

ILLINOIS MUNICIPAL RETIREMENT FUND  
MINUTES OF  
REGULAR MEETING NO. 20-11  
NOVEMBER 13, 2020



ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 20-11

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held electronically via GoToWebinar at 9:00 a.m. on November 13, 2020. Per Executive Order 2020-69 and 5-ILCS 120/7(e). The Public was able to participate by registering at: [www.imrf.org/11-2020-board](http://www.imrf.org/11-2020-board).

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

Ms. Enright took a roll call:

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

Ms. Dean and Messrs. Born and Kazemi from Wilshire Associates, Messrs. Buis and Pieterse from Gabriel Roeder Smith & Company along with members from the Public were also present via GoToWebinar.

(20-11-01) (Gabriel Roeder Smith & Company - Triennial Experience Study Results) Messrs. Buis and Pieterse were present from Gabriel Roeder Smith & Company (GRS) to present the results of the Triennial Experience Study.

Messrs. Buis and Pieterse reviewed the results of the 3-year analysis of experience of IMRF (January 1, 2017 through December 31, 2019). The analysis was conducted 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 the consensus of the Board to continue discussion and table any Board Action to the December 18, 2020 Board Meeting.

(20-11-02) (3rd Quarter 2020 Investment Performance Report - Wilshire Associates) Messrs. Born and Kazemi from Wilshire Associates presented a report on IMRF's investment performance during the 3rd quarter of 2020.

Messrs. Born and Kazemi presented the following 3rd Quarter 2020 performance highlights as of September 30, 2020:

- IMRF ended September 2020 with a market value of \$45.2 billion, up for the quarter by approximately \$2.1 billion.

- For the quarter, IMRF outperformed its benchmark +5.62 versus +4.91%. The Fund's 3<sup>rd</sup> Quarter return ranks at the 26th percentile relative to peers.
  - The Fund's 10-year return of 8.49% ranks at the 17th percentile relative to peers.
- Domestic Equity composite (+8.86%) underperformed the Russell 3000 benchmark (+9.21%) for the quarter, and continued to rank high in a peer universe comparison (25<sup>th</sup> percentile).
- International Equity composite (+7.54%) outperformed the MSCI ACWI ex-US benchmark (+6.25%), and ranked just near the median (56th percentile) during the 3rd Quarter.
- Fixed Income composite return (+1.45) benefited from a strong credit environment during the quarter and outperformed the Bloomberg Barclays US Aggregate Index benchmark (+0.62%) and ranked below median relative to peers (67th percentile) during the quarter.

IMRF's Consultant and Chief Investment Officer do not recommend any rebalancing at the current time.

The Chief Investment Officer reported that the preliminary fund value as of October 31, 2020 was \$44.4 billion, and as of November 11, 2020, the preliminary fund value was \$47.2 billion. She further reported as of November 11, 2020, Domestic Equity was up 9.67% versus the benchmark of 9.49%; As of November 11, 2020, International Equity portfolio was up 10.80% versus the benchmark of 10.77%; as of November 11, 2020, our Fixed Income portfolio was up 0.42% versus the benchmark of -0.06%. 31, 2020.

Questions and discussion followed.

(20-11-03) (Consent Agenda) The Chair presented an agenda consisting of a Consent Agenda. The following items remained on the Consent Agenda since no Board member asked for their removal.

Approval of Minutes

Regular Meeting 20-08-28

Schedules - Dated November, 2020

- Schedule A - Benefit award listing of retirement, temporary disability, death benefits, and refund of employee contributions processed during the preceding calendar month under Article 7 of the Illinois Pension Code.
- Schedule B - Adjustment of Benefit Awards showing adjustments required in benefit awards and the reasons therefore.
- Schedule C - Benefit Cancellations.
- Schedule D - Expiration of Temporary Disability Benefits terminated under the provisions of Section 7-147 of the Illinois Pension Code.

- Schedule E - Total and Permanent Disability Benefit Awards recommended by the Fund's medical consultants as provided by Section 7-150 of the Illinois Pension Code.
- Schedule F - Benefits Terminated.
- Schedule G - Administrative Benefit Denials.
- Schedule P - Administrative Denial of Application for Past Service Credit.

