

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 25-02
FEBRUARY 21, 2025

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 25-02

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m. on February 21, 2025, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Mr. Kosiba presided as President/Chair and called the meeting to order.

Ms. Herman took a visual roll call:

Present: Copper, Cycholl*, Henry, Isaac, Kosiba, Kuehne, Miller, Stefan

Absent: None

**Trustee Cycholl attended the meeting via MS Teams.*

There were no public comments.

Ms. Weymouth and Ms. O'Bradovich from Callan were also present at the meeting.

(25-02-01) (4th Quarter 2024 Manager Performance Report) Ms. Weymouth and Ms. O'Bradovich from Callan were present at the meeting and provided information on IMRF's performance in the 4th Quarter of 2024. They started by thanking the Board for the opportunity to work with IMRF and thanked the Investments team for a smooth transition.

Below are the highlights as of December 31, 2024:

- IMRF's market value was \$54.9 billion, down from \$56.4 billion at the end of the 3rd quarter.
- IMRF total fund return for 4Q 2024 was -1.37% versus the Total Fund Benchmark return of -.37%. The Fund's 4th quarter return ranked in the 65th percentile of peers. For the year, the Fund returned 9.15% and ranked just ahead of the median.
- IMRF U.S. Equity Portfolio returned 1.23% for the quarter and underperformed the benchmark return of 2.03%. For the year, the U.S. Equity portfolio gained 18.84% relative to the benchmark return of 22.80%.
- IMRF International Equity declined during the quarter but fared better than the benchmark return of -7.61%. For the year, the International Equity Portfolio returned 6.00% and outpaced the benchmark return of 5.53%.
- IMRF Fixed Income Portfolio performed in line with the benchmark during the quarter, returning -2.29% versus -2.27%. For the year, the Fixed Income portfolio returned 2.99% and outperformed the benchmark return of 2.58%.
- Private Real Assets declined .54% in the fourth quarter versus the benchmark return of .96%. For the year, the Private Real Assets

portfolio modestly outperformed the benchmark, returning -1.79% versus -1.82%

- All asset classes remain within the rebalancing range as stated in the Investment Policy.

Ms. Miller-May, IMRF CIO, informed the Board that there are currently no managers on the "watchlist".

(25-02-02) (Investment Reports) - CIO Angela Miller-May reported that the total fund value as of February 19, 2025, was \$56.8 billion. She further reported that as of February 19, 2025, the Domestic Equity portfolio was up 4.46%; the International Equity portfolio was up 7.61%; the Fixed Income portfolio was up .82%; the Private Real Assets portfolio was up 1.66%; the Alternative Investments portfolio was up 1.39%; and the cash portfolio was down -39.11%. Overall, IMRF's portfolio was up in value by 3.45% on February 19, 2025, compared to what it was on December 31, 2024. Furthermore, the following MTD benchmark returns were reported as of February 19, 2025:

S&P 500	1.80%
Custom U.S. Equity Benchmark	1.48%
93% Russell 3000 Index	
7% FTSE Global Core Infrastructure 50/50 Index (Net)	
MSCI ACWI Ex-U.S.	2.90%
Broad International equity market benchmark	
Bloomberg Aggregate	.35%
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.

(25-02-03) (Consent Agenda) The President/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 - Dated December 2024 and January 2025

Schedule A -	Benefit award listing of retirement, temporary disability, death benefits, and refund of employee
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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

(B) Approval of Minutes

Regular Board Meeting minutes from December 20, 2024

(C) Bids

2025 Konica Minolta Maintenance Renewal
Sole Source: Konica Minolta
New Ceiling Amount: \$40,284

2025 Laptop Lifecycle Replacements (51)
Approved Bidder: Dell Technologies
Approved Bid: \$102,925.23

Smartsheet Implementation - IPM Consulting Services
Sole Source: Integrated Project Management (IPM)
Approved Bid: Not to Exceed \$155,000

Authorization to Purchase Vehicle for Executive Director
Sole Source : CarMax
Approved Bid: Not to Exceed \$30,000

ACO/AXP for Horizon DEV POC - Addendum 1
Sole Source: Bluewire Communications
Approved Bid: \$398,500

(D) Participating Units of Government

Pike County Water District #1
County: Pike
2025 Employer Rate: 20.61%
Effective Participation Date: March 1, 2025
Number of Employees: 6

Pittsfield Public Library District
County: Pike
2025 Employer Rate: 5.83%
Effective Participation Date: March 1, 2025
Number of Employees: 2

(E) December 2024 and January 2025 Financial Reporting Packages

(F) Statement of Fiduciary Net Position

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

(H) Schedule T - Report of Expenditures

It was moved by Ms. Henry and seconded by Ms. Copper to approve the items on the Consent Agenda.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-02-04(a)) (Resolution Revising the Positions Authorized to Act on Behalf of the Board of Trustees with Respect to the Master Trustee Account) General Counsel Vladimir Shuliga explained that the current Board Resolution 2022-03-05 sets forth the staff positions which are authorized to act on behalf of the Board of Trustees under the Master Trust. The proposed resolution modifies the title of a staff position to reflect the current staffing of the Investments Department.

