

**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**MINUTES OF**  
**REGULAR MEETING NO. 24-12**  
**DECEMBER 20, 2024**



ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 24-12

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., December 20, 2024, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

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

Ms. Herman took roll call:

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

Absent: All present

Public Comments - There were no Public Comments.

The following people were also present at the meeting: Mark Buis and Francois Pieterse from Gabriel Roeder Smith & Company; and Mr. Ali Kazemi from Wilshire Associates.

(24-12-01) (President's Discussion - Revisiting the Definition of Service Credit) Mr. Stefan explained that he understands that service credit is to be awarded only in full month increments. Therefore, for any partial month worked where service credit is granted, a full month of service credit should be awarded. Consequently, our last month of employment procedures appear to be consistent with statutory intent.

On the other hand, our first month of employment procedures appear to be inconsistent with statutory intent as they are based on a cash basis of reportable earnings (i.e., a member must be employed, enrolled, and receive compensation in any particular month in order to receive service credit for that month). This cash basis concept is memorialized in Board Resolution 2020-05-10(c). However, this resolution appears to speak to reportable earnings, what qualifies, what doesn't, and that earnings should be reported on a cash basis. He agrees that reportable earnings should be reported on a cash basis and does not suggest a change along those lines as that would create a hardship for employers to report on another basis. He doesn't think this resolution applies to the application of creditable service. He believes the inconsistency in regard to the creditable service language lies in the interpretation of the phrase in the statutes "as of the date and corresponding payment of earnings is **payable**". His interpretation is that earnings are payable at the time the underlying services are performed not when payment is actually made. This is more akin to an accrual basis of service credit accrual. If the intent was to implement a cash basis of service credit accrual, the phrase would have been crafted along the lines of "as of the date of the corresponding payment of earnings is **paid**".

Based on the foregoing, he believes that a new member should receive service credit for their first month of employment, whether a partial month or a full month, regardless of whether or not any earnings were reported for that month. Service credit for a member's career would then begin with the month of hire and end with the month of separation adjusted only for common events such as any gaps in employment, military leave credits, etc. Employers would continue to report earnings on a cash basis as they are made, however, the timing of those reportable earnings would not affect service credit accrual.

Mr. Stefan then explained two issues that need to be decided: (1) Is a member entitled to service credit for the first partial month of service even if no earnings are reported by the employer for that member for that month? (2) If so, what should the effective date of any changes be since current annuitants, inactive members eligible for pensions but who have not yet applied, and active members could all be impacted depending on the effective date.

Discussion ensued and one major concern is how difficult it would be to handle administratively. Mr. Shuliga explained how the change could work on an accrual basis rather than a cash basis. There would be a cost component associated with the conversion for existing members. Another concern is whether employers will still have to report earnings to IMRF, which Mr. Shuliga confirmed they will. Mr. Stefan does not want it to interfere with reporting of earnings. Staff stated they will need more time to research. Mr. Miller supports moving forward and ask staff to research the feasibility of this initiative. Board agreed to move forward with staff research.

(24-12-02) (GRS Follow-up Discussion on the Dynamic and Flexible Annual Rate of Return) Mark Buis and Francois Pieterse from GRS explained that at the November Board meeting, the Board asked GRS to produce historical data on gains and losses on investment returns. GRS provided data from 1994-2023 showing 5-year smoothed returns. GRS stressed to keep volatility in mind when looking at rates of return. They gave the following summarizations:

- Small incremental changes would have minimal impact to plan costs in any given year
  - Avoids having to make any large changes at once during difficult economic times
    - o 2008 had largest one-time impact to pension plans across the country
    - o Employers across the country were forced to lower future expectations (increasing costs) at the worst possible time
  - Helps maintain a health funded status
  - Could run test (pilot) program for 2025
    - o Review results in December of 2025 and decide to adopt or not
- GRS offered a potential timeline for Assumed Rate of Return determination.
- For November 2025 Board meeting, the model parameters would be calculated as follows:
    - o Target return = average of 2025 10-yr and 30-yr CMAM;
    - o Estimate of Market Value and investment rate of return provided by IMRF staff as of October/November 2025;
    - o An estimated 5-year smoothed return through 12/31/2025 would be calculated;

- o The model would determine whether a 5bp increase or decrease is recommended based on information year to date
- For December 2025 Board meeting, the 5-year smoothed return will be updated based on most recent investment return information
  - o Board will decide whether to increase/decrease the assumed rate of return or keep the rate of return unchanged for the 12/31/2025 valuation
  - o Decision could also be conditional based on no significant changes to Market Value between the Board meeting and December 31
- If adopted at December Board meeting, the decrease (or increase) in assumed discount rate would be reflected in 12/31/2025 valuations
  - o Retiree liabilities are calculated in January of 2026
  - o Contribution rates are published in March of 2026 and impact contribution rates in 2027.

Discussion ensued. Mr. Kosiba supports doing a pilot and looking at it in one year. Ms. Stanish mentioned a concern about how this program would be communicated to members/employers. Ms. Henry believes this is not the right time ; she doesn't want to try to solve a problem that we do not have. Ms. Copper agrees. Ms. Stanish mentioned years ago the Board decreased the rate of return from 7.5% to 7.25% and worked off of actuarial assumptions. Executive Director Brian Collins believes the Board should try the pilot for 2025, because it could help with future decisions. Ms. Henry agreed to try the pilot as long as it does not bind IMRF to anything. Mr. Miller mentioned his concerns about implementing a new policy. He would like to be more certain that there is a problem that needs to be fixed. Mr. Kosiba disagrees because he believes there will be volatility in future rates of return and this "tool" will help.

