

**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**MINUTES OF**  
**REGULAR MEETING NO. 21-08**  
**AUGUST 27, 2021**



ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 21-08

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m. August 27, 2021 in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Ms. Henry presided as Chair and called the meeting to order.

Ms. Herman took a roll call:

Present: Copper, Henry, Kosiba, Kuehne, Miller, Mitchell (via MS Teams), Stanish, Stefan

Absent: All were present

Ms. Rose Dean, Mr. Ali Kazemi and Mr. Calvin Born from Wilshire Associates were also present electronically via MS Teams.

(21-08-01) (2<sup>nd</sup> Quarter 2021 Investment Manager Report) Mr. Born and Mr. Kazemi presented a summary of IMRF's performance for the 2<sup>nd</sup> Quarter of 2021.

Highlights of the presentation included:

- IMRF ended June 2021 with a market value of \$54.7 billion, up for the quarter by approximately \$3.1 billion.
- Over a one-year period, from June 30, 2020 to June 30, 2021, IMRF's value grew by approximately \$11.6 billion, net of benefit payments.
- IMRF outperformed its benchmark during the 2<sup>nd</sup> Quarter 2021, returning 6.65% versus 5.08% for the benchmark. Relative to peers, IMRF ranks at the 19<sup>th</sup> percentile during the quarter, outperforming 81% of peers.
- The Domestic Equity Composite returned 8.32% during the quarter, outperforming the Russell 3000 Index, which returned 8.24%. Investment manager performance, particularly the Large Cap Value and Small Cap Growth added to relative outperformance as these managers collectively outperformed their benchmarks. Relative to peers, Domestic Equity ranked at the 29<sup>th</sup> percentile during the quarter.
- The International Equity Composite returned 7.05% during the quarter, outperforming the MSCI ACWI ex-U.S. Index, which returned 5.48%. Strong investment manager performance was the largest contributor to outperformance during the quarter, as managers in Large Cap Growth, Large Cap Core, Small Cap, and Emerging Markets outperformed their respective benchmarks. Relative to peers, International Equity Composite ranked at the 10<sup>th</sup> percentile during the quarter.
- The Fixed Income Composite benefited from declining interest rates during the quarter, returning 2.16% and outperforming the benchmark, which returned 1.83%. Investment Managers in Core, Core Plus, Bank Loans and Emerging Markets outperformed their respective benchmarks during the

quarter. Relative to peers, the Fixed Income Composite ranked at the 69<sup>th</sup> percentile during the quarter.

- As of June 30, 2021, quarter-end, Domestic Equity, and International Equity were 5.0% and 4.4% respectively, over their target. The current Statement of Investment Policy states that when allocations of the asset classes differ by more than four percentage points, a recommendation for rebalancing will be made to the Board of Trustees. The Chief Investment Officer, Investment Staff, and consultant will provide a recommendation for rebalancing at the August 2021 meeting.

(21-08-02) (Monthly Manager Report - Wilshire Associates) Mr. Kazemi and Mr. Born from Wilshire Associates presented investment activity for the month of July 2021. Highlights of the monthly findings include:

- The Illinois Municipal Retirement Fund ("IMRF") ended July 2021 with a market value of \$54.8 billion, up for the month by approximately \$138 million. IMRF returned +.91% during the month, outperforming the Total Fund Benchmark, which returned +.76%. Total Fund outperformance was primarily driven by strong investment manager results, most notably within International Equity.
- Year-to-Date, IMRF has returned +11.62% versus its benchmark of +8.6%.
- The U.S. Equity Portfolio trailed the Russell 3000 Index during the month, returning 1.34% versus 1.69%. In aggregate, investment manager performance in Large Cap and Small Cap modestly underperformed the respective benchmarks. Additionally, the Portfolio's bias to small cap stocks detracted from relative outperformance as small caps stocks underperformed large cap stocks during the month by approximately 5.7%.
- The internally Managed Scientific Beta Portfolio outperformed during July, returning 1.84% versus 1.62%. Since inception, the strategy has outperformed the benchmark, returning 16.86% versus 16.08%.
- The Internally Managed GSAM-Factor Diversity Portfolio outperformed the benchmark during the month, returning 2.21% versus 2.15%.
- The Public Real Assets Portfolio outperformed its benchmark during the month, returning 1.36% versus 1.05%.
- The International Equity Portfolio outperformed the benchmark during July, returning -.57% versus -1.65%. In aggregate, investment manager performance in Large Cap Growth, Large Cap Core, all Cap and Small Cap outperformed the respective benchmarks. Additionally, the Portfolio's dedicated allocation to small cap stocks contributed to relative outperformance as the small cap market returned to +.80%, outperforming the broad market.
- The Fixed Income Portfolio modestly trailed the benchmark during the month, returning +.98% versus 1.12%. The Portfolio's allocation to Bank Loans, Emerging Markets and High Yield was the largest detractor from relative performance during the month; however, year-to-date, these allocations have been strong contributors to relative outperformance. IMRF's Fixed Income Portfolio has returned +.34% versus -.51% for the benchmark, year-to-date.
- As of July month-end, Domestic Equity and International Equity were 5.4% and 4.3%, respectively, over their target. The current Statement of Investment Policy states that when actual allocations of the asset class differ by more than four percentage points from the policy target, a recommendation for rebalancing will be made to