Participation of Township

Honey Creek Township  
County: Crawford  
2021 Estimated Township Rate: 5.18%  
Effective Participation Date: January 1, 2021  
Number of Participating Employees: 1

Participation of New Unit of Government

Burnside Water District  
County: Johnson  
2020 Rate: 12.76%  
Effective Participation Date: December 1, 2020  
Number of Participating Employees: 2

September & October 2020 Financial Reporting Packages

Impact of 2020 Year-To-Date Investment Income of Employer Reserves, Funding Status and Average Employer Contribution Rate (September & October 2020)

Statement of Fiduciary Net Position (July & August 2020)

Schedule T - Report of Expenditures (September & October 2020)

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

Roll Call Vote:

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

(20-11-04) (Bids) The Chair presented the following bids for approval.

Services for Office 365 Migration-Addendum 1.0  
Consultant: AvePoint  
Approved Ceiling Increase: \$20,957.50.

Dell Precision 3541 Mobile Workstations (x70)  
Approved Bidder: Zones, LLC  
Approved Bid: \$152,492.20

Consulting Services - Horizon Project  
Consultant: Provaliant Retirement, LLC  
Approved Consulting Fees for 2021: \$2,096,640.00., and Approval of Consulting Contract  
Extension through December 2023.

Customer Service Training  
Approved Bidder: Dale Carnegie  
Approved Bid: \$32,940.00.

HP Quality Center (HPQC) Support Renewal  
Approved Vendor: Orasi  
Approved Bid: \$77,576.00 (3-year support renewal)

Avaya Telephony System Enhancements & Horizon Integration -Addendum 3.1  
Vendor: Avaya  
Approved Ceiling Amount: \$887,867.23

Vehicle Management Authorizations  
Approved Bidder: CMS of Miles Chevrolet  
Approved Bid: Purchase up to four 2021 Chevrolet Equinoxes at \$22,000.00 each, and declare one 2016 Chevy Impala Surplus.

After questions and discussion, it was moved by Ms. Stanish, seconded by Mr. Stafford, to approve the above bids.

Roll Call Vote:

Aye: Kuehne, Miller, Stanish, Stafford, Wallace, Williams, Copper, Henry

Nay: None

Absent: None

(20-11-05) (Audit Committee Meeting) The Chair of the Audit Committee reported on the meeting that was held via GoToWebinar on November 13, 2020.

General Counsel reviewed the annual report on compliance activity, noting there was 100% participation in the yearly code of conduct sessions. The code of conduct sessions were held in the spring and fall of 2020 by video to each staff member.

Next, representatives from Crowe presented information regarding their 2020 Risk Assessment and Internal Audit work covering three areas: Cybersecurity Assessment and review of Microsoft Office; IT General Controls; External Penetration Assessment; and, Internal Penetration Assessment, highlighting potential vulnerabilities.

It was the consensus of the Audit Committee to accept Crowe's 2021 Master Service Agreement and Statement of Work.

The Chair of the Audit Committee reported that our new financial auditors, Plante Moran, presented their External Audit Service Plan to the Committee.

Next, it was noted that 2020 Plante Moran contract for Audit Services and the 2021 SOC 1 Type 2 Report was accepted at the July 30, 2020 Board Meeting.

IMRF's Chief Audit Officer presented the 2021 Internal Audit Plan which will focus on the continuation of ongoing testing of cash, benefit payments, investment reporting, payroll operations, financial reporting, entity level controls, employer wage reporting, and IT security controls.

It was moved by Ms. Wallace, seconded by Ms. Copper, to accept the report of the Audit Committee.

Roll Call Vote:

Aye: Kuehne, Miller, Stanish, Stafford, Wallace, Williams, Copper, Henry

Nay: None

Absent: None

(20-11-06) (Benefit Review Committee Meeting) The Chair of the Benefit Review Committee reported on the Benefit Review Committee Meeting that was held via GoToWebinar on November 12, 2020.

It was moved by Ms. Copper, seconded by Mr. Wallace, to accept the following recommendations of the Benefit Review Committee:

- To adopt the findings and conclusion of the IMRF hearing officer in the case of Jesus Valdez.
- To adopt the findings and conclusion of the IMRF hearing officer in the case of the Decatur Park District.
- To affirm the staff decision denying total and permanent disability benefits to Linda Howard. The Committee found that the medical records and Linda Howard's testimony showed that the medical condition of inflammatory arthritis existed prior to Linda Howard's earliest date of IMRF participation. Therefore, Linda Howard's disability resulted from a condition which pre-existed her participation in IMRF. Therefore, the Committee found that Linda Howard does not meet the eligibility requirements for total and permanent disability benefits as set forth in Section 7-150(b)(5).
- To affirm the staff decision denying total and permanent disability benefits to Kelly Lange. The Committee affirmed staff's denial on two independent bases, each of which were sufficient for denial on their own. The Committee was not persuaded that the medical records supported Kelly Lange's claim where her own hematologist opined that her medical condition did not prevent her from working. The Committee was persuaded by the medical consultant's opinion that the objective medical evidence did not show that a disabling medical condition prevents Kelly Lange from engaging in gainful activity as required by Section 7-150(a)(1). Secondly, the Committee found that Kelly Lange failed to submit to a reasonable physical examination in violation of Section 7-150(b)(4) where she cancelled or refused to attend a functional capacity evaluation on four occasions.

Roll Call Vote:

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

(20-11-07) (Investment Committee Meeting) The Chair of the Investment Committee reported on the Investment Committee Meeting that was held via GoToWebinar on November 12, 2020.

The Chief Investment Officer gave a Private Equity presentation to the Investment Committee that included recommendations, followed by a presentation from a Private Equity manager, Versant, consisting of three different funds Versant Venture Capital VIII, L.P.; Versant Voyageurs II, L.P.; and, Versant Vantage II, L.P.).

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

For Private Equity

- Authorize an aggregate commitment of \$60 million to Versant Venture Capital VIII, Versant Voyageurs II, and Versant Vantage II, subject to satisfactory legal due diligence;
  - Expected to be \$30 million in aggregate to Versant Ventures VII, L.P., and Versant Voyageurs, II, L.P., and \$30 million to Versant Vantage II, L.P.
- Authorize an aggregate commitment of up to \$25 million to LSVP TIPL-D SPV, subject to satisfactory legal due diligence; and,
- Authorize staff to complete all documentation necessary to execute this recommendation.

Next, the Chief Investment Officer gave a presentation to the Committee on the Internally Managed Portfolios, along with a recommendation.

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

For Internally Managed Portfolios

- Authorize \$750 million in additional funding to be managed by Staff in the existing Quantitative US Equity Portfolio benchmarked to the Scientific Beta United States High Factor Intensity Multi-Beta Multi-Strategy Six-Factor Four-Strategy EW Index (USD Gross Total Return).
- Funding source for the recommended \$750 million is existing public market mandates.

The Chief Investment Officer presented a review of recommended changes for the Revised 2020 Statement of Investment Policy.

It was the consensus of the Investment Committee to recommend the Board approve the 2020 Statement of Investment Policy as amended.



The Chief Investment Officer presented a recommendation from IMRF's Investment Consultant, Wilshire Associates, to approve their Request for Consent.

She stated that last month Wilshire Associates entered into a purchase agreement with CC Capital and Motive Partners whereby these two firms will acquire a controlling interest in Wilshire Associates, and under the Investment Advisers Act of 1940, this transaction will result in a deemed assignment of IMRF's Consulting Agreement with Wilshire Associates.

It was the consensus of the Investment Committee to recommend the Board approve Wilshire Associates Consent to Assignment.

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

Roll Call Vote:

Aye: Kuehne, Miller, Stanish, Stafford, Wallace, Williams, Copper, Henry

Nay: None

Absent: None

Lastly, the Chief Investment Officer and Consultant, gave a presentation to the Investment Committee on the Wilshire Capital Markets Assumptions and Asset Allocation.

(20-11-08) (Legislative Committee Meeting) The Chair of the Legislative Committee reported on the Legislative Committee Meeting that was held November 12, 2020.

The Chair of the Legislative Committee reported it was the consensus of the Legislative Committee to recommend the Board approve the current Legislative Charter with no changes.

It was the consensus of the Legislative Committee to recommend the Board approve the following proposals for the 2021 IMRF Board of Trustees Legislative Agenda:

- Change the Required Minimum Distribution age referenced in the statute to reflect corresponding changes in the Internal Revenue Code.
- Incorporate the provisions of Tier 2 for the regular plan into Article 7 of the Pension Code.
- Remove a requirement that the audit firm used by the Fund for its annual audit be approved by the State Auditor General.

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

Roll Call Vote:

Aye: Kuehne, Miller, Stanish, Stafford, Wallace, Williams, Copper, Henry

Nay: None

Absent: None

Next, the Legislative Committee discussed potential legislation regarding current and former IMRF staff serving as a member of the Board and current Trustees being hired as IMRF staff. Further discussions will take place following the current Trustee elections.