There was a motion by Mr. Kosiba to adopt the pilot program as identified by GRS. There was no second, so the motion failed. The Board then agreed to have GRS build this into their work as a "deliverable" in next year's contract.

(24-12-03) (Investment Reports) Ms. Angela Miller-May, CIO for IMRF, reported the following changes to asset classes for the month-to-date period ending December 18, 2024:

- Domestic Equity increased .70% from \$20,095 million to \$20,236 million
- International Equity decreased by -1.13% from \$10,878 million to \$10,755 million
- Fixed Income decreased by -.08% from \$12,090 million to \$12,080 million
- Private Real Assets increased by 0.57% from \$5,239 million to \$5,269 million
- Alternative Investments increased by 3.05% from \$6,400 million to \$6,595 million
- Cash decreased by -42.92% from \$424 million to \$242 million
- The overall fund saw an increase of 0.10% going from \$55,125 million to \$55,178 million

Furthermore, the following monthly benchmark returns were reported:

S&P 500	-2.58% (MTD)
Custom U.S. Equity Benchmark	-3.45%

93% Russell 3000 Index  
7% FTSE Global Core Infrastructure 50/50 Index (Net)

MSCI ACWI Ex-U.S. - .40%  
Broad International equity market benchmark

Bloomberg Barclays Aggregate -1.51%  
Broad U.S. bond market benchmark

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

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

Monthly Minority Manager Utilization and Brokerage reports were given as information as well. Ms. Miller-May reported that minority manager utilization totaled 26.4% of total assets as of 10/31/2024.

Ms. Miller-May added that the markets are volatile right now due to possible government shut down and the fact that the federal government plans on only two cuts in interest rates rather than four.

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

- The Illinois Municipal Retirement Fund (IMRF) ended October 2024 with a market value of \$55.12 billion, down for the month by approximately \$1.239 million. IMRF returned -1.94% during the month, underperforming the Total Fund Benchmark, which returned -1.45%. Growth assets were down and defensive portfolios produced a loss in October as yields rose across most of the maturity spectrum. Volatility was up meaningfully from September and near its highest level for the past twelve months, with the exception of the early August spike due to a global equity sell-off
- The broad U.S. Equity market was down for the month, while Large Cap stocks barely underperformed Small Cap. The U.S. Equity Portfolio underperformed its benchmark during October, returning -.89% versus -4.91%. In aggregate, investment manager performance in Large Cap Growth and Small Cap Equity were the largest contributors to relative outperformance.
- The U.S. Treasury yield curve rose during the month, while Core bonds posted a loss. Credit spreads and high yield corporate bonds were also down for the month. The Fixed Income Portfolio underperformed the benchmark during the month, returning -2.05% versus 1.99%. As a group, the Active Fixed Core managers were the largest contributor to relative underperformance.

- As of October month-end, all underlying asset class allocations in the Portfolio are within the stated four percentage point rebalancing range as outlined by the current Statement of Investment Policy.

(24-12-04) (Approval of 2024 Diversity Report) The Chief Investment Officer presented the 2024 Annual Diversity Report to the Board for approval, noting that per the Pension Code, IMRF is required to submit an annual report to the Governor and General Assembly that identifies the policies that set goals for:

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

It was moved by Mr. Kosiba, seconded by Ms. Copper, to approve the 2024 Diversity Report and authorize the CIO to release the report to the Governor and General Assembly.

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 ABSENT**

(24-12-05) (Consent Agenda) The Chair presented an agenda consisting of a Consent Agenda. The following items remained on the Consent Agenda since no Board member asked for their removal.

(A) Schedules - November, 2024

- |              |   |
|--------------|---|
| Schedule A - | Benefit award listing of retirement, temporary disability, death benefits, and refund of employee contributions processed during the preceding calendar month under Article 7 of the Illinois Pension Code. |
| Schedule B - | Adjustment of Benefit Awards showing adjustments required in benefit awards and the reasons therefore.  |
| Schedule C - | Benefit Cancellations.  |
| Schedule D - | Expiration of Temporary Disability Benefits terminated under the provisions of Section 7-147 of the Illinois Pension Code.  |
| Schedule E - | Total and Permanent Disability Benefit Awards recommended by the Fund's medical consultants as provided by Section 7-150 of the Illinois Pension Code.  |
| Schedule F - | Benefits Terminated.  |
| Schedule G - | Administrative Benefit Denials.   |

Schedule P - Administrative Denial of Application for Past Service Credit.