the Board of Trustees. The Chief Investment Officer, Investment Staff and Consultant will provide a recommendation for rebalancing at the August 2021 Board Meeting.

(21-08-03) (Investment Reports) Ms. Angela Miller-May, CIO for IMRF, reported that for the month-to-date period ending August 25, 2021, the S&P 500 benchmark returned 2.41%; the Russell 3000 (Broad U.S. equity market benchmark) returned 2.20%; the MSCI ACWI Ex-U.S. (Broad International equity market benchmark) returned .84%; and the Bloomberg Barclays Aggregate (Broad U.S. bond market benchmark) returned -.47%. She further reported that the total fund value as of August 25, 2021 was \$55,803 billion, up 1.76%.

(21-08-04) (2021 Illinois Economic Opportunity Investment Report) The Report was presented to the Board. Key highlights of the 2021 report include:

- \$17.5 billion or 31.9% of IMRF's total assets are invested with Illinois-based investment management firms
- 169 real estate properties are located in Illinois
- 136 privately held companies within IMRF's private equity portfolio are located in Illinois
- During the 12-month period ending June 30, 2021, \$1,565,283 in brokerage commissions were executed with Illinois-based equity brokers and \$1,356,925,627 in par value was traded with Illinois-based fixed income brokers.

Publicly traded companies in IMRF portfolio that are headquartered in Illinois are excluded from the report because they are not included in the reporting requirements.

Staff recommends that the IMRF Board of Trustees approve submission of this report to the Governor and General Assembly.

It was moved by Mr. Miller, seconded by Mr. Kuehne, to approve the submission of the 2021 Economic Opportunity Investment Report to the Governor and General Assembly.

**Vote:**

**ALL VOTED AYE - MOTION CARRIED**

(21-08-05) (Pension Administration Benchmarking Report) Organizational Excellence Officer, Kathy Goerd, presented the Pension Administration Benchmarking Report. The key takeaways from the report are:

- IMRF earned a Total Service Score of 87, versus the peer median score of 77
- IMRF is in the top quartile of the CEM universe
- The COVID-19 pandemic played a key role in IMRF's results. For instance, IMRF's 2020 data includes almost 10 months of the COVID-19 pandemic, which had a negative impact on the service score. However, for ¾ of IMRF's peers and the participant universe with a June fiscal year end, their results reflect less than 4 months of COVID-19 data. This disparity impacts the service score comparisons.
- IMRF has made improvements over the years, steadily increasing its service score. This year, however, some activities (especially pension inceptions

and purchases) were impacted, mainly due to lower staffing at the start of the pandemic and increased processing time as a result of working from home.

- IMRF's total pension administration cost of \$98 per active member and annuitant was \$32 below the peer average of \$130.
- The main reasons IMRF's cost was lower than its peers were lower costs per member for major projects, IT strategy, database, and applications, actuarial, legal, audit and other support.

