative staff, and any other documentation (medical records, etc.) available to the Fund. For appeals heard by the IMRF Hearing Officer,

the Committee will be provided with the written findings and conclusions. Members of the Committee may ask questions necessary for better understanding of the facts or law.

All Committee hearings shall be open to the public unless the chairperson, for good cause shown and pursuant to the applicable provisions of the Open Meetings Act, shall determine otherwise. The member/claimant is not required to attend the meeting, and may be represented solely by the statement of claim on file. However, he/she may appear at the meeting in person, by teleconference, or by videoconference. The member may come alone, with an attorney, or with any other authorized representative. An attorney or other authorized representative may represent the member in his/her absence.

Staff will prepare minutes for each meeting. These minutes will serve as a record of proceedings in the form of a non-verbatim report. The claimant may obtain a verbatim record of hearing taken by a court reporter provided he/she makes a timely request for a court reporter to be present. The claimant must pay the full cost for the services of a court reporter.

### **Benefit Review Committee Responsibilities**

The Committee will carry out the following responsibilities:

- Hear appeals of certain staff determinations regarding members' claims for disability benefits, benefit calculation errors and resulting benefit recoupment and non-ERI return to work issues.
- Review the findings and conclusions of the IMRF Hearing officer related to employer contribution delinquencies, employer rates, accelerated payments, eligibility for participation, IMRF reportable earnings, felony forfeitures, contested beneficiary designations, ERI return-to-work violations and any other appeals assigned to the IMRF Hearing Officer for determination.

Staff will schedule the hearings on the meeting dates selected by the Committee.

### **Determination by the Committee**

Upon conclusion of all evidence and arguments, the Benefit Review Committee will make a decision as to the disposition of the claim. At least a majority vote is required for any decision of the Benefit Review Committee. The Committee will render one of the following decisions: affirmance of the staff recommendation, reversal of the staff recommendation, remand of the proceedings to staff for further investigation, request the development of an alternative resolution, or, in the case of deadlock, continuation of the claim for consideration by the full Board of Trustees. The decision will be in the form of a recommendation to the full Board of Trustees or, in the case of deadlock, without recommendation.

Immediately following each Committee meeting staff will prepare the chairperson's summary report to the Board of Trustees.

The Benefits Manager, or other staff designee, will send written notice of the decision of the Board of Trustees to the claimant, and if applicable, to the claimant's representative.

**Reporting Responsibilities**

- Regularly report to the Board of Trustees about Committee activities, issues, and related recommendations.
- Provide an open avenue of communication between medical consultants and the Board of Trustees.
- Review any other issues that relate to Committee responsibilities.

**Other Responsibilities**

- Perform other activities related to this charter as requested by the Board of Trustees.
- Institute and oversee special investigations as needed.
- Make recommendations to the Board of Trustees concerning policies related to the responsibilities set forth herein.
- Confirm annually that all responsibilities outlined in this charter have been carried out.

# Investment Committee Charter

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The Board of Trustees of the Illinois Municipal Retirement Fund has adopted this Investment Committee Charter.

## **Purpose**

The Investment Committee, as trustees and fiduciaries, is responsible for the proper oversight of the IMRF assets. The committee members shall carry out their functions solely in the interest of the IMRF members and benefit recipients and for the exclusive purpose of providing and defraying reasonable expenses incurred in performing such duties, as required by law.

## **Composition**

The Investment Committee will consist of at least six members of the Board of Trustees. Annually, the President of the Board will appoint the Investment Committee members, Chair and Vice Chair of the Investment Committee and the full Board will approve the Committee Chair, Vice-Chair and committee members for a one-year term.

## **Meetings**

The Committee will meet as necessary. A quorum of at least 5 members must be physically present for all meetings of the Committee. Meetings are subject to the Open Meetings Act. Each meeting agenda will be posted in advance and in accordance with the Illinois Open Meetings Act. Meeting materials will be prepared by Staff and Consultant, as necessary.

Staff will prepare minutes for each meeting. These minutes will serve as a record of proceedings in the form of a non-verbatim report.

## **Responsibilities**

Investment Committee members, as Trustees, shall act in accordance with the provisions of State Statute and with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims by diversifying the investment of the Fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

The Investment Committee of the Board is responsible for the following investment related activities, subject to approval by the Board of Trustees:

- Set the policies, objectives, and guidelines for investment of the Fund's assets and oversee compliance with investment policy and the laws of Illinois.
- Study thoroughly each issue affecting the Fund's investments to make educated and prudent decisions.
- Select qualified professionals to assist in implementing investment policies and evaluate their services.
- Consider Staff recommendations for selecting or terminating investment managers.
- Consider investment actions recommended by staff.
- Evaluate total fund performance including performance of all investment managers.

### **Reporting Responsibilities of the Committee**

- Regularly report to the Board about activities, issues and related recommendations.
- Report on any issues relating to its responsibilities.

### **Other Responsibilities**

- Perform any activities related to this charter as directed to the Board of Trustees.

### **Meetings**

This Charter may be amended by a majority vote of the Board. Recommendations for policy changes should be directed to the Chief Investment Officer. The Chief Investment Officer shall review all such recommendations and is responsible for submitting necessary changes to the Board for approval.

The Investment Committee Charter shall be reviewed annually.

## **Legislative Committee Charter**

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The Legislative Committee Charter was adopted by the Board of Trustees of the Illinois Municipal Retirement Fund. The Committee shall review and reassess this Charter annually, and recommend any proposed changes to the Board for approval.

### **Purpose**

The purpose of the legislative committee is to assist the Board in determining its legislative agenda and positions on legislation. Other duties may be assigned to it by the Board

### **Authority**

The Legislative Committee is empowered to:

- Authorize the drafting of legislation for review and approval by the Board;
- Request the preparation of cost studies by IMRF's actuaries covering proposed or introduced legislation, as necessary;
- Meet with parties that have an interest in legislation affecting IMRF; and
- Seek any information it requires from internal or external parties.

### **Composition**

The Legislative Committee will consist of at least three members of the Board of Trustees. At the January Board meeting, the President of the Board will appoint and the full Board will approve the Committee chair, vice-chair, and members for a one-year term.

### **Meetings**

The committee shall meet at least twice per year, with the authority to convene additional meetings, as circumstances require. One meeting shall be to determine the Board's legislative agenda for the following year. The committee shall also meet as soon as possible after new legislation is introduced affecting IMRF, but no later than the next scheduled Board meeting.

All committee members are expected to attend each meeting, in person or via tele-conference or video-conference. The committee may invite members of staff or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

### **Responsibilities**

The Legislative Committee will carry out the following responsibilities:

- Review all legislation affecting IMRF and determine its potential financial and administrative impact on the Fund, the members, and the employers;
- Recommend Board positions on all legislation affecting IMRF;
- Determine the concerns of the various IMRF constituencies to develop legislative solutions;
- Develop a legislative agenda for the Fund;
- Regularly report to the Board of Trustees about committee activities, issues, and related matters;
- Review any other reports the Fund issues that relate to committee responsibilities;
- Obtain regular reports from staff regarding legislative matters;
- Perform other activities related to this charter as requested by the Board of Trustees; and
- Confirm annually that all responsibilities outlined in this charter have been carried out.





# Board of Trustees Job Descriptions

The following pages provide position descriptions for Trustee, Board President, Board Vice-President, Board Secretary, and Committee Chairperson.