Schedule R - Prior Service - New Governmental Units

Schedule S - Prior Service Adjustments

Approval of Minutes

(B) Regular Meeting minutes from November 22, 2024

(C) Executive Session Meeting minutes from November 22, 2024

(D) Bids

6-Year Proxy Voting Services Agreement  
Sole Source: Shareholder Services, Inc.  
Approved Bid: \$49,000/year

2025 Avaya Cloud Office (ACO) and Avaya Experience Platform (AXP) Renewal  
Sole Source: Bluewire Communications  
Approved Bid: \$148,479.48

2025 Compensation and Classification Study  
Approved Bidder: CBIZ Talen and Compensation Solutions  
Approved Bid: Not to Exceed: \$82,025

2025 Member Newsletters  
Approved Bidder: Meridian Printing  
Approved Bid: \$84,852.00

Bitsight - Security Performance Management Subscription Renewal  
Approved Bidder: vCloud Tech, Inc.  
Approved Bid: \$50,426.41

Cisco 9410 Upgrade  
Approved Bidder: Mindsight, Inc.  
Approved Bid: \$83,229.52

Cisco Switch Replacements  
Approved Bidder: Mindsight, Inc.  
Approved Bid: \$123,578.12

Nuance Subscription Renewal  
Sole Source: Waterfield Technologies, Inc.  
Approved Bid: \$96,405.00

Palo Alto 1Y Maintenance Renewal  
Approved Bidder: Carahsoft Technology Corp.  
Approved Bid: \$723,816.39

Zerto 1Y Subscription Renewal  
Approved Bidder: Continuum Solutions, Inc.  
Approved Bid: \$92,250.00

5-Year FactSet Enterprise & Quantitative Research Tool Agreement  
Sole Source: FactSet



Approved Bid: \$603,763.00 per year

2025 Provaliant Consulting Services

Sole Source: Provaliant Consulting Services

Approved Bid: \$895,000.00 (purchase order for consulting fees)

SolarWinds Orion & SQL Sentry Subscriptions Addendum

Sole Source: Dell Technologies

Approved Bid: Not to Exceed \$242,500

Veeam Availability Suite Backup Software Renewal

Approved Bidder: vCloud Tech, Inc.

Approved Bid: \$577,597.11

2024 Provaliant Consulting Services

Sole Source: Provaliant

Approved Bid: Not to Exceed \$983,000

(E) Participation of New Unit of Government

None

(F) November 2024 Financial Reporting Packages

(G) Statement of Fiduciary Net Position

(H) Impact of 2024 Year-To-Date Investment Income of Employer Reserves,  
Funding Status and Average Employer Contribution Rate

(I) Schedule T - Report of Expenditures

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

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 ABSENT**

(24-12-06) (Appointment of Employee Trustee to the Board of Directors for IMRF) General Counsel Vladimir Shuliga explained that at the November 22, 2024 meeting of the IMRF Board of Trustees, the Board appointed Pete Stefan to a vacant Executive Trustee seat effective January 1, 2025. Subsequently, Trustee Stefan resigned from his current Employee Trustee seat effective January 1, 2025, thereby creating a vacancy in the Employee Trustee seat. Trustee Stefan's term was set to expire on December 31, 2025. Since the remaining term is less than two years in length, the Board is authorized to fill the vacancy by appointment of the remainder of the term. 40 ILCS 5/7-174(f).

In anticipation of the vacancy, staff solicited interested candidates who were qualified for the seat. Only one candidate submitted a letter of interest; therefore, it is unnecessary for the Board to conduct interviews with potential candidates. The only interested party, Jason Isaac, meets the eligibility requirements to serve as Employee Trustee. This appointment is for the remainder of the term; therefore, this appointment is for January 1, 2025 through December 31, 2025. An election will be held in the fall of 2025 for a full 5-year term.

Jason Isaac is the only candidate who submitted a letter of interest, and he meets the eligibility requirements for the Employee Trustee appointment. Therefore, staff recommends that Jason Isaac be appointed to the vacant Employee Trustee seat effective January 1, 2025 through December 31, 2025.

It was moved by Ms. Copper and seconded by Mr. Cycholl to appoint Jason Isaac to the vacant Employee Trustee seat effective January 1, 2025 through December 31, 2025.

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 ABSENT**

(24-12-07) (Certification of Results of Employee Trustee Election)  
IMRF's Government Affairs Manager informed that IMRF conducted an election for one Employee Trustee position with a five-year term of office beginning January 1, 2025. Natalie Copper was the only candidate in this election.

Under sections 7-175(g) and 7-175.1(e) of the IMRF Article of the Illinois Pension Code, no election is required if there is only one candidate for a trustee election. Therefore, since only one candidate submitted the required number of signatures and met the statutory requirements to be a candidate in the 2024 Employee Trustee election, no election was held for this position.

Staff recommends that the Board certify Natalie Copper as an Employee Trustee for the term of January 1, 2025 to December 31, 2029.

It was moved by Mr. Kuehne, seconded by Mr. Miller to certify Natalie Copper as an Employee Trustee for IMRF for the term of January 1, 2025 to December 31, 2029.

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 ABSENT**

General Counsel added that there are 3 candidates for the Executive Trustee vacancy in February, so the Board will conduct interviews in February to appoint the new trustee.

(24-12-08) (Election of 2025 Board Officers) The Chair reported that the following trustees are recommended to be nominated and elected Board Officers for 2025: Louis Kosiba for the Office of President of the Board, Gwen Henry for the Office of Vice President of the Board, and Doug Cycholl for the Office of Secretary of the Board commencing January 1, 2025.

It was moved by Mr. Kuehne, seconded by Ms. Copper, to approve the recommendations for the Board Officers.

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 ABSENT**

(24-12-9) (2025 Board Meeting Dates) The Executive Director presented a proposed list of 2025 Board Meeting dates.

Mr. Cycholl has a conflict with the February meeting dates and could possibly join via MS Teams.

