

**ILLINOIS MUNICIPAL RETIREMENT FUND**

**MEETING NO. 15-09S**

**BOARD OF TRUSTEE**

**SPECIAL MEETING**

The Board of Trustees held a Special Board Meeting at 1:48 p.m. on Thursday, September 24, 2015, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

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

Ms. Enright called the roll:

Present: Piechocinski, Thompson, Copper, Henry, Kuehne, Miller  
Absent: Stanish, Stulir

Staff members Kosiba, Nannini and O'Brien were present.

(15-08S-01)(Report of the Audit Committee Meeting) The Chair of the Audit Committee reported on the Audit Committee Meeting that was held on September 16, 2015.

The Chair reported the Committee reviewed a comprehensive Request for Proposals (RFP) document for Auditing Services and the related RFP Bid List of Audit Firms.

It was the consensus of the Audit Committee to adopt the Request for Proposals document as presented.

The Audit Committee reviewed the KPMG Audit Engagement Letter along with some outstanding billing issues with KPMG, including additional billing and expenses associated with the Census Data and report back to the Board.

Staff will investigate the issue regarding the Census Data Engagement which was presented to the Committee in May 2015 to determine if there was prior approval.

Next the Chief Financial Officer reviewed the State of Illinois Office of the Auditor General Audit Guide for Performing Financial Audits and Compliance Attestation Engagements, detailing the policy on auditor rotation.

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

Vote: Unanimous Voice Vote  
Absent: Stanish, Stulir

(15-08S-02) (Report of the Benefit Review Committee Meeting) The Chair of the Benefit Review Committee reported on the Benefit Review Committee Meeting that was held on September 24, 2015.

After questions and discussion, it was moved by Mr. Piechocinski, seconded by Mr. Miller, to accept the following recommendations of the Benefit Review Committee:

- To defer making a decision on the total and permanent disability eligibility of Rae L. Kocinski pending additional information.
- To honor Leah Burke's request to withdraw her appeal.
- To uphold staff's determination to deny temporary disability benefits for Kimberly Alexander.

Vote: Unanimous Voice Vote  
Absent: Stanish, Stulir

(15-08S-03) (Approval of Census Data Engagement and Invoice) As a follow up to the September 16, 2015 Audit Committee Meeting, the Chief Financial Officer presented a memorandum to the Board regarding the 2015 GASB 68 Census Data Engagement.

He reported that the original engagement letter for the GASB 68 portion did not specifically mention the Census Data, but the representatives of KPMG did discuss the overages in the GASB 68 engagement and the additional fees they were requesting. He is recommending the Board proceed with the approval of the Census Data Engagement of \$25,000 and expenses of \$2,000.

It was moved by Ms. Thompson, seconded by Ms. Henry, to approve staff's recommendation.

Vote: Unanimous Voice Vote  
Absent: Stanish, Stulir

(15-08S-04)(Correction to Board Minutes) General Counsel reported that the Minutes from the December 2014 Board Meeting contain an error that was recently discovered by staff.

She noted that at the December 2014 Board Meeting, Gabriel, Roeder, Smith & Co. (GRS) presented the results of the 2011-2013 Triennial Experience Study, followed by a recommendation by GRS for updated actuarial assumptions based on this study. The Board approved the recommendation.

General Counsel stated that the Minutes from the December 2014 Board Meeting did not include the complete recommendation that was adopted by the Board.

Staff is recommending that the Minutes of the December 2014 Board Meeting be corrected to accurately state the complete motion made and adopted by the Board for item 14-12-03 as presented below:

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14-12-03) (Gabriel, Roeder, Smith & Company - Triennial Experience Study)  
Messrs. Murphy, Buis and Pieterse were present from Gabriel, Roeder, Smith & Company (GRS) to present the Triennial Experience Study.