# Position Descriptions

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## Trustee

### Primary Responsibility

Each Trustee is a fiduciary responsible for the governance and oversight of IMRF. Trustees are obliged to act solely for the exclusive benefit of the IMRF members and beneficiaries and to act prudently under the circumstances. Each year, Trustees shall obtain eight hours of ethics training as required by the Illinois Pension Code (40 ILCS 5/1-113.18).

Although Trustees are elected by a specific constituency, upon taking office they represent all groups within IMRF. Trustees with conflicts must either avoid the conflict in advance or terminate it when it arises. A Trustee cannot ignore breaches of fiduciary duties by co-Trustees and must report breaches or potential breaches to the Board's Ethics Commission, Board President or Executive Director.

### The Duties of Trustees shall include:

1. Prepare for and attend scheduled Board meetings and Committee meetings to which you are appointed.
2. Be an informed and active member of the Board, fully participating in the decisions and actions of the Board by making independent assessments and reasonable judgments.
3. Acquire and maintain the knowledge necessary to perform the duties of a Trustee.
4. Follow policies and procedures established by the Board.
5. Qualify statements made to outside parties as either personal opinion; or, the official position of the Board once taken.
6. Act with respect towards other Trustees and staff in the conduct of IMRF business.
7. Comply with the Board's adopted policies and required filing of Compliance Statement and file an Annual Statement of Economic Interest with the DuPage County Clerk.
8. Adhere to State law regarding confidentiality and privacy of member records and benefits.
9. Adhere to the Illinois Open Meetings Act requiring public access to Board agendas, meetings and minutes. ; including financial training as necessary.
10. Assume responsibility for evaluating of the Trustee's own performance, and the overall performance of the entire Board.
11. Evaluate the performance of the Executive Director.

## **Trustee Access to IMRF Resources**

IMRF is operated for the benefit of its members, beneficiaries and employers. A Trustee should seek no advantage in the acquisition of resources or information over other Trustees, members or employers.

1. In pursuit of his or her fiduciary duties, a Trustee has a right to request and receive information; to ask questions; and, to receive full information and answers before required to vote on a matter pending before the Board.
2. A Trustee shall not give instructions or assign tasks to individual IMRF staff.
3. A Trustee may request from the Executive Director or IMRF staff information or assistance necessary to meet their responsibilities as an Authorized Agent, or their normal right as a member of IMRF.
4. The Executive Director may seek the advice of the President or refer the matter to the full Board before complying with individual Trustee requests that, in the Executive Director's opinion, would require a significant amount of IMRF resources or cause disruption to the regular administration of IMRF.
5. The Executive Director may refuse requests of individual Trustees that are in conflict with this policy. If the Trustee is not in agreement, he/she may appeal to the President or Vice President, as appropriate.

## **President of the Board of Trustees**

The President holds a position of leadership for the Board and IMRF and must be willing and able to devote the time necessary to fulfill these special responsibilities as the leader of the Board. This commitment includes the responsibility to:

1. Convene and conduct Board meetings in a respectful, fair and efficient manner following Board policies, procedures and applicable Illinois law.
2. Review and approve the agenda for regular and special Board meetings and include any issues requested by the Trustees or the Executive Director in accordance with the Board Meeting Protocol.
3. Ensure proper and timely flow of adequate information to the Board.
4. Solicit input from Trustees regarding matters before the Board.
5. In setting Board Agendas, ensure adequate time is provided for effective study and discussion of business being considered by the Board.
6. Schedule executive session meetings as necessary and in compliance with the Illinois Open Meetings Act.
7. Make assignments to committees (including the committee chairperson), taking into account the desires of the Trustees.
8. Execute such documents and other legal instruments on behalf of IMRF as required by Illinois law or authorized by the Board.
9. Discuss performance and behavior issues which may be inconsistent with the Board's Leadership Agreement with Trustees who are having a negative impact on IMRF.
10. Perform all other duties specifically identified by the Board.
11. Act as a member of IMRF's Ethics Commission.

## **Vice President of the Board of Trustees**

The Vice President should be prepared to act as temporary President during a Board Meeting in the absence of the President. Along with the Board President, review and approve the Agenda for regular and special Board Meetings.

In case of the resignation or death of the President, the Vice President automatically becomes President for the unexpired term.

## **Secretary of the Board of Trustees**

The Secretary is the recording Officer of the Board and the custodian of its records. This commitment includes the responsibility to:

1. Oversee preparation of Minutes of all Board Meetings.
2. Oversee maintenance of all Committee reports.
3. In the absence of the President and Vice President, to call the meeting to order and preside until the immediate election of a chairman pro tem.
4. Take Minutes at Executive Sessions and ensure proper recording.
5. In conjunction with the Executive Director, determine every six months if Minutes of Executive Sessions should be opened to the public.
6. Act as a conflict substitute member of IMRF's Ethics Commission, when needed.

The Secretary of the Board also has the responsibility to ensure staff:

1. Keeps the Board's official membership roll and to call the roll when it is required.
2. Makes Board and Committee Meeting Minutes and records available to members upon request.
3. Post notice of all Board and Committee Meetings.



# Ethics Code

Because they are stewards of retirement assets, IMRF Trustees hold the highest positions of trust. They are required to exercise diligence and prudence, and their duties require attention to fiduciary standards. The following Ethics Code explains the guiding principles IMRF Trustees follow as they fulfill their duties to IMRF members and employers.

# IMRF Ethics Policy

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## Preamble

IMRF is administered by a Board of Trustees comprised of representatives of sponsoring employers, participants and annuitants. The members of the Board of Trustees and IMRF staff hold the highest positions of trust because they are stewards of retirement assets. They are also persons who by their mere position are required to exercise diligence and prudence. Their duties require attention to fiduciary standards. Those fiduciary standards extend to consultants and financial advisors who serve in the administration of the goals and objectives of IMRF.

## Mission Statement (40 ILCS 5/7-102)

It is the mission of this Fund to efficiently and impartially develop, implement and administer programs that provide income protection to members and their beneficiaries on behalf of participating employers in a prudent manner. (Adopted January 28, 1997)

## Guiding Principles

1. Service to the beneficiaries of IMRF is the primary function of the Board of Trustees and IMRF staff.
2. The Board of Trustees and IMRF staff is ultimately responsible to the beneficiaries of IMRF.
3. In those situations where the law is not clear, the best interests of IMRF beneficiaries must be served.
4. Efficient and effective administration and investment management is basic to IMRF.
5. Safeguarding the trust of fund participants is paramount.
6. Service to IMRF participants demands fulfilling fiduciary responsibilities.
7. Timely and energetic execution of fiduciary responsibilities is to be pursued at all times by the IMRF Trustees and staff.