It was moved by Mr. Miller, seconded by Mr. Kosiba, to adopt the following 2025 Board Meeting dates:

- February 21, 2025
- March 28, 2025
- May 30, 2025
- August 29, 2025
- November 21, 2025
- December 19, 2025

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 ABSENT**

(24-12-10) (Appointment of Medical Consultants to the Board for 2025) General Counsel reported that it was in order to appoint a medical consultant for 2025. Staff previously conducted an RFP for a medical consultant to aid staff and the Board in deciding applications for disability benefits. The Board approved two qualified vendors, Managed Medical Review Organization (MMRO) and Network Medical Review Company (NMRC) as the medical consultants beginning on January 1, 2023. The current agreements with the vendors do not have a fixed term but may be terminated in 60 days' written notice. Staff is currently satisfied with their performance but will continue to monitor the work quality and customer service as the relationship continues. Up for the Board's approval is the appointment of MMRO and NMRC as the Board's medical consultants.

Staff recommends that the Board approve MMRO and NMRC to continue serving, under the existing agreement, as the medical consultants to the Board in 2025.

It was moved by Mr. Kuehne, seconded by Ms. Stanish, to approve MMRO and NMRC to continue serving, under the existing agreement, as the medical consultants to the Board in 2025.

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 ABSENT**

(24-12-11) (Appointment of Actuarial Services for 2025) CFO Mark Nannini presented the proposed Actuarial Fee Agreement for 2025 submitted by Gabriel, Roeder, Smith & Co. In accordance with the actuarial service contract and subsequent agreements, 2025 fees for normal actuarial and consulting services will total \$260,200. A fee schedule and hourly rates were given to the Board as well.

Staff recommends that the Board approve the Actuarial Fee Agreement for 2025 proposed by Gabriel, Roeder, Smith & Co.

It was moved by Mr. Kuehne, seconded by Mr. Kosiba to approve the Actuarial Fee Agreement for 2025 proposed by Gabriel, Roeder, Smith & Co.

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 ABSENT**

(24-12-12) (Resolution Updating the Trustee Travel Policy) General Counsel explained that current Board Resolution 2020-12-16(a) contains the travel policy for the IMRF Board of Trustees. It is recommended that the policy be amended to update certain rules regarding Trustee travel.

Vlad explained that Trustee Miller suggested and IMRF staff drafted several revisions to the current Board travel policy in the proposed resolution. First, the proposed resolution removes the requirement that a Trustee receive pre-approval for certain travel. The Board travel policy provides that Trustees may attend two in-state and two out-of-state events each calendar year. These events include conferences, seminars, investments seminars, and client conferences. Foreign travel is excluded, and there are no limits on attendance for IMRF programs and speaking engagements, or meetings with General Assembly members. The current policy requires the Trustee to obtain prior Board approval for each of these travel events.

Based on discussion at the November 22, 2024 meeting, two alternate versions of the Board travel policy are being presented. Both proposals remove the requirement that a Trustee obtain prior Board approval for travel that is in accordance with the restrictions as described above. Instead, the Trustee would report the travel to the Board at the next available Board meeting. This change will allow greater flexibility for Trustees to attend such events between Board meetings where prior approval may not be timely obtained. Both proposals also define "in-state" events as those taking place within Illinois.

At the November meeting, IMRF staff recommended adoption of Version A of the proposed resolution. Version A would allow trustees to seek travel in excess of the above parameters (for example, to attend a third in-state conference in the same calendar year) with prior Board approval. This excess travel request must be placed on the Board agenda and must be pre-approved by the Board per the current protocol.

Version B of the proposed resolution would not allow excess travel beyond the two in-state and two out-of-state events each calendar year allowed as discussed above. The policy would have no provision for hearing and approving such excess travel requests.

Discussion ensued. Mr. Kosiba supports Version B and Ms. Copper and Mr. Kuehne explained why they support Version A.

It was moved by Mr. Kosiba and seconded by Mr. Miller to adopt Version B of the Board of Trustees Travel Policy, which would not allow excess travel beyond the two in-state and two out-of-state events each calendar year allowed as discussed above; and would have no provision for hearing and approving such excess travel requests.

**ROLL CALL VOTE:**

**5 AYES (HENRY, KOSIBA, MILLER, STANISH, STEFAN)**

**3 NAYS (COPPER, CYCHOLL, KUEHNE)**

**MOTION CARRIED**

***The Board took a break from 10:26am to 10:35am.***

(24-12-13) (Audit Committee) The Chair of the Audit Committee reported on the Audit Committee Meeting that was held on December 20, 2024.

The minutes from the November 22, 2024 Audit Committee meeting were approved by the Committee. At the meeting, staff presented and the Committee discussed the 2025 Internal Audit proposed changes; the old and new Internal Audit Charters; new auditing standards; and changes to the Audit Officer job description. No recommendations were made by the Committee at this time. However, the Committee agreed to meet in February 2025 to accept the new Audit Officer job description and acceptance of the new Internal Audit Charter. The next meeting is scheduled for February 21, 2025.

(24-12-14) (Benefit Review Committee) The Chair of the Benefit Review Committee reported on the Benefit Review Committee Meeting that was held on December 19, 2024.

The minutes from the November 21, 2024 Benefit Review Committee were approved by the Committee.