Messrs. Murphy, Buis and Pieterse reviewed the results of the 3-year analysis of experience of IMRF (January 1, 2011 to December 31, 2013). The analysis was made for the purpose of updating the actuarial assumptions used in valuing the actuarial liabilities of IMRF in compliance with Section 7-213 of the Illinois Pension Code.

After questions and discussion, it was moved by Mr. Piechocinski, seconded by Ms. Henry, to approve the following recommendations from GRS:

- Drafting a white paper on alternative benefit options factors with examples and illustrations
- Lowering price inflation assumption from 3.0% to 2.75%
- Lowering wage inflation assumption from 4.0% to 3.5%
- No change to the investment return assumption of 7.5%
- Adopt the RP-2014 mortality tables with adjustments for IMRF experience and the MP-2014 projection scale, with administrative factors to be implemented by GRS at a later date.

Vote: Unanimous Voice Vote  
Absent: Kuehne

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It was moved by Ms. Copper, seconded by Ms. Thompson, to adopt the correction to item (14-12-03) of the December 2014 Board Meeting Minutes.

Vote:

Aye: Thompson, Copper, Henry, Keuhne, Piechocinski  
Nay: None  
Abstain: Miller  
Absent: Stanish, Stulir

(15-08S-05) (Certification of Candidates/Trustees for Annuitant and Employee Trustee Elections) The following IMRF member submitted nominating petitions with signatures from at least three IMRF employers for the 2015 Executive Trustee election (signed by either the Authorized Agent or governing body):

- Gwen Henry, County Treasurer  
DuPage County

The following IMRF members submitted nominating petitions with signatures from at least 350 participating IMRF members for the 2015 Employee Trustee Election:

- Jill Boreham, Human Resources Manager  
Fountaindale Public Library District

- John Piechocinski, Head Custodian  
Plainfield Community Consolidated School District
- Bradley G. Trent, Deputy Highway Commissioner  
Rockford Township
- Trudy Williams, Administrative Assistant  
Fulton County

The following IMRF annuitants submitted nominating petitions with signatures from at least 100 IMRF annuitants for the 2015 Annuitant Trustee Election:

- Gerald J. Sebesta, retired Township School Treasurer  
Township 39
- Sharon U. Thompson, retired County Treasurer  
Lee County

It was moved by Ms. Henry, seconded by Ms. Copper, that Gwen Henry be certified as candidate for the 2015 Executive Trustee election (5-year term); that Jill Boreham, John Piechocinski, Bradley G. Trent and Trudy Williams be certified as candidates for the 2016 Employee Trustee election (5-year term); and, that Sharon U. Thompson and Gerald J. Sebesta be certified as candidates for the 2015 Annuitant Trustee election (5-year term).

Under the provisions found in Public Act 98-0932, if there is only one candidate for a trustee election, no election need be held.

Furthermore, the Board certifies the following trustee:

- Gwen Henry as an Executive Trustee for the term of January 1, 2016 through December 31, 2020.

Vote: Unanimous Voice Vote  
Absent: Stanish, Stulir

(15-08S-06) (Bids) The Executive Director presented the following Bids to the Board for approval:

Acronis Backup Software, Implementation & Annual Maintenance  
Approved Bidder: Software House, Inc.  
Approved Bid: \$132,900.

Wireless Access Expansion  
Approved Bidder: Netech Corporation  
Approved Bid: \$28,345.

It was moved by Mr. Kuehne, seconded by Ms. Copper, to approve the Bids as presented.

Vote: Unanimous Voice Vote  
Absent: Stanish, Stulir

(15-08S-07) (Other Issues) The Executive Director gave an update to the Board on recent Horizon 4a developments.

(15-08S-08) (Adjournment) It was the consensus of the Board to adjourn the Special Board Meeting at 2:05 p.m. and reconvene at 9:00 a.m. on Friday, November 20, 2015.

Vote: Unanimous Voice Vote  
Absent: Stanish, Stulir

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President

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Date

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Secretary

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Date