# Standards of Conduct and Conflict of Interest

## **IMRF Trustees and staff shall not:**

- Accept a gift having a value over \$25 or solicit any gift, favor, or service from any third party which has, is, or may do business with the Illinois Municipal Retirement Fund
- Accept other employment or engage in a business or professional activity that they reasonably expect would require or induce them to disclose confidential information acquired by reason of their official position;
- Accept other employment or compensation that could reasonably be expected to impair their independence of judgment in the performance of their official duties;
- Make personal investments that could reasonably be expected to create a substantial conflict between their private interests and the interests of the plan participants and beneficiaries; provided, however, no trustee or staff member is precluded from making any personal investment that will not create a substantial conflict;
- Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised their official powers or for having performed their official duties in favor of another;
- Transact any business in their official capacity with any entity or person in which they have an economic interest;
- Appear before the body of which they are a member while acting as an advocate for himself or any other person, group, or entity;
- Represent any business entity before the Board of Trustees, for pay;
- Represent, directly or indirectly, any business entity in any action or proceeding against the interest of the Board of Trustees, or in any litigation in which the Fund is a party;
- Use their official position to secure a special privilege or exemption for themselves or others or to secure confidential information for any purpose other than official duties;
- Intentionally or knowingly disclose any confidential information gained by reason of their position concerning the property, operations, policies or affairs of the Board of Trustees, or use such confidential information for pecuniary gain;
- Represent a firm or solicit business on behalf of a firm (including affiliates) for whom he or she previously voted in favor of entering into a business relationship or negotiated or signed a contract binding IMRF for a period of two (2) years following the term of office or employment;
- Solicit donations for charities, not for-profit organizations and other causes from any person, organization or entity which does, has done or may do business with IMRF, including but not limited to, investment advisors and managers;
- Solicit or accept political contributions or donations for himself or herself or others from any person, organization or entity which does, has done, or may do business with IMRF,



including but not limited to, investment advisors and managers; nor may he/she solicit or accept political contributions or donations from employees or IMRF;

- Profess or imply that he/she has the endorsement of IMRF with respect to any candidacy for which he or she is running;
- Accept free travel or accommodations from any third party which has, is or may do business with the Illinois Municipal Retirement Fund;
- Accept free attendance at any educational conference or business-related function, the cost for which has been paid directly or indirectly by any third party which has, is or may do business with the Illinois Municipal Retirement Fund;
- Accept food or refreshments exceeding \$75 per person per day in value from any third party which has, is or may do business with the Illinois Municipal Retirement Fund;
- Accept meals on an individual basis from any third party which has, is or may do business with the Illinois Municipal Retirement Fund unless such meal arises out of independent activities not related to the person's role with the Illinois Municipal Retirement Fund or unless it is a staff member on Fund business, under the \$75 limit set forth above.

### **Interpretation of Policy (Determination of Substantial Interest)**

An individual has a substantial interest in a business entity if he or she or his or her spouse:

- Has a controlling interest in the business;
- Owns more than 10 percent of the voting interest in the business entity;
- Owns more than \$25,000 of the fair market value of the business entity;
- Has a direct or indirect participating interest by shares, stock, or otherwise, regardless of whether voting rights are included, in more than 10 percent of the profits, proceeds, or capital gains of the business entity;
- Is a member of the board of directors or other governing board of the business entity;
- Serves as an elected officer of the business entity; or,
- Is an employee of the business entity.

## **Policy on Business & Educational Functions**

The Board of Trustees acknowledges it is responsible for the administration and operation of a specialized business involving great sums of money for the exclusive benefit of the plan participants and beneficiaries of the trust (Fund), and are responsible for defraying reasonable expenses which arise from the performance of duties and responsibilities under applicable trust law and universal tenets of fiduciary responsibility.

Trustees cannot rely solely on others to execute their fiduciary functions. While authority can be delegated, fiduciary responsibility rests ultimately with the trustees.

The Board of Trustees strongly encourages attendance and participation in business and educational functions which will further the performance of duties and responsibilities under applicable trust law. At a minimum, the trustees are required to attend at least eight hours of ethics and fiduciary training per year. Trustees shall annually certify to the Board compliance with this training requirement.

### **EXAMPLES OF CATEGORIES AND DEFINITIONS**

#### **Business Operations**

##### **Business Meetings**

- Gatherings for discussions or negotiations on potential investments.
- Formal litigation procedures.
- Internal retreats of Board with or without advisors or consultants.
- Instructional gatherings to develop business acumen

##### **Due Diligence**

- Personal investigatory appearances by board members to the actual site(s) of a prospective venture, which could include the operational office of a prospective new advisor, consultant or business venture.
- This function should be repeated with existing relationships particularly when a material change has occurred, such as a change in personnel.

##### **Site Inspections**

- Primarily reserved for real estate investments in order to “kick the tires,” meet the tenants and the property management teams, check out the condition of the building(s) and other data relating to any proforma items of the investment.

## **Educational Operations**

### **Conferences**

- Usually week long events of an annual nature dealing with a multitude of topics and current trends and developments in the pension industry.
- One of the best forums within which to interact with peers from other jurisdictions (networking).

### **Workshops and Symposiums**

- Events of two to three days of sessions involving discussions surrounding a single theme or subject matter.

### **Trustee Ethics and Fiduciary Training**

Trustees are required to attend at least 8 hours of ethics and fiduciary training annually. Each trustee is expected to maintain adequate documentation of such training, received in increments of no less than one-half hour of actual instruction.

Training may be conducted during Board and Board Committee meetings and Board Roundtables, provided the topic is clearly delineated as trustee ethics and fiduciary training.

Training may be undertaken at independent conferences, seminars and symposiums.

Trustee ethics and fiduciary training includes presentations by staff or consultants or training at outside seminars and conferences on topics of:

- IMRF ethics and travel policies and best practices in the industry;
- Fiduciary duties;
- Investment issues including asset allocation, training on potential investment vehicles, investment procedures, and best practices;
- Illinois pension Code;
- Actuarial issues, including presentations concerning the annual actuarial report, gain/loss analysis, and triennial experience analysis;
- Medical matters to assist in hearing disability claims;
- New trustee orientation; and
- Other issues of pension fund administration, as determined by the Board.

Not included are presentations covering:

- IMRF processes and procedures;
- Board agenda items unless specifically delineated as a training program.

## Policy Against Harassment

It is the desire of the Board of Trustees that employees work in an atmosphere free from all forms of harassment. Therefore, this policy prohibits all types of harassment, including, but not limited to, harassment based on: sex, race, color, religion, national origin, age, marital status, disability, handicap, sexual orientation, gender identity, or any other classification protected under applicable law. This policy extends to each and every level of IMRF. Accordingly, harassment, whether by an employee, a Trustee, an IMRF member or annuitant, a customer, a member of management, or a visitor will not be tolerated. Activities of this nature are unlawful and serve no legitimate purpose; they have a disruptive effect on an individual's ability to perform his/her job, and they undermine the integrity of the employment relationship.

Harassment is verbal or physical conduct relating to an individual's sex, race, color, religion, national origin, age, marital status, disability, handicap, sexual orientation, gender identity, or any other classification protected under applicable law when this conduct:

1. Has the purpose or effect of creating an intimidating, hostile, or offensive working environment;
2. Has the purpose or effect of unreasonably interfering with an individual's work performance; or
3. Otherwise adversely affects an individual's employment opportunities

We recognize examples of conduct that may constitute prohibited harassment include: slurs, jokes, cartoons, stereotypes, statements, etc., based upon sex, race, color, religion, national origin, age, marital status, disability, handicap, sexual orientation, gender identity, any other classification protected under applicable law, and unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
2. An individual's submission to or rejection of such conduct is used as a basis for an employment decision affecting that individual; or
3. The purpose or the effect of such conduct is to substantially interfere with the affected individual's work performance or to create an intimidating, hostile, or offensive work environment.

Although the above defines "unlawful" harassment, it is also a violation of this policy to commit or engage in any unprofessional or inappropriate conduct based on any protected classification, whether or not such conduct rises to the level of "unlawful" harassment.

Retaliation against any individual who has complained about harassment, filed a charge of harassment, or who otherwise participated in an investigation of harassment will not be tolerated.

Reports of violations of this Policy may be made to Supervisors, Managers, Directors, the Director of Human Resources or the Executive Director.