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

- Affirm the staff decision denying total and permanent disability benefits for Mr. John Hall. Based on the medical documentation provided by Mr. Hall, as well as the consultant reports, Mr. Hall's condition does not prevent him from performing gainful activity. Therefore, the Committee finds that Mr. Hall does not meet the eligibility requirements for total and permanent disability benefits as set forth in Section 7-150.
- Affirm the staff decision denying temporary disability benefits for Catherine Pietrzak. Based on the medical documentation and other records provided by Ms. Pietrzak, as well as the consultant reports, Ms. Pietrzak was released to work by her physician with accommodations for the relevant time period. Therefore, the Committee finds that Ms. Pietrzak does not meet the eligibility requirements for temporary disability benefits as set forth in Section 7-146.
- Overturn the findings and conclusion of the IMRF hearing officer in the Cynthia Brick case. The Committee recommends that a separation of service finding not be made in this case based on the unique facts and circumstances presented.
- Adopt the findings and conclusion of the IMRF hearing officer in the Terrence Heffron case.
- Overturn the findings and conclusion of the IMRF hearing officer in the Sheryl Beilsmith case. The Committee recommends that the service credit not be removed in this case based on the unique facts and circumstances presented.

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 NAYS**

(24-12-15) (Legislative Committee Meeting) The Chair of the Legislative Committee reported on the Legislative Committee meeting that was held on December 19, 2024.

The Committee began by approving the minutes of the December 14, 2023 Legislative Committee meeting.

After discussion, the Committee then recommended **that the Board amend the Legislative Committee meeting to require only one meeting per year, with the option to meet more frequently as deemed necessary by the Committee.**

The Committee also voted to recommend the items included in the 2024 Legislative Agenda be included in the 2025 Board of Trustees Legislative Agenda. These items include:

- Allow the Board to review the circumstances of any return to work or separation of service violation and assign liability for the amount of the overpayment based on the proportional liability between the employer and the member.
- Increase the death benefit from \$3,000 to \$8,000 for those who first retire on or after the effective date of the legislation.
- Allow members who participated as a regular member and then became an elected official at the same employer to remain a participant without filing an affirmative election as long as the employer continued to report the member's wages.

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

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 NAYS**

(24-12-16) (Investment Committee Meeting) The Chair of the Investment Committee reported on the Investment Committee Meeting that was held on December 19, 2024.

The Committee began the meeting by approving the minutes of the November 21, 2024 Investment Committee meeting.

It was moved by Ms. Stanish and seconded by Mr. Miller to approve the following Committee recommendations for Private Credit:

For Private Credit RFP Update:

- o Authorize a commitment of up to \$50 million to Turning Rock Partners Fund III, L.P.
- o Authorize staff to complete all documentation necessary to execute these recommendations, subject to satisfactory legal due diligence.

For Private Equity Recommendation:

- o Authorize a commitment of up to €50 million to IK Small Cap Fund, L.P.
- o Authorize staff to complete all documentation necessary to execute these recommendations, subject to satisfactory legal due diligence.

For Real Estate Recommendations:

- o Authorize a commitment of up to \$50 million to Star Lake Opportunity Fund V, L.P.
- o Authorize a commitment of up to \$50 million to TA Realty Residential Real Estate Fund, L.P.
- o Authorize staff to complete all documentation necessary to execute these recommendations, subject to satisfactory legal due diligence.

For Non-US Equity Structure Rebalance Recommendations:

- o Authorize the following actions subject to satisfactory legal due diligence and suitable liquidity/market conditions:
  - Authorize the termination and full redemption from the Ativo International Developed Equity account
  - Authorize the termination and full redemption from the Franklin Templeton International Small Cap Equity account
  - Authorize an allocation of up to \$250 million to the ARGA International Equity strategy
  - Authorize the residual terminated manager balance (approximately \$365 million) to be utilized for rebalancing or liquidity/benefit payment needs
  - Authorize staff to complete all documentation necessary to execute these recommendations

**VOTE:**

**ALL VOTED AYE – MOTION CARRIED**

**8 AYES; 0 NAYS**

Ms. Stanish then thanked Mr. Ali Kazemi and Wilshire for their services and wished them well.

(24-12-17) (Executive Director Compensation) General Counsel Vladimir Shuliga explained that the Board met in Executive Session in November to discuss compensation for the Executive Director for 2025.

Based on the Board's discussion in November, a salary increase of 4.25% for Brian Collins, Executive Director, effective January 1, 2025, has been posted in accordance with Illinois Law, and staff is recommending that the Board approve a salary increase in the amount of 5% for the IMRF Executive Director.

It was moved by Mr. Kosiba and seconded by Mr. Kuehne to approve a 4.25% salary increase for the Executive Director, effective January 1, 2025.

**VOTE:**

**ALL VOTED AYE – MOTION CARRIED**

**8 AYES; 0 NAYS**

(24-12-18) (Litigation Update) The following is an update of the currently pending or recently concluded litigation:

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM ET AL. v. PETROBRAS-  
PETROLEO BRASILEIRO S.A. (MARKET ARBITRATION CHAMBER, ARBITRAL PROCEEDING  
No. 72/2016)**

**Summary:** A group of investors is seeking recovery through arbitration proceedings against Brazilian corporation, Petrobras, related to the overstatement of the corporation's assets and earnings along with potential liabilities that the corporation was exposed to as a result of a widespread bribery and kickback scheme. Once knowledge of the bribery and kickback scheme became public, the price of Petrobras securities declined significantly, causing substantial losses for investors.