Lastly, the Legislative Committee discussed holding a Springfield Drive-Down for 2021. It was the consensus of the Committee not to hold a Drive-Down in 2021.

The Chair called a break at 11:05 a.m.

The Board Meeting reconvened via GoToWebinar at 11:15 a.m.

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

Ms. Enright took a roll call:

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

(20-11-09) (2021 Compensation Plan) The Director of Human Resources reviewed the 2021 IMRF Staff Compensation Package Report with the Board.

After questions and discussion, it was moved by Ms. Copper, seconded by Ms. Williams, to approve the following recommendations:

#### Insurance Package

- Provide staff health insurance coverage through the current Blue Cross/Blue Shield HMO and PPO program, with no benefit changes, and no premium increase.
- Renew with Lincoln Dental Insurance High/Low PPO Dental Plan for one year with a premium increase of 9%.
- Continue the current split between employee-paid insurance premiums and employer-paid insurance premiums.
- Continue to offer a Supplemental Vision Insurance Plan through EyeMed. Participation in this plan is optional, and is paid by the employee.
- Renew with MetLife as our Life and accidental death and dismemberment (AD&D) Insurance Provider, with no benefit changes and no premium increase.
- Continue with NCPERS and MetLife as an additional provider of Voluntary Life/AD&D Insurance, with no benefit changes and no premium increase. Participation in these plans are optional, and paid by the employee.

#### Compensation Package

- To approve a new salary grade and range - IS Managers, and a change to the midpoint and maximum of the Manager Salary range.
- A Base Salary Adjustment of 1.00% to eligible salaries as of December 31, 2020.

- Create a discretionary increase pool equal to 1.0% of December 31, 2020 staff salaries, with maximum increase of both Base Salary Adjustment and Discretionary Increase of 2.75%.

Roll Call Vote:

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

(20-11-10) (2021 Planning and Budget Document) The Chief Financial Officer presented a summary of the proposed 2021 Planning and Budget Document for approval by the Board, that included a 2021 Budget Summary; a Capital Additions Overview; and New Initiatives for 2021.

The Chief Financial Officer reported that the majority of the 2021 proposed capital is related to the Horizon Project and the administration of benefits.

After questions and discussion, it was moved by Mr. Kuehne, seconded by Ms. Copper, to approve the 2021 Planning and Budget Document.

Roll Call Vote:

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

(20-11-11)(Final 2021 Employer Contribution Rates) The Chief Financial Officer presented the 2021 Employer Contribution Rates for Board approval.

After questions and discussion, it was moved by Ms. Stanish, seconded by Mr. Wallace, to approve the 2021 Employer Contribution Rates.

Roll Call Vote:

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

(20-11-12) (Approval of Resolutions) General Counsel presented the following resolutions for Board approval.

Resolution Regarding Benefit Election

Resolution 2003-06-07 establishes rules regarding when an annuitant may rescind a benefit election or take a lump sum refund of certain contributions. Under the current rules, retirees who annuitize their voluntary additional contributions cannot receive a lump sum refund of those contributions after they have received three periodic payments. The proposed resolution would allow voluntary additional contributions to be refunded at any time, even after they have been annuitized.

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

WHEREAS, the IMRF plan allows certain members and beneficiaries to choose between benefit options; and

WHEREAS, the Board of Trustees has previously adopted rules governing the circumstances under which a member or beneficiary may change a benefit option previously elected; and

WHEREAS, the Board of Trustees has determined that it is desirable that these rules be updated to reflect current benefit choices available to IMRF members and beneficiaries; and

WHEREAS, the Board of Trustees has determined that the following rules are necessary and appropriate for the efficient administration of the fund.

NOW THEREFORE BE IT RESOLVED that the following rules shall govern a request to change a previously elected benefit option:

1. A request to change a benefit election shall be permitted by the Board provided:
  - (a) No request to change a benefit election shall be considered if the recipient has accepted and negotiated three or more periodic payments.
    - (i) An exception to this rule 1(a) may be made if the periodic benefit is the annuitized refund of voluntary additional contributions, surviving spouse, SLEP, or ECO contributions. In that case, the member may request a refund of the remaining contributions, less the total of annuity payments received to the date of the refund.
  - (b) No request to change a benefit election shall be considered if the recipient negotiated a lump sum payment more than three months prior to receipt by IMRF of the request for change.
2. If the change of benefit election will adversely affect the Income tax treatment of the benefit, the recipient understands and accepts the tax consequences.