No Supervisor, Manager or Director has the authority to condition any tangible job benefit on an employee's putting up with or agreeing to any conduct that may violate this policy. If an employee believes that he or she has been deprived of any job benefit or that he or she has been threatened, he or she should immediately report it to one of the individuals listed above. Supervisors, Managers and Directors must report immediately to the Executive Director and/or the Director of Human Resources any incidents that they hear about or observe that may constitute a violation of this policy.

If the allegations involve the Director of Human Resources, then Supervisors, Managers and Directors should report the incident(s) to the Executive Director. If the allegations involve the Executive Director, Supervisors, Managers and Directors should report the incident(s) to the President, Vice President and/or Secretary of the Board of Trustees.

The confidentiality of harassment allegations will be protected to the extent possible under the circumstances. IMRF will actively investigate all harassment complaints, and, if it is determined that harassment has occurred, management will take appropriate disciplinary action against the offending party, up to and including immediate termination of employment.

Retaliation against any person who has complained about harassment, filed a charge of harassment, or who otherwise participated in an investigation of harassment will not be tolerated. Furthermore, no Supervisor, Manager, or Director has the authority to require anyone to tolerate or agree to any conduct that violates this policy in order to receive any job benefit, including compensation, duties, assignments, promotions, etc. Such activities are unlawful and will result in severe discipline, up to and including immediate termination of employment.

Pursuant to the Whistleblower Act (740 ILCS 174/15(a)), an employer may not retaliate against an employee who discloses information in a court, an administrative hearing, or before a legislative commission or committee, or in any other proceeding, where the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation. In addition, an employer may not retaliate against an employee for disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation. (740 ILCS 174/15(b)).

IMRF acknowledges a person's right to contact the Illinois Department of Human Rights (IDHR) at the James R. Thompson Center, 100 Randolph Street, Suite 10-100, Chicago, Illinois 60601, about filing a formal complaint. The IDHR will investigate a complaint, and, if it determines that there is sufficient evidence of harassment to proceed further, it will file a complaint with the Illinois Human Rights Commission (HRC), located at the same address on the fifth floor. If the IDHR does not complete its investigation within 365 days, a complaint may be filed directly with the HRC between the 365th and the 395th day.

Also a complaint may be filed with the Equal Employment Opportunity Commission (EEOC) at 500 West Madison Street, Suite 2800, Chicago Illinois 60661.

Anyone filing a complaint concerning a violation or suspected violation of this Policy must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Policy. Any allegations which prove to have been made maliciously or known to be false will be viewed as a serious disciplinary offense.

## Policy Against Prohibited Political Activities

The Board of Trustees recognizes that the IMRF staff is ultimately employed by the members of IMRF, the participating units of local government, and the taxpayers of those local governments. It is appropriate therefore that the restrictions against prohibited political activity found in the State Officials and Employees Ethics Act and applicable to units of local governments and school districts are applicable to IMRF staff and trustees.

The following definitions apply to this policy against prohibited political activities:

- “Campaign for elective office” means any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any federal, State, or local public office or office in a political organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors.
- “Candidate” means a person who has filed nominating papers or petitions for nomination or election to an elected public office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at a regular election, as defined in section 1-3 of the Election Code.
- “Compensated time” means, with respect to an employee, any time worked by or credited to the employee that counts toward any minimum work time requirement imposed as a condition of employment, but, does not include any designated holidays, vacation periods, personal time, or compensatory time off.
- “Contribution” has the same meaning as that term is defined in section 9-1.4 of the Election Code.
- “Employee” means a person employed by the Illinois Municipal Retirement Fund, whether on a full-time or part-time basis or pursuant to a contract, whose duties are subject to the direction and control of IMRF with regard to the material details of how the work is to be performed, but does not include an independent contractor.
- “Employer” means the Illinois Municipal Retirement Fund.
- “Political activity” means any activity in support of or in connection with any campaign for elective public office or any political organization, but does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action; (ii) relating to collective bargaining; or (iii) that are otherwise in furtherance of the person’s official duties.
- “Political organization” means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or a county clerk under Section 9-3 of the Election Code.
- “Prohibited political activity” means:
  - Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.
  - Soliciting contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.

- Soliciting, planning the solicitation of, or preparing any document or report regarding anything of value intended as a campaign contribution.
- Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective public office or on behalf of a political organization for political purposes or for or against any referendum question.
- Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective public office or on behalf of a political organization for political purposes or for or against any referendum question.
- Assisting at the polls on election day on behalf of any political organization or candidate for public office or for or against any referendum question.
- Soliciting votes on behalf of a candidate for elective public office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.
- Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective public office or for or against any referendum question.
- Making contributions on behalf of any candidate for elective public office in that capacity or in connection with a campaign for elective public office.
- Preparing or reviewing responses to candidate questionnaires.
- Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective public office or for or against any referendum question.
- Campaigning for any elective public office or for or against any referendum or against any referendum question.
- Managing or working on a campaign for elective public office or for or against a referendum question.
- Serving as a delegate, alternate, or proxy to a political party convention.
- Participating in any recount or challenge to the outcome of any public office election.
- “Trustee” means a member of the Board of Trustees of the Illinois Municipal Retirement Fund.

### **Prohibited Political Activities**

- a. No employee shall intentionally perform any prohibited political activity during any compensated time, as defined herein. No trustee or employee shall intentionally use any property or resources of IMRF in connection with any prohibited political activity.
- b. At no time shall any trustee or employee require any employee to perform any prohibited political activity (i) as part of that employee’s duties, (ii) as a condition of employment, or (iii) during any compensated time off (such as holidays, vacation or personal time off).
- c. No employee shall be required at any time to participate in any prohibited political activity in consideration for additional compensation or any benefit, nor shall any employee be

awarded additional compensation or any benefit in consideration for his or her participation in any prohibited political activity.

- d. Nothing in this Policy prohibits activities that are permissible for a trustee or employee to engage in as part of his or her official duties, including duties or activities related to the election of IMRF trustees, or activities that are undertaken by a trustee or employee on a voluntary basis which are not prohibited by this Policy. Nothing in this Policy shall apply to or restrict the rules regarding IMRF Board elections.
- e. No person shall be denied or deprived of employment at IMRF solely because he or she is a member or an officer of a political committee, of a political party, or of a political organization or club.

### **Penalties**

An employee who intentionally violates any provision of the IMRF Ethics Policy (including the standard of conduct and conflict of interest provisions, the travel policy, the policy against harassment, and the policy against prohibited political activities) is subject to discipline up to and including discharge.

A trustee who intentionally violates any provision of the IMRF Ethics Policy (including the standards of conduct and conflict of interest provisions, the travel policy, the policy against harassment, and the policy against prohibited political activities) is subject to public censure by the Board of Trustees and/or removal from Board office (i.e. President, Vice President or Secretary) and/or Board committee membership.

### **Ethics Advisor and Ethics Commission**

An ethics advisor for IMRF shall be designated by the Executive Director, with the advice and consent of the Board of Trustees. The ethics advisor shall provide guidance to the trustees and employees of IMRF concerning the interpretation of and compliance with the provisions of the IMRF Ethics Policy. The ethics advisor shall perform such other duties as may be delegated by the Board of Trustees.

An IMRF Ethics Commission shall be created, comprised of three members: the President of the Board of Trustees, the Vice-President, and the Chief Audit Officer. The Board Secretary shall be the conflict substitute.