**Status:** A U.S. District Court for the Southern District of New York declined to exercise jurisdiction over claims related to Petrobras shares traded in Brazil. Therefore, these claims are pending before the Market Arbitration Chamber of the Brazilian Stock Exchange. IMRF has participated in proceedings to establish its right to a claim, but the actual calculation of individual damages for each claimant has not yet been addressed. The parties have recently agreed to a list of qualified experts. The experts will assist the arbitration panel in resolving questions of econometric causation and calculation of alleged damages. On November 28, 2023, a hearing before the arbitration was held to discuss liability, standing, and a plan for prosecution. Recently, the court has had to approve a replacement for one of the previously approved experts.

**KEITH GARDNER v. BOARD OF TRUSTEES OF IMRF et al. (DUPAGE  
COUNTY 2021 MR 1377)**

**Summary:** Gardner was a sheriff's deputy for the Kane County Sheriff's Office. He then received temporary disability benefits for a number of months. Upon evaluation of his claim for total and permanent disability benefits, IMRF received new information showing that Gardner had refused to attempt to return to work with medical accommodations offered by Kane County. Therefore, the IMRF Board retroactively terminated Gardner's temporary disability benefits rendering the question of total and permanent disability benefits moot. Gardner appealed the decision.

**Status:** The retroactive denial of temporary disability benefits to Mr. Gardner was affirmed by the Circuit Court. Mr. Gardner appealed the Circuit Court's decision. The Appellate Court issued its decision on October 16, 2024, which reversed the decision of the Circuit Court. The Appellate Court determined that IMRF should not have retroactively denied Mr. Gardner temporary disability benefits. IMRF determined to not request appeal to the Supreme Court. The case was remanded back to the Circuit Court, who now in turn remanded it back to IMRF on December 13, 2023. IMRF is now reviewing the member's eligibility for total and permanent disability benefits. The court has left the case open in the event the total and permanent disability application is denied and the member wishes to pursue an appeal of that determination. No future status date has been set.

**GLENCORE PLC (UNITED KINGDOM INVESTOR GROUP ACTION)**



**Summary:** A group of investors is seeking recovery through the UK's Financial Services and Markets Act against multinational commodity trading and mining company, Glencore PLC. The claim is based on alleged misstatements and omissions concerning Glencore's operations in the Democratic Republic of Congo. Specifically, the entity failed to disclose that its business operations in the DRB were secured through possibly corrupt means. Once knowledge of the bribery and corruption scheme became public, the price of Glencore's securities declined significantly, causing substantial losses for investors.

**Status:** IMRF has opted to participate in one of the investor group actions. The action is still gathering qualified investors for the group action and pleadings have not yet been filed. The litigation of these claims will be handled by an outside English counsel. Staff is working with English counsel and IMRF's investment managers to establish standing for each group of shares that may be recoverable in this action. The first case management conference was held on May 21-24, 2024, and a second conference is expected to be held in late 2024 or January 2025.

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

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

**Status:** The Court issued its decision on October 18, 2024, which reverses IMRF's denial of total and permanent disability benefits. IMRF has filed an appeal with the Appellate Court at the Board's direction. The Appellate Court heard oral argument by the parties on July 17, 2024. On September 27, 2024, the Appellate Court granted IMRF's appeal, which overturned the Trial Court's decision and restored the IMRF Board's final administrative decision. On November 4, 2024, Montoya filed a petition for leave to appeal to the Supreme Court. IMRF awaits a determination from the Supreme Court regarding whether the case will be accepted for appeal or will be remanded to the Trial Court.

**GIVENS v. IMRF (U.S. EEOC 440-2022-09088; N.D. ILL, 1:24-CV-14101)**

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

**Status:** Plaintiff's Counsel has indicated that she will be filing an amended complaint. In turn, IMRF filed a responsive pleading. The parties are currently in the midst of discovery.

**RUBEL CHOWDHURY v.**  
**ILLINOIS DEPARTMENT OF EMPLOYMENT SECURITY; IMRF, et al.**  
**(COOK COUNTY 2024 L 050019)**

**Summary:** Chowdhury worked in maintenance for Glenbrook School District #225. He applied for and was granted temporary disability benefits from January 23, 2021 through July 31, 2022. Upon evaluation for continued

temporary disability benefits and after an administrative hearing, the IMRF Board denied Chowdhury's claim for continued temporary disability benefits. Chowdhury appealed the decision.

**Status:** After initially and incorrectly filing the suit as an employment security case, the case was transferred to the Chancery division. Since then, the court has dismissed the first three complaints which have been filed due to errors within the complaints. Plaintiff filed a third amended complaint, which IMRF moved to dismiss. The motion was granted, and the case was dismissed with prejudice on November 25, 2024.

**JULIE BRUZZDZINSKI v. BOARD OF TRUSTEES OF IMRF et al.**  
**(DUPAGE COUNTY 2024 MR 412)**

**Summary:** Bruzzdzinski retired from IMRF effective July 1, 2023, and disputed application of the 125% rule to her retirement benefit. The 125% rule is an anti-pension-spiking provision of the Pension Code which caps certain wages in the final three months of the final rate of earnings period from consideration in the pension calculation. After hearing before the IMRF hearing officer, the IMRF Board denied Bruzzdzinski's request for an exception to the Pension Code, leaving her pension as statutorily calculated. Bruzzdzinski appealed the decision.

**Status:** After successfully dismissing the individual defendants from the suit, IMRF filed the administrative record. The Plaintiff seeks to add documents to the record which were not part of the proceedings. IMRF is contesting these supplements to the record. The next status date is December 18, 2024.