(21-08-06) (Actuarial Firm (Gabriel Roeder Smith & Company) Relationship Status) (Presentation Regarding Best Practices, Scope of Actuarial Services, Impact on Horizon and Timing of Future RFP) Executive Director Brian Collins gave a presentation regarding IMRF's relationship with Gabriel Roeder Smith & Company with respect to "Best Practices", Scope of Actuarial Services, Impact on the Horizon Project, and Timing of a Future RFP. He explained that IMRF has had a long-standing relationship with GRS (since 1992). He outlined the Scope of Services provided by GRS over the years and explained how GRS is highly integrated into many processes at IMRF and is currently the key partner in developing Horizon. He then explained the Best Practices for actuarial services established by GFOA, and he confirmed that IMRF has been following these "Best Practices" by:

- Hiring an external auditing firm to conduct an independent audit of GRS's work every 5 years. (There have been 4 audits since the year 2000.)
- Conducting an Experience Study every 3 years (Ten triennial Experience Studies have been completed since 1992.)

These "Best Practice" processes have uncovered no issues with GRS's work. Collins also emphasized that IMRF's cost per employee for actuarial services is well below what similar pension fund systems pay. Finally, Collins explained GRS's involvement with the Horizon Project and how seeking a new actuarial firm prior to the roll out of Horizon could be detrimental. Horizon roll out is expected to be completed by October 2022.

Discussion ensued amongst the Board and Staff regarding the timing of a possible RFP for Actuarial Services. Staff recommended waiting to send out an RFP until the Horizon Project is up and running without any major issues. Trustee Copper requested that staff create a timeline for when an RFP could possibly go out. It was suggested that Staff start working on an RFP now in order to have it ready to send out once it is proven that the Horizon Project is rolled out and working without any major issues. Trustee Miller requested that staff look into the possibility of hiring in-house actuaries rather than hiring an outside actuarial firm. Collins will look into this option.

It was moved by Mr. Kosiba, seconded by Ms. Copper, to require Staff to provide the IMRF Board of Trustees with a draft RFP for Actuarial Services by December 31, 2022.

Further discussion ensued regarding the motion. Most trustees agreed with the motion presented and agreed to review the draft RFP once it is provided by staff and then evaluate when to send it out. Trustee Stefan disagreed with the motion presented because he has an issue with throwing unnecessary obstacles in front of a critical project.

Roll Call Vote:

Aye: Copper, Henry, Kosiba, Kuehne, Miller, Mitchell, Stanish

Nay: Stefan

Absent: None

**7 Ayes, 1 Nay - Motion Carried**

**The Board took a 10-minute break from 11am-11:10am.**

(21-08-07) (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.

Schedules - Dated May 2021

- (A) 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 - Expiration of Temporary Disability Benefits approved under the provisions of Section 7-147 of the Illinois Pension Code.
- Schedule F - Benefits Terminated.
- Schedule G - Administrative Benefit Denials.
- Schedule P - Administrative Denial of Application for Past Service Credit.
- Schedule R - Prior Service - New Governmental Units
- Schedule S - Prior Service Adjustments

Schedules - Dated June 2021

- 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 - Expiration of Temporary Disability Benefits approved under the provisions of Section 7-147 of the Illinois Pension Code.

- Schedule F - Benefits Terminated.
- Schedule G - Administrative Benefit Denials.
- Schedule P - Administrative Denial of Application for Past Service Credit.
- Schedule R - Prior Service - New Governmental Units
- Schedule S - Prior Service Adjustments

Schedules - Dated July 2021

- 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 - Expiration of Temporary Disability Benefits approved under the provisions of Section 7-147 of the Illinois Pension Code.
- Schedule F - Benefits Terminated.
- Schedule G - Administrative Benefit Denials.
- Schedule P - Administrative Denial of Application for Past Service Credit.
- Schedule R - Prior Service - New Governmental Units
- Schedule S - Prior Service Adjustments

(B) Approval of Minutes

Regular Meeting 21-05-28

(C) Special Board Meeting 21-06-29

(D) Bids

Contractor Services - Interior Painting and Hallway Carpeting  
 Approved Bidder: West DuPage Construction  
 Approved Bid: \$140,000



Oracle Java Standard Edition (SE) - 2 Year Renewal  
Sole Source: Oracle  
Approved Bid: \$28,800

Disaster Recovery - Additional Power and Support Renewal  
Sole Source: SunGard AS  
Approved Bid: \$490,265

3-Year Maintenance Renewal for Avaya Support Advantage - Addendum 1.0  
Sole Source: Waterfield  
Approved Bid: \$2,270.70

Avaya Telephony System Enhancements & Horizon Integration - Addendum 5.0  
Recommendation is to increase the ceiling amount for Avaya Telephony System  
Enhancements & Horizon Integration by \$20,600 to a total of \$1,035,217.23.