The Ethics Commission shall have the following powers and duties:

1. To promulgate procedures and rules governing the performance of its duties and the exercise of its powers.
2. To investigate, conduct hearings and deliberations, issue recommendations for disciplinary actions regarding violations of this Ethics Policy. The Commission shall, however, act only upon the receipt of a written complaint alleging a violation of the Ethics Policy and not upon its own prerogative.



3. To receive information from the public and from trustees and employees pertaining to its investigations and to require additional information and documents from persons who may have violated the provisions of this Policy.
4. It is the obligation of all trustees and employees of IMRF to cooperate with the Commission during the course of its investigations. Failure or refusal to cooperate with requests by the Commission shall constitute grounds for discipline or censure.

Complaints alleging a violation of this Ethics Policy shall be filed with the Ethics Commission.

After receipt of a complaint, the Commission shall notify the respondent that a complaint has been filed against him or her and provide a copy of the complaint. The Commission shall also notify the complainant that the complaint was received. The notices to the respondent and the complainant shall also advise them of the date, time and place of the meeting to determine the sufficiency of the complaint and to establish whether probable cause exists to proceed.

The Commission shall meet to review the sufficiency of the complaint and, if the complaint is deemed sufficient to allege a violation of the Policy, to determine whether there is probable cause, based on the evidence presented by the complainant, to proceed. The Commission shall issue notice to the complainant and the respondent of the Commission's ruling on the sufficiency of the complaint and, if necessary, on probable cause to proceed within 10 business days after receiving the complaint.

If the complaint is deemed sufficient to allege a violation of the Policy and there is a determination of probable cause, then the Commission's notice to the parties shall include a hearing date scheduled within 45 business days after the complaint's receipt. If the complaint is deemed not sufficient to allege a violation or if there is no determination of probable cause, then the Commission shall send a notice to the parties of the decision to dismiss the complaint.

On the scheduled date the Commission shall conduct a hearing on the complaint and shall allow both parties the opportunity to present testimony and evidence.

Within 30 days after the date the hearing or any recessed hearing is concluded, the Commission shall either (i) dismiss the complaint or (ii) issue a recommendation for discipline to the Executive Director and the Board of Trustees. A copy of the recommendation shall be given to the alleged violator.

A complaint alleging a violation of the Ethics Policy must be filed with the Ethics Commission within one year after the alleged violation.



# Fiduciary Duties & Standards

Article 1 of the Illinois Pension Code

# Fiduciary Duties

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Responsibility for investing assets and paying benefits always rested with the Board of Trustees subject to a general body of law applicable to trusts. In 1982, prior limitations on the investment of assets were lifted and an approach reflecting federal law found in the Employee Retirement Income Security Act of 1974 (ERISA) was adopted. Article 1 of the Illinois Pension Code was revised establishing the Exclusive Benefit Rule which applies to both the administrative and investment responsibilities of the Board. The Rule states:

A fiduciary with respect to a retirement system or pension fund established under this code shall discharge his or her duties with respect to the retirement system or pension fund solely in the interest of the participants and beneficiaries and:

- (a) For the exclusive purpose of:
  - (1) Providing benefits to participants and their beneficiaries; and
  - (2) Defraying reasonable expenses of administering the retirement system or pension fund;
- (b) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.
- (c) By diversifying the investments of the retirement system or pension fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and
- (d) In accordance with the provisions of the Article of the Pension Code governing the retirement system or pension fund.

## Delegation of Fiduciary Duties

The day to day operation of a multi-billion dollar pension fund is beyond the realm of possibility for a “volunteer” Board of Trustees with full time employment responsibilities. The Illinois Pension Code also provides for the delegation of fiduciary duties to:

- (a) Appoint one or more investment managers to manage (including the power to acquire and dispose of) any assets of IMRF; and
- (b) Allocate duties among themselves and designate others to carry out specific activities other than the management of assets.

Towards that end, IMRF has delegated fiduciary duties to: a national bank to act as Master Trustee; over 70 investment managers in all major investment disciplines to manage assets; an independent investment consultant; and, IMRF staff.

## **Duty To Report Violations**

Any Trustee who learns of a breach of fiduciary duty must report the incident to fiduciary counsel and the Board President or the Executive Director.

## **Fiduciary Standards**

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To review fiduciary standards outlined in the Illinois Pension Code (40 ILCS 5/1-101 to 224), please click [here](#) or go to the link on the IMRF website at **[imrf.org/pension-code](http://imrf.org/pension-code)**.



# Employer Reimbursement Policy

An IMRF Trustee's duties often occur during the time when a Trustee would normally be at work for his or her employer. To avoid having a Trustee's employer withhold earnings, the employer can be reimbursed for time a Trustee spends attending Board meetings and performing duties on behalf of IMRF. The following Employer Reimbursement Policy explains which Board duties are eligible for reimbursement and procedures for reimbursement.

# Employer Reimbursement Policy

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Trustees are to serve without compensation, but shall be reimbursed for any reasonable expenses incurred in attending meetings and in performing duties.

Earnings of Trustees withheld by employers due to Trustee activities are also to be reimbursed.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE ILLINOIS MUNICIPAL RETIREMENT FUND:

1. These policies shall be known as: Trustee Employer Reimbursement Policy
2. In lieu of requiring an employer to withhold earnings from a Trustee, an employer shall be reimbursed for time spent by the Trustee in attending Board Meetings and performing duties on behalf of the Fund.
3. Employers shall be reimbursed for loss of an employee's services in hourly increments; except for telephone conferences which shall be reimbursed in fifteen minute increments. No reimbursement shall be made for time spent on weekends, holidays, and evenings (unless the Trustee's normal work day occurs during one of those periods).
4. Reimbursement shall be for wages, equivalent social security and Medicare charges, and required employer contributions for the IMRF benefit program.
5. The reimbursement shall be made for time spent attending Board Meetings, telephone conferences, manager meetings and approved conferences (in-state and out-of-state), including reasonable travel time.
6. Reimbursement shall be made for not more than the length of the normal work day.
7. No reimbursement shall be made for time spent reading materials on employer time.
8. No reimbursement shall be made for telephone calls which are not part of a Board or Committee Meeting.
9. Reimbursement may be in hourly blocks consistent with work assignments which are not divisible into hourly increments.



# TRUSTEE EMPLOYER CERTIFICATION

IMRF Form AD-71 (3/2003)

TRUSTEE NAME	EMPLOYER NAME
CONTACT PERSON	CONTACT TITLE
CONTACT TELEPHONE NO.	ANNUAL SALARY OR HOURLY WAGE (PLEASE UPDATE AS NEEDED)

### ANNUAL HOLIDAYS: CHECK WHICH OF THE FOLLOWING ARE SCHEDULED PAID DAYS

- |   |  |
|---|--|
| <input type="checkbox"/> New Year's Day         | <input type="checkbox"/> Independence Day    |
| <input type="checkbox"/> Martin Luther King Day | <input type="checkbox"/> Labor Day           |
| <input type="checkbox"/> Lincoln's Birthday     | <input type="checkbox"/> Columbus Day        |
| <input type="checkbox"/> President's Day        | <input type="checkbox"/> Memorial Day        |
| <input type="checkbox"/> Casimir Pulaski Day    | <input type="checkbox"/> Thanksgiving        |
| <input type="checkbox"/> Good Friday            | <input type="checkbox"/> Thanksgiving Friday |
| <input type="checkbox"/> Easter Monday          | <input type="checkbox"/> Christmas Eve       |
| <input type="checkbox"/> Memorial Day           | <input type="checkbox"/> Christmas Day       |
| <input type="checkbox"/> Juneteenth             |  |