**PAUL JAEGER v. BOARD OF TRUSTEES OF IMRF et al.**  
**(COOK COUNTY 2024 CH 6823)**

**Summary:** Jaeger was a custodian for Evergreen Park School District 231. He applied for temporary disability benefits from IMRF based upon generalized anxiety and unspecified psychological development disorder. Upon evaluation for temporary disability benefits and after an administrative hearing, the IMRF Board denied Jaeger's claim for temporary disability benefits. Jaeger appealed the decision.

**Status:** IMRF filed a motion to dismiss for failure to state a sufficient claim, due to the deficiencies contained in the initial complaint. The complaint was dismissed, and the Plaintiff was required to file an Amended Complaint, and IMRF filed the administrative record. A briefing schedule on the merits of the case has been set. The next status date is set for January 15, 2025.

**THOMAS SHEEHAN v. IMRF**  
**(JO DAVIESS COUNTY 2024 MR 9)**

**Summary:** Sheehan was a police chief for the Village of Stockton. He applied for and was granted temporary disability benefits from IMRF for the maximum statutorily permitted amount of time. Upon evaluation for total and permanent disability benefits and after an administrative hearing, the IMRF Board denied Sheehan's claim for total and permanent disability benefits. Sheehan appealed the decision.

**Status:** The case was filed on July 31, 2024, however no summons has yet been issued by the clerk. IMRF waits to be properly served before filing an appearance and responsive pleading.

**ABN AMRO BANK N.V. (NETHERLANDS INVESTOR GROUP ACTION)**

**Summary:** A group of investors is seeking recovery through the against ABN Amro Bank N.V., the third-largest bank in the Netherlands. The claim is based on allegations that ABN persistently failed to disclose information about the bank's serious internal deficiencies that facilitated criminal activity within the bank. Specifically, the entity failed to disclose to investors that the company's internal policies were inadequate and did not comply with international anti-corruption laws and regulations, which resulted in materially false and misleading statements. The Dutch government announced an investigation on the matter in 2019, and ABN ultimately settled with Dutch prosecutors in April 2021.

**Status:** IMRF has recently opted to participate in one of the investor group actions. The action is still gathering qualified investors for the group action and pleadings have not yet been filed. The litigation of these claims will be handled by an outside Dutch counsel. Staff is working with Dutch counsel and IMRF's investment managers to establish standing for each group of shares that may be recoverable in this action.

**HAROLD WILSON, JR. v. ILLINOIS MUNICIPAL RETIREMENT FUND, et al.**  
**(MADISON COUNTY 2024 MR 309)**

**Summary:** Wilson works as a jail deputy for the Madison County Sheriff's Office, where he has participated in the Tier 2 SLEP plan since January 2016. Prior to this, from 2006 to 2016, he worked as a court security officer for Madison County and was enrolled in IMRF's Regular Tier 1 plan. The plaintiff names IMRF and six other defendants, including the County and two labor organizations, alleging that he was improperly classified from 2006 to 2016 as a non-sworn officer, and as such, was underpaid, incorrectly enrolled in the IMRF Regular plan, and enrolled in the wrong labor organization for the affected time period. Plaintiff's SLEP participation for this period has never been determined by the IMRF Board through the regular administrative appeals process.

**Status:** IMRF was served with the complaint on November 7, 2024. IMRF has filed a motion to dismiss the complaint for failure to exhaust administrative remedies. IMRF's motion presentment date is set for January 10, 2025.

(24-12-19) (Legislative Update) IMRF Government Affairs Manager gave a legislative update. She reported that the General Assembly announced their 2025 calendar. They are tentatively scheduled to return for the "lame duck" session, convening the 104<sup>th</sup> General Assembly on Wednesday, January 8<sup>th</sup>.

She reported no new legislation affecting IMF has been introduced since the last Board meeting. There have been no announcements regarding any specific proposals, in pensions or any other area, that may be discussed at a lame duck session (the colloquial term for the final session days of the previous General Assembly before the new session is convened). In fact, while the lame duck session is tentatively scheduled for each day between January 2<sup>nd</sup> and January 7<sup>th</sup>, there has not even been a determination

of whether they will actually meet all those days. It is likely at least some of those days will be canceled.

The main focus for 2025 will be on the multi-billion budget deficit for the Fiscal Year 2026 budget. The Governor's office has told the agencies to cut specific percentages in their budget proposals and the Senate President and House Speaker have said that they are unlikely to support any new cost initiatives, at least at this time.

These budget pressures could negatively affect the passage of any Tier 2 reform legislation, at least to the extent of limiting how much of a change would be accepted. A hearing on pending Tier 2 legislation, originally scheduled for November 21<sup>st</sup> but then cancelled, has been rescheduled for Friday, December 13<sup>th</sup>. It is a subject matter only hearing, meaning that there will not be any votes taken. No new proposals or positions are expected to be announced at this meeting. An update on the committee hearing will be provided at the Board meeting.

(24-12-20) (Executive Session - Discussion on the Potential Lease of Real Property for Use by IMRF) It was moved by Mr. Miller and seconded by Mr. Cycholl to go into executive session at 10:46 a.m., for the purpose of discussing the lease of real property for the use of IMRF, including whether a particular parcel should be acquired, pursuant to Section 2(a)(5) of the Open Meetings Act.