It was moved by Mr. Stafford, seconded by Ms. Henry, to adopt the above resolution.

Roll Call Vote:

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

Eligibility

IMRF staff have reviewed the current policies pertaining to prior service credit and are proposing a change to the current prior service rules. Staff propose moving rules which currently reside within the eligibility resolution into the existing prior service resolution so that the rules are more topically organized and easier to access.

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

WHEREAS, Section 7-200 of the Pension Code authorizes the Board of Trustees to make administrative decisions on participation and coverage which are necessary for carrying out the intent of the Fund in accordance with the provisions of Article 7 of the Pension Code; and

WHEREAS, it is advisable for the Board to adopt rules and regulations applicable to participation by the members of governing bodies and other elected and appointed officials for direction of the Executive Director and staff; and

WHEREAS, the IMRF Board of Trustees has previously ruled that it is the responsibility of each IMRF participating unit of government to determine if an employee's position is expected to satisfy the standard hours for IMRF participation; and

WHEREAS, the IMRF staff has the responsibility to interpret Article 7 of the Illinois Pension Code and to assist each participating unit of government in making decisions on eligibility for IMRF participation by furnishing instructions and guidelines.

WHEREAS, IMRF Board Resolutions 2017-02-13 and 2017-05-10 required the governing body of a municipality to adopt a resolution in a form satisfactory to IMRF no later than September 1, 2017 finding that elected and appointed positions normally require performance of duty during 600 hours (or 1,000 hours, as applicable) or more in a year, if the incumbent in that position is to be eligible for IMRF participation; and

WHEREAS, the IMRF Board finds that the recertification of elected positions which occurred no later than September 1, 2017, accomplished its purpose of identifying which positions were no longer eligible for IMRF participation due to the passage of time or technological advances, and IMRF's records have been updated accordingly.

NOW, THEREFORE, BE IT RESOLVED that the following rules and regulations be adopted:

1. A member of a governing body shall receive creditable service for service as a member of the governing body upon the fulfillment of the following requirements:
  - a. If he or she is in an elected position, he or she has elected to

participate in the Fund.

- b. The duties of his or her position normally require performance of duty for the applicable hourly standard.
  - c. The governing body of the municipality has adopted a resolution in a form satisfactory to the Board finding that the jobs of the members of the governing body normally require performance of duty for the applicable hourly standard. The requirement that the positions of governing bodies must be recertified every two years after the initial September 1, 2017 certification deadline, as set forth in Board Resolutions 2017-02-13 and 2017-50-10, is rescinded.
  - d. A certified copy of the resolution and appropriate reports of earnings are filed with the Fund.
  - e. It is best practice for members of governing bodies to maintain time sheets documenting the time spent on official government business as a member of the governing body of the municipality.
2. A member in a non-governing body elected position shall receive creditable service for service in that non-governing body elected position upon the fulfillment of the following requirements:
    - a. He or she has elected to participate in the Fund.
    - b. The duties of his or her position normally require performance of duty for the applicable hourly standard.
    - c. If holding office on or after the effective date of this resolution, he or she has certified to the Fund, in a form satisfactory to the Fund, that his or her position normally requires performance of duty for the applicable hourly standard.
    - d. The IMRF Authorized Agent of the municipality has certified, in a form satisfactory to the Fund, that the non-governing body elected position meets the applicable hourly standard, in accordance with the Authorized Agent's duties set forth in 40 ILCS 5/7-135(b).
    - e. The requirement that the elected positions of non-governing officials must be recertified every two years after the initial September 1, 2017 certification deadline, as set forth in Board Resolution 2017-02-13, is rescinded.
    - f. It is best practice of the elected members who are non-governing body officials to maintain time sheets which document the time spent on official government business as an elected non-governing official.
  3. The determination of eligibility for individual participation in IMRF, within the requirements of the Illinois Pension Code and under the guidelines as provided by IMRF, is the primary responsibility of each IMRF participating unit of government.
  4. Notwithstanding the fact that the primary responsibility for determining IMRF eligibility rests with each IMRF participating unit of government, the Board of Trustees, as the administrators of the Fund, may inquire into determinations of eligibility to participate in IMRF, and other related matters affecting the payment of benefits to members or potential members, and reserves the right to make independent determinations on the basis of facts available. When evaluating whether an elected position qualifies for IMRF participation, certification by a governing board or by an individual

elected official may be a factor considered by the Board of Trustees but will not control the Board's final determination.