### CONDITIONS OF EMPLOYMENT

NORMAL WORK YEAR: CHECK WHICH ONE APPLIES:

- 12 months
- Seasonal: if seasonal, list months not worked \_\_\_\_\_

NORMAL WORK HOURS PER DAY: (CHECK WHICH ONE APPLIES):

- 7 hours     7.5 hours     8 hours     Other \_\_\_\_\_

NORMAL WORK PERIOD \_\_\_\_\_

WORK DAY CAN BE BROKEN DOWN INTO (CHECK THOSE WHICH APPLY)

- Hourly increments     Half day increments
- Other \_\_\_\_\_

I certify the above information to be correct to the best of my knowledge.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
DATE

### Illinois Municipal Retirement Fund

Suite 500 2211 York Road Oak Brook IL 60523-2337 FAX: 630-368-5383

Member Services Representatives 1-800-ASK-IMRF (1-800-275-4673)

IMRF Form AD-71 (3.03)

www.imrf.org



# TRUSTEE REIMBURSEMENT CERTIFICATION

IMRF Form AD-72 (02/15)

TRUSTEE NAME	PERIOD
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REIMBURSABLE TIMES:			
	DATE	HOURS	ACTIVITY
1			
2			
3			
4			
5			
TOTAL REIMBURSEMENT			

Exhibit

Prepared by Jodi Herman, Executive Assistant \_\_\_\_\_  
DATE

I certify the dates and hours are correct (as amended) and that no hours occurred on a paid holiday or vacation day. I further certify that the hours submitted for reimbursement are consistent with the guidelines established by the IMRF Ethics Code and IMRF Travel Policy.

TRUSTEE	DATE
APPROVED	DATE
APPROVED	DATE





# Travel Policy

IMRF Trustees serve without compensation, but are reimbursed for expenses they incur while performing duties on behalf of IMRF. The following Travel Policy explains which expenses are eligible for reimbursement, limitations on expenses, and procedures for reimbursement.

# IMRF Board of Trustee Travel Policy

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The Illinois Pension Code [40 ILCS 5/7-174(g)] offers guidance regarding how IMRF Trustees are to be reimbursed for expenses:

“...Trustees shall serve without compensation, but shall be reimbursed for any reasonable expenses incurred in attending meetings of the Board and in performing duties on behalf of the Fund and for the amount of any earnings withheld by any employing municipality or participating instrumentality because of attendance at any Board Meeting...”

In addition, the Board has adopted a formal Travel Policy:

## General Policies

1. Trustees are fiduciaries, accountable to the beneficiaries of the Fund, who serve without compensation and/or financial gain.
2. “Reimbursement” of reasonable expenses means IMRF will pay back to the Trustee such expenses he or she incurs as a result of his or her activities as a Board Member subject to dollar limits adopted in this policy by the Board.
3. “Documented” means submission of factual or substantial support for expenses acceptable to the internal auditor. Receipts for items of \$25.00 or more are required.
4. Typically, travel is limited to one day before and after the event scheduled dates. However, an exception is allowed to travel earlier or later when there is a savings to IMRF in an amount which exceeds the cost of an additional night’s stay plus meals and incidental expenses, as determined by the Board.
5. Board Members are encouraged to use credit cards to pay expenses. If an IMRF credit card is needed, the Trustee is to request a credit card in advance of the travel to the full Board of Trustees. Issuance of a credit card to a Trustee is permitted with Board approval. Any Trustee can request a credit card as long as it is properly placed on a Board agenda and approved by a vote of five Board members. Credit cards will be activated by the Chief Financial Officer upon request for each travel event and subsequently deactivated ten days after the travel event.
6. When a Trustee travels on Fund Business by commercial airlines, he or she may stop over at other cities as long as the airfare does not exceed the cost of economy plus fare obtained with a two week advance purchase or such other advance purchase standard recognized at that time by the airline industry. No expenses at such other cities are reimbursable.
7. Trustees can use IMRF office telephones for any purpose. While traveling on Fund Business, Trustees will be reimbursed for all business calls. Personal call reimbursement limits appear in “Incidental Expenses” for use of personal cellular phones, if itemized.
8. Trustee travel expenses: Trustees shall submit requests for reimbursement of travel expenses within 30 days of the event for proper reimbursement and accountability.

9. Trustee employer reimbursements: Requests for reimbursements to the Trustee's employer should be submitted on a timely basis. Requests submitted more than 30 days after the close of a calendar year will be submitted to the Board for approval.
10. Trustee travel must have prior approval by the Board of Trustees. Trustees shall submit travel requests to be placed on a Board Meeting Agenda for Board action. Trustee travel expense reports are to be reviewed by the Chief Financial Officer and the Internal Audit Officer for conformance to this policy. Any issues will be addressed with Trustee, the Board President, and the Executive Director.
11. Tips are limited to a maximum of 20% of item of service received (i.e. taxi, meals, etc.).
12. Receipts for expense reports are to be turned into Accounts Payable, including itemized credit card receipts. IMRF business expenses are subject to the Freedom of Information Act (FOIA), and IMRF must have proper documentation.

### **Board and Committee Meetings**

1. **Transportation Expenses:** Actual transportation expenses are reimbursable. For use of a personal automobile, reimbursement of mileage will be at the current amount permitted by the Internal Revenue Service.
2. **Lodging:** Board Members residing within 50 miles from the meeting place will receive no reimbursement for lodging for a one day meeting. For a two day meeting, lodging for one night will be reimbursable. Lodging reimbursement will be limited to the government rate or, if not available, a hotel within 5 miles of the IMRF office. For Board Members residing more than 50 miles from the meeting place, normally one night's lodging is reimbursable. However, if travel arrangements necessitate two nights, lodging will be reimbursed. One additional night's lodging before or after the meeting may be reimbursed if there is a medical need.
3. **Meals:** Actual meal expenses are reimbursable up to \$100.00 per day.
4. **Incidental Expenses:** Reasonable tips (no more than 20%), personal phone calls, and other incidentals not specified above shall be reimbursed up to a limit of \$25.00 per day for those days when overnight lodging is reimbursable.

### **Other Events - Board of Trustees**

1. **Limitations:** Trustees are permitted to attend two out-of-state and two in- state events per calendar year: conferences, seminars, investments seminars, and client conferences. There are no limits on attending IMRF programs and other events organized by IMRF staff, speaking engagements related to IMRF, and meetings with members of the Illinois General Assembly. No foreign travel is permitted.
2. **Transportation Expenses:** Actual transportation expenses shall be reimbursed, but the amount reimbursable shall not exceed economy plus airfare. For automobile travel, reimbursement of mileage will be at the current amount permitted by the Internal

Revenue Service. Automobile travel reimbursement cannot exceed the highest airfare incurred by a Trustee attending the event, or if no other Trustee attends, then to an amount equal to airfare charges based on a two week advance purchase or such other advance purchase standard recognized at that time by the airline industry, plus the normal and reasonable charges which would have been incurred for transportation to and from the airport, parking, tolls and cabs/transportation at the destination.

3. **Lodging:** Reimbursement for lodging shall be limited to event hotels at rates for double rooms. For events, reimbursement shall be allowed for one day prior through the one day after the event period only at the event hotel. If a Trustee's personal choice is to stay at a different hotel, reimbursement will be limited to the government rate or event hotel rate.
4. **Meals:** Actual meal expenses are reimbursable up to \$100.00 per day.
5. **Incidental Expenses:** Reasonable tips (limited to 20%), personal phone calls, and other incidentals not specified above shall be reimbursed up to a limit of \$25.00 per day for those days when overnight lodging is reimbursed.