**ROLL CALL VOTE:**

**8 AYES (HENRY, COPPER, CYCHOLL, KOSIBA, KUEHNE, MILLER, STANISH, STEFAN)**

**0 NAYS**

**MOTION CARRIED**

*The Board came out of Executive Session at 11:46 a.m.*

(24-12-21) (Building Our Future - Office Location Recommendation) It was moved by Ms. Copper and seconded by Mr. Kosiba to authorize staff to enter into lease negotiations at 800 Commerce and 2001 York.

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 NAYS**

(24-12-22) (Operational Update) Executive Director Brian Collins gave an update on operations, specifically pertaining to Horizon. He reported that from March 4-November 30, 2024, IMRF received \$932,309,495 in total contributions from employers, and IMRF made total payments of \$2,446,982,387 during this same time period.

Mr. Collins continued to report that retirement claims processing has stabilized; and IMRF has consistently processed more claims than applications received since July. IMRF implemented the following tactics since September to help get to this point:

- Hired new IMRF personnel
  - o Full-time staff
  - o Temps
- Innovated IMRF's training process
  - o New tailored training plan is expediting productivity

- Reallocated additional IMRF personnel
  - o Leveraged staff from other business units
- TELUS and Provaliant support for claims processing
  - o Updated Support Plan
  - o Added TELUS personnel
  - o Reallocated Provaliant personnel

Mr. Collins also provided a Member Contact Update that included the following:

- Since the August Board meeting there have been:
  - o 83% increase of average number of calls answered per day (410 calls per day)
  - o 66% decrease of average call hold times (54% of calls answered in 5 minutes or less, or on-demand call back)
  - o 83% decrease in total outstanding member secure messages with the oldest secure message being 4 business days)

In addition, there were 117,084 member access registrations from March 4-December 17; and 262,786 self-service interactions.

Brian Collins also explained what Closing for the first time in Horizon will consist of, as well as transitioning to the next steps in the project.

#### **2024 Closing Activities (November-March)**

- o COLA Calculations
- o Annuitant Statements
- o Interest Calculations
- o 1099-R Tax Statements
- o Member Statements
- o Data for Actuaries
- o Department of Insurance
- o Employer Rates
- o GASB Reports

#### **1<sup>st</sup> Quarter of 2025**

- o New software release
  - o Fixes Issues
  - o Adds some new functionality

#### **3<sup>rd</sup> Quarter of 2025**

- o Horizon 1.1A
  - o Upgrade to latest software version

#### **1<sup>st</sup> Quarter of 2026**

- o Horizon 1.1B
  - o Upgrade to latest software version

In conclusion:

- Operations are widely stabilized
- Staff is now focused on closing and continuous improvement
- Next update at the February Board meeting

After Mr. Collins' update, Mr. Kuehne asked that this most updated information be communicated to members and employers. Mr. Kosiba mentioned some emails he received pertaining to issues with claims. He would like to see staff do better with resolving the harder claims that involve more

unique fixes. Mr. Miller asked if Provaliant will be phased out as the Horizon project progresses. Mr. Collins said at this point he is unsure of the timing of phasing out Provaliant but it will happen eventually.

(24-12-23) (Report of the Executive Director) Executive Director Brian Collins provided information on the following:

(A) FOIA Requests. Provided as information.

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

(24-12-24) (Trustee Forum) An updated Conference log was given as information to the Board. Ms. Copper tentatively withdrew her request for the February IFEBP conference.

In addition an updated list of conferences was provided for all to review. Also provided was a chart listing the training hours each Trustee accrued in the year 2024.

(24-12-25) (Appreciation of Service) Executive Director Brian Collins presented the following Resolution for Appreciation of Service to Trustee Sue Stanish who is retiring.

WHEREAS, Sue Stanish has faithfully served 11 years on the IMRF Board of Trustees, and;

WHEREAS, Sue Stanish served from 2014 through 2024 as an Executive Trustee, and;

WHEREAS, over the course of her service, Sue Stanish held multiple Board officer positions, including the positions of President, Vice President, and Secretary, and;

WHEREAS, Sue Stanish was the Chairperson or vice chairperson for multiple IMRF committees including the Investment Committee, the Audit Committee, and the Legislative Committee, and;

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

WHEREAS, under Sue Stanish's stewardship, IMRF assets grew from \$33.3 billion in December 2013 to more than \$55.8 billion in November 2024, and;

WHEREAS, under Sue Stanish's stewardship, IMRF's funded status was more than 96% at the time of her departure, and;

WHEREAS, under Sue Stanish's stewardship, IMRF replaced its aging pension administration system with a modern platform that will support staff, members, and employers long into the future, and;

WHEREAS, during Sue Stanish's tenure, IMRF received the Malcolm Baldrige National Quality Award, becoming the first public pension fund in the nation to earn our country's highest presidential honor for performance excellence, and;

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

It was moved by Mr. Kuehne and seconded by Ms. Henry to adopt the Resolution for Appreciation of Service for Sue Stanish.

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 NAYS**

(24-12-26) (Trustee Comments) Chairman Stefan and the rest of the Board of Trustees thanked Sue Stanish for all her hard work. Mr. Stefan also thanked staff for all their hard work on Horizon.

(24-12-27) (Adjournment) It was moved by Ms. Stanish and seconded by Ms. Henry, to adjourn the Board Meeting at 12:22 p.m., and to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, IL, at 9:00am, on February 21, 2025.

**VOTE:**

**ALL VOTED AYE - MOTION CARRIED**

**8 AYES; 0 NAYS**

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

February 21, 2025  
\_\_\_\_\_  
Date

February 21, 2025  
\_\_\_\_\_  
Date