(E) Participation of New Unit of Government - Aurora Public Library District

Aurora Library District  
County: Kane  
2021 Employer Rate: 9.72%  
Effective Participation Date: September 1, 2021  
Number of Employees: 121

(F) Participation of New Unit of Government - Town and Country Public Library District

Town and Country Public Library District  
County: Kane  
2021 Employer Rate: 10.22%  
Effective Participation Date: September 1, 2021  
Number of Employees: 13

(G) Participation of New Instrumentality - NPT Special Education Cooperative

NPT Special Education Cooperative  
2021 Employer Rate: 6.07%  
Effective Participation Date: July 1, 2021  
Number of Employees: 2

(H) Participation of Township - Bement Township

Bement Township  
County: Piatt  
2021 Employer Rate: 7.38%  
Effective Participation Date: January 2, 2022  
Number of Employees: 1

(I) Review of June, July, and August Financial Reporting Packages

Payment for administrative expenses and investment manager fees for  
July totaled \$3,288,511.87 and \$9,062,076.13, respectively.

(J) Impact of 2021 Year-To-Date Investment Income of Employer Reserves, Funding Status and Average Employer Contribution Rate (June, July & August 2021)

(K) Statement of Fiduciary Net Position (June 2021)

(L) Schedule T - Report of Expenditures (July 2021)

It was moved by Ms. Stanish, seconded by Ms. Copper, to approve items A-L on the consent agenda.

**Vote:**

**ALL VOTED AYE - MOTION CARRIED**

(21-08-08) (Periodic [5-year] Actuarial Services Audit) Chief Financial Officer, Mark Nannini, informed that every 5-years IMRF solicits a third-party actuarial firm to review the work performed by the actuarial consultant (currently Gabriel, Roeder, Smith, and Company). The outcome of this audit reveals whether the procedures used in the actuarial valuations are technically sound and if the plan objectives are met. The last time this review took place was in 2016 by Milliman. In June 2021, IMRF released a Request for Proposal (RFP) for this third-party review. The RFP was sent to 15 actuarial firms and also published on the NASRA website. The internal selection committee reviewed each proposal and interviewed three proposing firms on August 18-19, 2021. The budget was estimated at \$60,000, and the following bids were received:

- Aon Consulting, Inc. - \$50,000
- Buck Global LLC - \$45,000, not to exceed \$47,500
- Cavanaugh Macdonald Consulting LLC - \$50,000, not to exceed \$60,000
- Foster & Foster Consulting Actuaries, Inc. - \$50,000
- Milliman, Inc. - \$69,000
- The Segal Company (Midwest) - \$57,000, not to exceed \$60,000

After substantial review, IMRF staff recommends Cavanaugh Macdonald Consulting, LLC to conduct this third-party actuarial review. Cavanaugh Macdonald Consulting is most responsive to IMRF needs and requirements as outlined in the RFP. They are a large firm and have experience with this type of evaluation. Cavanaugh Macdonald Consulting, LLC demonstrated that they possess the knowledge of IMRF operations, actuarial approach, and internal sources to conduct this third-party review. Cavanaugh Macdonald Consulting, LLC is the best value and most responsive bidder for these services. Their approach is comprehensive as viewed by the selection committee and their experience with clients the size of IMRF is very apparent. The findings of the actuarial consultant review will be presented to the Board of Trustees at the December 17, 2021 Board Meeting.

It was moved by Mr. Kuehne, seconded by Mr. Kosiba, to hire Cavanaugh Macdonald Consulting, LLC to conduct a third-party actuarial review at a cost of \$50,000, not to exceed \$60,000.

**Vote:**

**ALL VOTED AYE - MOTION CARRIED**

(21-08-09) (Benefit Review Committee Report) The Chair of the Benefit Review Committee reported on the Benefit Review Committee meeting that was held on August 26, 2021, at 1:00p.m.

The Committee approved the open session meeting minutes from May 27, 2021.