5. Differences of opinion between the employer and IMRF staff relative to participation and other matters affecting the payment of benefits to members or potential members, shall be resolved in accordance with the applicable appeal procedures as set by the Board.

#### Prior Service

The rules for prior service are currently set forth in two different resolutions: Resolution 2019- 05-09(d) and 2006-10-06(a). While Resolution 2006-10-06(a) exclusively contains prior service rules, Resolution 2019-05-09(d) is an eligibility resolution which mainly contains elected official eligibility rules for current service. The proposed resolution would take the prior service rules from the eligibility resolution and insert them into the prior service resolution. It would also amend the rules to more closely align with the Pension Code.

WHEREAS, Section 7-139(a)(1) of the Pension Code sets forth the process for employees of a new IMRF employer to seek prior service for employment during the period prior to the employer joining IMRF participation; and

WHEREAS, Section 7-184 of the Pension Code provides that the Board of Trustees shall determine the length of prior service from such information as is available; and

WHEREAS, Section 7-139 of the Pension Code allows 20% of an employee's prior service, with a 5-year maximum, to be credited without an employee contribution; and

WHEREAS, previously established administrative rules require that governing body positions be certified for IMRF participation by the governing body of the employer prior to the officials holding those positions; and

WHEREAS, governing body officials serving at newly participating IMRF employers need a mechanism to obtain prior service credit; and

WHEREAS, Section 7-198 of the Pension Code empowers the Board of Trustees to establish such rules and regulations not inconsistent with other provisions of the Pension Code as are deemed necessary or desirable for the efficient administration of the Fund.

THEREFORE BE IT RESOLVED, that the following procedures for establishing prior service credit be adopted:

1. The employer shall file Form 6.07, Application for Prior Service Credit, for each employee qualified to receive such credit. The Application shall require the employer to list the period during which the employee held an IMRF qualifying position and the employee's earnings for the most recent 3 years.

2. A member of a governing body of a municipality beginning participation after the adoption of this resolution shall be entitled to service credit for prior service upon fulfillment of these requirements:
  - a. Prior to the submission of Form 6.07 for the governing body official(s), a resolution is adopted by the governing body finding that the positions of members of the governing body normally required performance of duty for the applicable hourly standard and specifying the period of time prior to the effective date that this was the case.
  - b. If he or she is in an elective position, he or she has elected to participate in the Fund.
  - c. A certified copy of the resolution certifying the governing body position was filed with the Fund as of the date of the member's application for prior service credit.
  - d. The service for which credit is requested is within the period specified in the resolution.
  - e. It is best practice for members of governing bodies to maintain time sheets which document the time spent on official government business as a member of the governing body of the municipality.
3. Based on the data furnished on Form 6.07, the Fund will determine eligibility for and the amount of credit to be granted without cost to the member and the amount available for purchase by the member, in accordance with the Pension Code.

The Fund shall furnish a Statement of Prior Service to each employee entitled thereto, with copies to the employer. The Fund shall also provide each employee with a payment schedule for the prior service for which member contributions are required.

It was moved by Mr. Wallace, seconded by Ms. Henry, to adopt the above resolutions.

Roll Call Vote:

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

(20-11-13) (Executive Director Performance Appraisal Form/Board Self-Evaluation) General Counsel asked the Board to review a Performance Appraisal Form and Timeline for the Executive Director Performance Appraisal, along with a Timeline for the Board's Self Evaluation.

General Counsel reported that Julia Nicholson will be acting as the Board Governance Consultant.

After questions and discussion, it was moved by Ms. Henry, seconded by Mr. Stafford, to approve the Executive Director Performance Appraisal Form and Timeline, and to table the Board Self-Evaluation until 2022.



Roll Call Vote:

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

(20-11-14) (Litigation Update) The following is an update of the currently pending or recently concluded litigation:

**IN RE TRIBUNE CO, ET AL. , THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF TRIBUNE CO, ET AL. VS. FITZSIMONS, ET AL.**

Summary: The unsecured creditors in the Tribune bankruptcy sued investors who sold their Tribune stock at the time of the buyout by the Sam Zell group. The plaintiff's theory is that the buyout was fraudulent and therefore a portion of those stockholders' proceeds from the stock sale was due to the fraud and should be returned to the Tribune's bankruptcy estate.