#### **U.S. General Services Administration (GSA) Per Diem**

In lieu of the meal and incidental expense reimbursement limits set forth above, a trustee, in his or her discretion, may elect reimbursement following the GSA per diem without submitting documentation or receipts. This election applies to the entire travel event indicated and is not a permanent election.



# TRUSTEE TRAVEL REQUEST

IMRF Form AD 70 (4/92)

## INSTRUCTIONS

- This form is to be used to request all IMRF trustee travel arrangements.
- If possible, this form should be submitted to IMRF 10 days prior to a board meeting.
- The travel request will be acted upon by the Board at the following board meeting.

\_\_\_\_\_ requests authorization from the Board of Trustees  
NAME OF TRUSTEE

to attend the following conference/seminar:

Name of conference/seminar
Sponsoring organization
Dates from _____ to _____
Location

\_\_\_\_\_ SIGNATURE \_\_\_\_\_ DATE

Board meeting agenda date: \_\_\_\_\_

IMRF Form AD 70 4/92



# BUSINESS EXPENSE REIMBURSEMENT

IMRF Form AD-90 (5/07)

*Please Print or Type*

To: Board of Trustees  
Illinois Municipal Retirement Fund

Date:

The following expenses were incurred on behalf of the Fund:

Reason:

Date:

**Transportation:**

From: \_\_\_\_\_ To \_\_\_\_\_

and return to \_\_\_\_\_

Mileage: \_\_\_\_\_ miles at \_\_\_\_\_ \$ \_\_\_\_\_

Carrier \_\_\_\_\_ \$ \_\_\_\_\_ (Attach receipts)

\_\_\_\_\_ \$ \_\_\_\_\_

**Total Transportation:** \$ \_\_\_\_\_

**Lodging:**

\_\_\_\_\_ \$ \_\_\_\_\_

**Total Lodging:** \$ \_\_\_\_\_

**Meals:**

\_\_\_\_\_ \$ \_\_\_\_\_

**Total Meals:** \$ \_\_\_\_\_

**Incidental Expenses:**

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

**Total Incidental** \$ \_\_\_\_\_

**Total Reimbursement Requested:** \$ \_\_\_\_\_

**Advances:** \_\_\_\_\_ \$ \_\_\_\_\_

**Advances:** \_\_\_\_\_ \$ \_\_\_\_\_

Enter advances as a negative number, e.g., -500.00

**Less Total Advances:** \$ \_\_\_\_\_

**Net Reimbursement Requested:** \$ \_\_\_\_\_

I hereby certify and warrant that, to the best of my knowledge and belief, the foregoing information is true and correct, no material fact has been concealed or omitted, and that the expenses submitted for reimbursement are consistent with the guidelines established by the IMRF Ethics Code and IMRF Travel Policy.

Name:

Signature:

Address:

City, State, Zip:



# Trustee Orientation & Education Policy

To assist new Trustees to get “up to speed” regarding their Board duties, IMRF developed a “New Trustee Orientation.” The following pages provide a summary of the material covered in the orientation.

# Trustee Orientation and Education Policy

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## General

The Board finds that it is critical for the sound governance of IMRF for Trustees to be fully informed with regard to the nature, purposes, structure, operational systems and processes of IMRF. The Board further finds that it is important that Trustees are provided with education and training in areas that will facilitate the performance of their governance and oversight responsibilities as Trustees and fiduciaries.

The Board believes the following orientation and education policies will increase Trustee understanding and effectiveness:

## New Trustee Orientation Policy

1. The Executive Director will develop an in-depth New Trustee Orientation Program designed to fully inform new Trustees of the key functions of IMRF and their responsibilities as Trustee.
2. It is preferable for new Trustees, as part of their fiduciary responsibilities to IMRF, to participate in the New Trustee Orientation Program following their election or appointment. If training cannot take place before their first Board meeting, then they are encouraged to schedule suitable time thereafter.
3. The orientation program will address, at a minimum, the following:
  - a. History and background of IMRF.
  - b. The governance role of the Board and the management role of the executive staff of IMRF.
  - c. The obligations of a fiduciary and the duties of loyalty and prudence in the service as Trustees to IMRF.
  - d. The structure and model for the management and operation of IMRF.
  - e. Introduction to the executive management team and other staff as determined by the Executive Director.
  - f. The Illinois laws establishing IMRF and the application of other State and federal laws.
  - g. A description and tour of IMRF offices.
  - h. A briefing on the fiduciary duties and liabilities of Trustees and other fiduciaries of IMRF.
  - i. A briefing on conflicts of interest and ethics laws.
  - j. A review of the Board Governance Manual and other relevant information and documentation.



- k. A review of general actuarial funding terminology and principles and the most recent actuarial reports.
- l. A review of general institutional investment principles, adopted investment policies; current asset allocation; strategies and performance measurement principles.
- m. A review of the reporting and disclosure requirements of IMRF.
- n. A review of the legal (State and federal) and political environment in which IMRF operates.
- o. A review of the current strategic plan for IMRF and new issues, trends and developments affecting IMRF.
- p. A review of the Board's current Committee structure.
- q. A review of the current benefit structure.

### **Trustee Education Policy**

1. Each Trustee is responsible for evaluating his or her own educational needs and obtaining knowledge in specific subject matters. The Executive Director will assist you in determining which conferences or seminars meet your educational needs.
2. Trustees are encouraged to attend select conferences and seminars relating to:
  - a. Investment issues and trends
  - b. Pension and benefits design
  - c. Fiduciary management of employee benefit trusts
  - d. Actuarial concepts
  - e. Other subjects related to the oversight of IMRF
3. The Executive Director will provide the Board information on available conferences and seminars each month.
4. A list of conferences and seminars attended by Trustees shall be maintained and distributed to fellow Trustees. Trustees are encouraged to furnish staff copies of conference or seminar materials which will be developed into a reference guide.

### **Reimbursement of Education Expenses**

Reimbursement of travel-related expenses for Trustee orientation and education will be in accordance with the IMRF Travel Policy.

The Travel Policy also specifies the number of events which may be attended each year.



# Strategic Plan

The IMRF Strategic Plan sets goals and objectives for improving customer service, increasing efficiencies, enhancing the IMRF brand, and advocating the preservation of a prudent defined benefit plan for our membership. These goals and objectives are supported by a comprehensive set of strategies critical to the success of our plan.

The current Plan covers the 2023-2025 period.

# IMRF Strategic Plan

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## Executive Summary

IMRF implemented a formal strategic planning process and methodology in 2005 to ensure the IMRF Board of Trustees and staff had a mechanism to plan for the future needs of the Fund. This systematic process facilitates discussion and agreement between the Board of Trustees, staff, and key stakeholders on the appropriate direction for IMRF. Consistent with the spirit of our continuous process improvement program, the process was updated and improved in 2007, 2010, 2013, 2016, 2019, and again in 2022.

IMRF has a long history of implementing operational improvements in response to the increasing needs and demands of our stakeholders. These changes allowed the Fund to effectively and efficiently respond to many challenges, including new benefit programs and ever-increasing workloads. Our success continues to be validated through the high marks received on customer satisfaction surveys and through outside benchmarking services.