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

- To adopt the recommended decision of the hearing officer in the Helen Tsiopelas and Eloise Peters appeals.
- To adopt the recommended decision of the hearing officer in the Larry Bauler ERI violation appeal with a prepayment recovery rate of 50% of Mr. Bauler's monthly retirement annuity.
- To affirm staff on the denial of total and permanent disability benefits for Karen Pedigo and Karen Lake.

**Vote:**

**ALL VOTED AYE - MOTION CARRIED**

(21-08-10) (Investment Committee Meeting) The Chair of the Investment Committee reported on the Investment Committee Meeting that was held on August 26, 2021 at 9:00a.m.

The Investment Committee approved the meeting minutes from the May 27, 2021 meeting.

The Chief Investment Officer and the IMRF Investment Officer - Private Markets, gave a Private Equity presentation to the Investment Committee that included several recommendations, followed by presentations from four Private Equity Managers (ABRY Heritage Partners II, L.P.; The Baring Asia Private Equity Fund VIII, L.P.; Clearlake Capital Partners VII, L.P.; and Vensana Capital II, L.P.).

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

For Private Equity

Authorize the following commitments subject to satisfactory legal due diligence:

- Up to \$25 million to ABRY Heritage Partners II, L.P.
- Up to \$100 million to The Baring Asia Private Equity Fund VIII, L.P.
- Up to \$100 million to Clearlake Capital Partners VII, L.P.
- Up to \$20 million to Vensana Capital II, L.P.
- Authorize Staff to complete all documentation necessary to execute these recommendations.

For Real Estate

- Authorize a commitment of up to \$100 million to Blackstone Real Estate Partners Asia III, L.P., subject to satisfactory legal due diligence.
- Authorize a commitment of up to \$50 million to Crow Holdings Development Opportunities Fund I, L.P., subject to satisfactory legal due diligence.
- Authorize Staff to complete all documentation necessary to execute these recommendations.

For Public Markets

Authorize the following actions subject to satisfactory legal due diligence and suitable liquidity/market conditions:

- Withdrawal of up to \$900 million from Sands Large Cap Growth.
- Withdrawal of up to \$200 million from NTGI MSCI EAFE Index Fund.
- Convert NTGI MSCI EAFE Index Fund to NTGI MSCI ACWIxUS Index Fund.
- Withdrawal of up to \$325 million from DFA Small Cap Value.
- Withdrawal of up to \$325 million from ICOM Small Cap Value.
- Termination and full withdrawal of FIAM Small Company Fund (approximately \$200 million).
- Allocation of up to \$470 million to Longfellow Core Plus Fixed Income.
- Allocation of up to \$470 million to Ramirez Core Fixed Income.
- Allocation of up to \$160 million to Barings Global Loan Fund.
- Allocation of up to \$200 million to Cohen & Steers Global Listed Infrastructure.
- Allocation of up to \$550 million to IMRF IMP SciBeta High Factor Intensity.
- Allocation of up to \$300 million to IMRF IMP GSAM Factor Diversity.
- Authorize Staff to complete all documentation necessary to execute these recommendations.

The Committee noted that the agriculture and timberland portfolios had underperformed their benchmarks and the actuarial assumed rate of return for several years. Staff and Consultant explained that the agricultural portfolio had been impacted due to its focus on redevelopment strategies, and that the timberland portfolio had been impacted due to differences between land values and commodity prices. It was further noted that Staff and Consultant monitor these investments on an ongoing basis.

After discussion, Staff and Consultant stated that the agriculture and timberland strategies will be thoroughly evaluated during the development of the 2022 asset allocation plan.

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

**Vote:**

**ALL VOTED AYE - MOTION CARRIED**

(21-08-11) (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 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. The Trustee sought review of the denial by the U.S. Supreme Court, which the shareholders opposed, and the Court has now declined to take up the case. IMRF continues to monitor the remaining issues pending before the Second Circuit Court of Appeals.

**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. Chappell has filed an amended complaint alleging new theories of recovery against IMRF. Staff has filed a Motion to Dismiss, which will be set for argument or ruling after the briefing schedule is completed. Chappell and the Township have reached a settlement, rendering IMRF's motion to dismiss moot. Once the parties finalize settlement documents, this case will be closed.