Status: IMRF was served in January of 2012 and shares defense counsel with a group of public pension funds. The stockholders' motion to dismiss the intentional fraudulent transfer claim was granted on January 6, 2017 and the claim against them was dismissed. Another portion of this claim against the stockholders was previously dismissed on motions and that decision was upheld on appeal. No claims are currently pending against the group of shareholders that IMRF is a part of, but there is a chance that some form of a claim could be revived as the result of further appeals. These chances recently became much slimmer as the Litigation Trustee's motion to amend the complaint to include a federal constructive fraudulent conveyance claim against the shareholders was denied. Review of this denial by the US Supreme Court is being sought and the shareholder group will be opposing this. IMRF continues to monitor this litigation.

**THOMAS SHEAHAN v. MEABF AND IMRF (COOK COUNTY 17 CH 14040)**

Summary: This is a case in which the Plaintiff is attempting to reinstate creditable service with the MEABF as a result of the prior Village of Oak Brook v. Sheahan and Sheahan v. IMRF litigation. IMRF was added as a co-defendant. MEABF also filed a cross-claim against IMRF for payment of interest on the disputed funds.

Status: The circuit court cancelled oral argument and ruled based on the written briefs. The Court ruled that MEABF must accept the return of funds from Sheahan's failed transfer to IMRF. IMRF has paid the judgment. Sheahan filed a post-judgment brief seeking for additional findings related to a potential MEABF pension, which was denied without prejudice, allowing Sheahan to file an amended version of the motion. The motion does not impact IMRF, but staff will continue to monitor this litigation until it is closed.

**JEFF BOYD v. IMRF (ROCK ISLAND COUNTY 18 MR 514)**

Summary: This is administrative review of IMRF's final administrative

decision to remove Plaintiff's service credit and salary related to his service as Sheriff.

Status: The Court affirmed IMRF's final administrative decision. Boyd has appealed the circuit court decision. At Boyd's request, the appellate court has extended its previously set briefing schedule, which is now set to conclude in early December. Oral argument will be scheduled thereafter. Boyd has requested a second extension which is currently under consideration by the Court.

**RICHARD CHAPPELL v. IMRF, ET AL. (COOK COUNTY 18 CH 12400)**

Summary: This is administrative review of IMRF's final administrative decision to remove omitted service credit from the Plaintiff based on the employer conducting its own audit and determining that the Plaintiff was not an employee during the months in question. Plaintiff has named both IMRF and his former employer, River Forest Township, as defendants in the lawsuit.

Status: The Circuit Court reversed the IMRF administrative decision. The Circuit Court found that IMRF does not have the authority to revisit its granting of omitted service credit more than 35 days after it initially granted the service. Staff believes that the Court misapplied the 35-day appeal deadline from the Administrative Review Law. The Appellate Court reversed the Circuit Court and affirmed the IMRF final administrative decision. The matter has been remanded to the Circuit Court for further proceedings on an alternative theory that the Plaintiff is pursuing against the Township.

**GORDON v. IMRF (U.S. EEOC 440-2019-00509)**

Summary: This is an EEOC charge of discrimination by a current employee.

Status: The EEOC dismissed this charge for lack of substantial evidence. As with all EEOC dispositions, the plaintiff was granted a right to sue letter and may still pursue this matter by filing a lawsuit in circuit court. Staff will continue to monitor this matter until the time for filing expires

**SUSAN MOYLEN-KREY v. IMRF and MAINE TOWNSHIP  
(COOK COUNTY 2019 CH 439)**

Summary: This is administrative review of IMRF's final administrative decision to remove certain service credit from Plaintiff based on the governing board's failure to recertify the elected assessor position as an IMRF qualifying position. Plaintiff has named both IMRF and Maine Township, as defendants in the lawsuit.

Status: IMRF filed the administrative record and a briefing schedule has been entered. After setting an initial briefing schedule, Plaintiff's counsel and counsel for co-defendant have both sought extensions of time. This matter is fully briefed, but the court has postponed oral argument due to the pandemic. The matter is now tentatively set for oral argument on November 5, 2020.

**LYMORE v. IMRF (IDHR 2019 CF 2599)**

Summary: This is a claim of wrongful termination before the Illinois Department of Human Rights filed by a former employee.