We expanded our strategic planning process in 2010 to include elements of the Baldrige Criteria for Performance Excellence to ensure we align our objectives, processes, and resources with our Vision. Our application for the 2009 Lincoln Award for Performance Excellence (renamed Illinois Performance Excellence {ILPEX} in 2011) was a logical extension of our continuous process improvement program and provided a new sense of direction for our planning process. The feedback from our additional applications was used to identify 35 key business approaches, which we evaluate and improve. In 2019, we received the Malcolm Baldrige National Quality Award, and we will reapply for the award when eligible, to ensure we are continuously improving and remaining aligned with the Baldrige Criteria.

While the measures of success that we use for our strategic objectives may change over time, we will strive to achieve top 10% performance for most Key Result Areas. Baldrige recipient organizations often set their overarching strategic objectives to achieve a top 10% ranking in each key area of importance to their stakeholders. We are following that same path. We believe this high level of performance is how we should benchmark ourselves. This is consistent with our Values, and provides a means to assess progress toward realization of our Vision. Our Strategic Objectives force us to think strategically about how we can achieve and/or maintain excellence in each of our Key Result Areas. They provide a target we can aspire to over the three years of this Strategic Plan.

As a critical part of our formal 12-step planning process, the Board of Trustees and staff completed a re-examination and validation of our Mission, Vision, and Values in February 2022. We also completed a comprehensive overview of our external environment, as well as an analysis of our strengths, weaknesses, opportunities, and threats. These analyses resulted in a list of strategic advantages, challenges, and opportunities that helped validate our four Key Result Areas and provided a framework for establishment of our new Strategic Objectives. Our four Strategic Objectives provide the basis for our 2023-2025 Strategic Plan. Staff will develop

action plans, including milestones and timelines, for the Key Strategies associated with each of these objectives.

## **Strategic Objectives and Key Strategies**

Our four Strategic Objectives define our approach to realize our Vision, and as such, constitute the focus of our Strategic Plan for 2023-2025. These four inter-related objectives address internal and external strategic advantages, challenges and opportunities. The objectives and corresponding strategies are aligned with our Vision across all Key Result Areas. This integration is critical to the success of our Strategic Plan, as these objectives must be considered as four parts of one plan. The Plan highlights the four Strategic Objectives. The Plan also provides an overview of the Key Strategies designed to support the Strategic Objectives. These Key Strategies may change throughout the three years of the Plan, as some will be completed or combined with another strategy. The Horizon Project (our most important strategic opportunity) will be deployed during the 2023-2025 Strategic Plan cycle. Therefore, we limited the amount of competing initiatives to help ensure the success of this critical project. Listed below are six Key Strategies we will utilize to help us achieve our four Objectives.

### **Key Result Area: Financial Health**

#### Strategic Objective

To achieve and maintain a funding level that sustains the Plan

As measured by:

- Achieving top decile funding level on a market-value basis relative to a universe of public pension funds
- Achieving progress toward a 100% funding goal
- Achieving or exceeding a 7.25% annual return over the long term (over a 5, 10, and 15 year basis)
- Outperforming the total portfolio benchmark (over a 3, 5, and 10 year basis)

#### Key Strategies

- Expand efficient utilization of Internal Equity Management
- Evaluate internal tools and technology for investments operations

## **Key Result Area: Customer Engagement**

### Strategic Objective

To foster and maintain engaged members and employers

### As measured by:

- Achieving top decile “American Customer Satisfaction Index” (ACSI) ranking on Cobalt Survey
- Achieving 90% “Overall Satisfaction” ratings on member and employer satisfaction surveys
- Exceeding the 4 NPS Benchmarks (Financial, Business Services, Government, and CEM Pension) on Member and Employer engagement surveys

### Key Strategies

- Implement a Web-Centric Customer Service Delivery Model
- Implement new Contact Center Model
- Expand development of online education programs

## **Key Result Area: Workforce Engagement**

### Strategic Objective

To foster and maintain an engaged workforce

### As measured by:

- Achieving a top decile “percent engaged” score on the Employee Engagement Survey
- Achieving employee turnover levels below averages as measured by CompData Surveys

### Key Strategies

- Evaluate “How We Work” as an organization
- Enhance the learning and development experience for staff

## **Key Result Area: Operational Excellence**

### Strategic Objective

To provide world-class customer service at a reasonable cost

### As measured by:

- Achieving top decile “Overall Service Score” ranking for the CEM Benchmarking Survey
- Achieving per-member-cost at or below the median of the CEM administrative cost measure

### Key Strategies

- Implement the Horizon Project
- Develop and implement an Enterprise Risk Management Program
- Expand use of analytical tools for a complete view of Member and Employer needs

## **Implementation of the Strategic Plan**

### **Action Plans**

Each Strategic Objective is assigned sponsorship by an IMRF senior leader. These sponsors identify the appropriate employee who will serve as the single point accountable (SPA) for each Key Strategy associated with that objective. These SPAs are responsible to form teams, develop high level action plans, determine possible budget implications for each strategy, work with their sponsor to obtain resources as needed, lead the implementation of action plans, and provide regular updates to leadership on the progress and status of plans. The action plans for each key strategy are aligned with the overarching Strategic Objective. They also provide a greater level of detail, corresponding timelines and milestones for the actions, and the resources required to implement the strategy. Action plans are continually reviewed and revised to ensure the Strategic Plan remains both relevant and responsive to the needs of the organization and to all our key stakeholders.

### **Annual Operating Budget**

Implementation of the action plans may require some incremental increases in the IMRF administrative budget. The administration of an annual employee engagement survey, an enhanced training program, voice of the customer surveying tools, and additional meeting costs highlight these incremental increases. Costs associated with the Strategic Plan will be included in the administrative budget.

### **Integration of Strategic Objectives with Leadership Scorecard and Performance Management**

There is an adage that “What gets measured gets managed.” We apply this concept to the Strategic Plan to ensure it receives the appropriate attention needed for successful implementation. For each Key Result Area, measures are identified for the Leadership Scorecard. Regular reviews of Leadership Scorecard measures and Action Plan updates enable leadership to track the achievement of action plans and the effectiveness of related key strategies.

We will update the performance goals of senior leadership such that they are aligned with the Strategic Plan. Senior leadership will complete this same exercise for the leadership team. Performance towards completing the Strategic Plan will play an important role in the evaluation of the managers’ performance.

## **Communication Plan**

The Strategic Plan helps drive the culture of IMRF. We emphasize the communication of the Plan to our staff, Board of Trustees, and all stakeholders. Our communication plan is simple but possesses a systematic approach for spreading our message.

- **IMRF Staff**  
A formal introduction of our new Plan was made to our staff in January 2023. The full Plan was posted for review on our Intranet. The Strategic Objectives continue to be highlighted in employee meetings. All employees are reminded of our Vision and gain an understanding of their role in achieving our Strategic Objectives.
- **Board of Trustees**  
The Trustees reviewed and validated the Strategic Plan as part of the 2024 Adopted Budget document at the November 2023 Board Meeting. We provide quarterly status updates to the Trustees throughout the three-year cycle of this Plan. Another comprehensive triennial strategic planning process will be completed by staff and the Board in 2025. This will start at the February 2025 Board Meeting with the completion of Step 1: Examine Mission, Vision, and Values.
- **IMRF Stakeholders**  
We include highlights of the Plan in our Fundamentals newsletter articles and in memos to our employers. We also post our Plan at [www.imrf.org](http://www.imrf.org).
- **Board Authorization**  
The IMRF Board of Trustees and IMRF leadership understand and support the IMRF Strategic Plan for 2023 - 2025 as described in this document.