**GORDON v. IMRF (U.S. EEOC 440-2019-00509; IDHR 2019CR3296)**

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

**Status:** The EEOC dismissed this charge for lack of substantial evidence. The plaintiff has requested that IDHR review the EEOC's determination in this matter. Staff is cooperating with the IDHR's investigation procedures.

**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 officer. The appeal is now pending before the IMRF administrative hearing officer. The Township and Ms. Krey have reached a settlement. Upon execution of the settlement documents, the Township will voluntarily dismiss the pending companion litigation in DuPage County.

**BRANDIE EDWARDS v. IMRF (COOK COUNTY 2020 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. After completion of the briefing, the court has taken the motion under advisement and the parties await a ruling.

**DUNDEE TOWNSHIP PARK DISTRICT v. IMRF, ET AL.  
(KANE COUNTY 2021 MR 581)**

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

**Status:** Staff has filed a motion to dismiss Count II, which challenges the constitutionality of the employer liability provision. The IMRF motion to dismiss was granted, but the Park District was granted leave to file an amended complaint. Once it is received, staff will analyze the amended complaint and file and appropriate responsive pleading.

**RAYMOND PARADISO v. VILLAGE OF CRETE and IMRF  
(WILL COUNTY 2019 MR 3261)**

**Summary:** While employed with the Village of Crete, Paradiso applied for and was granted several years of omitted service credit. Afterwards, IMRF conducted an employer audit and found that Paradiso did not work sufficient hours to qualify for omitted service credit from January 2010 through April 2017. With the removal of this service credit, Paradiso was no longer vested for a retirement annuity. On February 15, 2019, the IMRF Board of Trustees affirmed the staff decision to remove the relevant service credit. Mr. Paradiso did not appeal the Board's decision. However, he filed suit against the Village of Crete seeking a court order requiring it to certify omitted service credit verification forms for additional years of employment which would make Paradiso subject to the 600 standard rather than the 1000 hour standard. IMRF was recently added as a defendant to the pending litigation. Paradiso specifically seeks a court order which would require IMRF to accept new omitted service credit verification forms even though he is not currently a participant in the Fund.



**Status:** Staff is preparing a motion to dismiss based on the timeliness of making a claim against IMRF and the nature of relief sought from the Court. Given that IMRF was just recently added to the litigation, we are at the beginning of the briefing process.

(21-08-12) (Legislative Update) The Legislative Liaison gave a report on current legislative activity.

She informed that the General Assembly returned for a short period in June to discuss some pending legislation, none of which pertained to IMRF. The fall veto session is scheduled for the weeks of October 18<sup>th</sup> and 25<sup>th</sup>. She presented a chart showing the status of pending legislation that affects IMRF.

(21-08-13) (Report of the Executive Director) The Executive Director gave an update to the Board on IMRF's Horizon Project.

Next, the Executive Director gave highlighted the progress on strategic objectives and key strategies during the second quarter of 2021 that support IMRF's 2020-2022 Strategic Plan.

The Executive Director also provided information on FOIA requests and personnel.

Lastly, the Executive Director recognized two (2) employees who are retiring from IMRF. He asked the Board to adopt the following resolutions for Appreciation of Service for:

Kevin Davis (December 2016 - July 2021)  
Carol Ortman (February 1986 - June 2021)

Resolution for the Appreciation of Service for Kevin Davis)

WHEREAS, Kevin Davis, Northeast Territory Field Representative, has faithfully served IMRF from December 2016 through July 2021, and;

WHEREAS, Kevin Davis successfully administered more than 340 Pre-retirement workshops and webinars, Glass Half Full workshops, Personal Benefit Reviews, and Authorized Agent certifications during his tenure, and;

WHEREAS, Kevin Davis counseled more than 1,400 members and provided more than 2,400 pension calculations during his tenure, and;

WHEREAS, Kevin Davis served as a valued liaison to numerous special interest groups including the Illinois League of Municipal Employees, the Illinois Association of Park Districts, and the Illinois Education Association, and;

WHEREAS, Kevin Davis consistently provided exemplary customer service to all IMRF members, retirees, and employers he came into contact with, and;

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

Resolution for the Appreciation of Service for Carol Ortman

WHEREAS, Carol Ortman, Business Solution Lead, has faithfully served IMRF from February 1986 through June 2021, and;