Status: IMRF filed its position statement and an investigatory fact-finding conference was held in early April. Plaintiff's claim was dismissed by the IDHR for a lack of substantial evidence. As with all IDHR dispositions, the plaintiff was granted a right to sue letter and may still pursue this matter by filing a lawsuit in circuit court. Staff will continue to monitor this matter until the time for filing expires.

**NAMEOKI TOWNSHIP v. IMRF (MADISON COUNTY 2019 MR 1345); RANDALL PRESSWOOD v. IMRF (MADISON COUNTY 2019 MR 1346); TAMMY HANFELDER v. IMRF (MADISON COUNTY 2019 MR 1347)**

Summary: This is administrative review of IMRF's decision to deny claims for retroactive service by the Township Supervisor and Assessor of Nameoki Township. The denials were based on the Township's failure to recertify the eligibility of the elected positions during the 2017 recertification cycle.

Status: The three separate cases have been consolidated to a single proceeding. This matter is fully briefed and oral argument was held on June 19, 2020. The parties await the court's decision.

**MAINE TOWNSHIP v. IMRF and SUSAN MOYLEN-KREY  
(DUPAGE COUNTY 2020 CH 1)**

Summary: In addition to the pending administrative review action filed by Maine Township Assessor Susan Moylen-Krey in Cook County, Maine Township has filed a declaratory judgment action in the Circuit Court for DuPage County challenging IMRF's authority to investigate and determine the eligibility for participation by elected officials. Maine Township currently has an administrative appeal pending with IMRF but is asking the Court to stop the administrative appeal through this lawsuit.

Status: Staff filed a motion to dismiss the Township's complaint in which a briefing schedule has been entered; however, the argument has been continued due to the pandemic. IMRF's motion to dismiss was granted based on the Township's failure to exhaust its administrative remedies. The Court directed the Township to proceed with its administrative appeal which is still pending before the administrative hearing officer. At the request of the Township and the member, the administrative appeal is being held pending the resolution of the Cook County litigation involving the same parties.

**COLLINSVILLE AREA RECREATION DISTRICT v. IMRF, et al.  
(MADISON COUNTY 2018 MR 1093)**

Summary: In the 2018 election, the voters approved a resolution to dissolve the Collinsville Area Recreation District ("CARD"). By law, it cannot legally dissolve until its debts are paid. It has ceased operating

and accruing additional debt, but CARD has a substantial amount of debt unrelated to its IMRF liability. CARD brought this action seeking a declaration from the court as to how it should continue to exist and operate while it pays down its substantial debt. IMRF, along with nearly all of the surrounding municipal entities, were named as nominal parties in order to bring all potentially interested parties before the court.

Status: IMRF has filed an appearance and will participate in the litigation. Staff believes that it will be able to resolve CARD's IMRF liability separate from its other substantial debts. The parties continue to work towards a solution which will effectuate an orderly winding down of the Plaintiff's operations.

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

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

Status: IMRF staff has filed a motion to dismiss this complaint for, among other reasons, failure to file the claim within the 35-day appeal period required under the Administrative Review Law. Staff will notify the Board once a briefing schedule and hearing date are set on the motion to dismiss.

(20-11-15) (Report of the Executive Director) The Executive Director updated the Board on the successful progress of the Horizon Project.

The Executive Director also reported that with the Pandemic, and with staff working remotely, and limited staff coming into the office, IMRF is successfully continuing with its operational functions.

(20-11-16)(Trustee Forum) The Chair reported the following Trustees requested authorization from the Board for the following conference:

Dave Miller	EDHEC Scientific Beta Days (Virtual) EDHEC October 15-16, 2020
Sue Stanish	World Pension Forum (Virtual) Pensions & Investments October 19-23, 2020
Alex Wallace, Jr.	31 <sup>st</sup> Annual Pensions & Financial Conference (Virtual) NASP December 7-10, 2020
Trudy Williams	EDHEC Scientific Beta Days (Virtual) EDHEC October 15-16, 2020

It was moved by Ms. Copper, seconded by Ms. Henry, to approve the above Trustee requests.

Roll Call Vote:

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

(20-11-16) (Adjournment) It was the moved by Ms. Copper, seconded by Mr. Wallace, to adjourn the Board Meeting at 12:00 p.m., to reconvene at 9:00 a.m., December 18, 2020.

Roll Call Vote:

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

\_\_\_\_\_  
President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Date

Schedules A, B, C, D, E, F, G and P are omitted from this copy of Minutes. These schedules are identical to schedules attached to Minutes distributed to Board of Trustees prior to meeting.