WHEREAS, Carol Ortman held positions in the Finance department, Member Services department, Program Management Office department, and Information Services -

Enterprise Business Solutions department throughout her tenure at IMRF, first as Senior Accounting Clerk, then Member Services Representative, then Member Services Specialist, then Member Services Analyst, then Associate Business Analyst, and since July 2015 as the Business Solution Lead, and;

WHEREAS, Carol Ortman provided business process change analysis for IMRF Project Managers, conducted knowledge sharing sessions to support the Enterprise Business Solutions Department's Employee Engagement Action Plan, joined the transition team to help business process owner's identify transition tasks for Horizon, and collaborated with IMRF Data Conversion Team to provide support for data cleanup tasks; and

WHEREAS, Carol Ortman utilized her knowledge of SPECTRUM and IMRF business processes when identifying business rules and communicating impacts of new Board Resolutions on the Horizon project, and;

WHEREAS, Carol Ortman played a significant role in supporting User Acceptance testing for Horizon by reviewing test cases, executing test scripts for her work stream, supporting testers in the test lab, and providing support when the vendor was off-site, and;

WHEREAS, Carol Ortman demonstrated the characteristics of a Change Champion by displaying a positive attitude towards the Horizon project and her willingness to embrace change while participating in Horizon demonstrations, and;

WHEREAS, during her tenure, Carol Ortman demonstrated IMRF's Values of Accountability and Courage when keeping the Employer Core Team on track during the COVID-19 stay at home order and ensuring all project deliverables were completed on time, and;

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

It was moved by Mr. Kosiba, seconded by Ms. Copper, to adopt the two (2) resolutions for Appreciation of Service as presented.

**Vote:**

**ALL VOTED AYE - MOTION CARRIED**

(21-08-14) (Trustee Forum) The Chair reported the following Trustees requested authorization from the Board for the following conferences:

Tom Kuehne            U.S. 2021 Annual Conference  
                          International Foundation of Employee Benefits  
                          October 17-20, 2021  
                          Denver, CO

Dave Miller            U.S. 2021 Annual Conference  
                          International Foundation of Employee Benefits  
                          October 17-20, 2021  
                          Denver, CO

Natalie Copper        U.S. 2021 Annual Conference  
                          International Foundation of Employee Benefits  
                          October 17-20, 2021  
                          Denver, CO

NCPERS Fall Conference



September 26-28, 2021  
Scottsdale, AZ

2021 IPPFA MidAmerican Pension Conference  
IL Public Pension Fund Association  
September 29-October 1, 2021  
Oak Brook, IL

Gwen Henry 2021 Public Funds Forum  
ValueEdge Advisors  
October 26-28, 2021  
San Diego, CA

FTSE Russell  
World Investment Forum 2021  
November 7-10, 2021  
Sonoma, CA

**Vote:**

**ALL VOTED AYE - MOTION CARRIED**

(21-08-15) (Executive Session) It was moved by Ms. Copper, seconded by Mr. Kuehne to go into Executive Session at 11:26am for the purpose of probable or imminent litigation (5 ILCS 120/2(c)(11) and to discuss a personnel matter (5 ILCS 120/2(c)(1)).

**Roll Call Vote:**

Aye: Copper, Henry, Kosiba, Kuehne, Miller, Mitchell, Stanish, Stefan  
Nay: None  
Absent: None

**8 Ayes, 0 Nay - Motion Carried**

**Board returned to open session at 11:49am.**

(21-08-16) (Probable or Imminent Litigation) It was moved by Mr. Stefan and seconded by Ms. Copper to authorize the involvement of IMRF as a plaintiff in the Archie Creek fire case and to execute the required engagement agreement subject to legal due diligence.

**Vote:**

**ALL VOTED AYE - MOTION CARRIED**

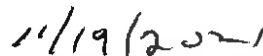
(21-08-17) (Adjournment) It was moved by Ms. Copper, seconded by Mr. Kuehne to adjourn the Board Meeting at 11:51am, and to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, IL, at 9:00am, on November 19, 2021.

**Vote:**

**ALL VOTED AYE - MOTION CARRIED**



\_\_\_\_\_  
President



\_\_\_\_\_  
Date



\_\_\_\_\_  
Secretary



\_\_\_\_\_  
Date