The Board of Trustees authorizes a set list of individual positions who are authorized to act for and on behalf of the Board with respect to the authorities and responsibilities of the Master Trust. Currently, the names positions include the Executive Director, the Chief Investment Officer, the Chief Financial Officer, the Comptroller, and the Investment Officer - Private Markets. These positions are considered authorized signers for certain financial and investment matters.

In 2025, the position titles within the Investments Department changed. This position of Investment Officer - Private Markets has been changed to Managing Investment Officer II - Private Markets. The recommended resolution would update the authorized signors list to replace the Investment Officer - Private Markets position with Managing Investment Officer II - Private Markets position.

Staff recommends the adoption of the following resolution which supersedes Resolution 2022-03-05.

WHEREAS, the Board of Trustees is duly appointed by acting under the Illinois Municipal Retirement Fund established pursuant to the laws of the State of Illinois;

WHEREAS, the Board of Trustees has entered into a Master Trust Agreement with the Northern Trust Company for the purpose of managing and operating its investment assets;

NOW THEREFORE it is hereby:

RESOLVED that the personnel in the following positions are each authorized to act for and on behalf of the Board of Trustees with respect to the authorities and responsibilities of the Board of Trustees under the Master Trust:

- Executive Director
- Chief Investment Officer
- Chief Financial Officer
- Comptroller
- Managing Investment Officer II - Private Markets

It was moved by Mr. Isaac and seconded by Ms. Copper to adopt the above resolution which supersedes Resolution 2022-03-05.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-02-04(b)) (Resolution Revising the Executive Director Job Description) General Counsel Vladimir Shuliga explained Board Resolution 2005-10-06(g) sets forth the job description for the Executive Director position. The proposed resolution modifies the Executive Director's oversight of the Internal Audit Officer to reflect the reporting structure desired by the Audit Committee.

The Audit Committee recently reviewed and revised the Internal Audit Department Charter to align with newly released internal auditing standards. In the course of the review, the Audit Committee determined that revisions to the Executive Director job description were necessary. The proposed revision specifically provides that the Executive Director will report any employment action or performance review regarding the Audit Officer to the Audit Committee after the employment action or performance review is completed.

The Audit Committee recommends the adoption of the following resolution which supersedes Resolution 2005-10-06(g).

The Board shall appoint an Executive Director who shall be in charge of the general administration of the Fund and who shall report to the full Board.

- A. The person shall have general administrative duties which include directing
 1. the computation of the amounts of annuities, benefits, prior service credits and contributions required for reinstatement of credits for Board consideration;

2. the processing of approved benefits claims and expenses of administration for payment;
 3. the preparation and maintenance of necessary and proper records for administrative and actuarial purposes;
 4. the conduct of any necessary or desirable communications in the course of operations of the Fund;
- B. The person shall have such special powers and duties as may be properly delegated or assigned by the Board from time to time.
- C. The person shall work with Board President and Vice President to develop agendas for regular and special Board Meetings so that all matters requiring Board action are in the interest of the Board or the Fund, are placed before it.
- D. In addition, the Executive Director shall have the following specific duties and responsibilities:
1. Provide leadership to IMRF in achieving its mission and strategic plan.
 2. Maintain effective and credible relationships with the members and beneficiaries of IMRF, participating employers, executive officers of State government, the legislature, employee and retiree organizations, the media, and the public at large.
 3. Project a positive image as Executive Director of IMRF.
 4. Act as official spokesperson for IMRF and the Board (at the Board's discretion).
 5. Act as liaison between the Board and other IMRF staff and service providers.
 6. Safeguard the assets of the IMRF by developing and implementing proper internal controls.
 7. Monitor the operational and funded status of the benefit plan under IMRF.
 8. Provide necessary staffing, support and resources to the Board and its committees.
 9. Proactively assist and advise the Board and its committees with regard to issues requiring Board policy or action.
 10. Select and manage all IMRF staff consistent with IMRF budget provisions. The Executive Director shall report any employment decisions for the Internal Audit Officer position to the Audit Committee of the Board of Trustees after the decision is made.
 11. Perform annual performance evaluations of those who have direct reporting relationship to the Executive Director. The Executive Director shall report the performance evaluation of the Internal Audit Officer to the Audit Committee of the Board of Trustees after the evaluation is completed.
 12. Assist the Board in reviewing and adopting actuarial assumptions, funding methods, benefit option factors and actuarial valuation methods for IMRF.
 13. Initiate the annual actuarial valuations, periodic actuarial experience studies and independent actuarial audits as required by Illinois State law or Board policy.
 14. Assist the Board in developing policies and procedures for investing IMRF assets.

15. Execute and manage investments in accordance with Board directives.
16. Assist the Board in soliciting and selecting the following service providers:
 - a. Investment managers
 - b. Investment consultants
 - c. Consulting actuaries and actuarial auditors
 - d. External financial auditor
 - e. Fiduciary Counsel
17. Except as otherwise noted, select and oversee all other service providers to IMRF.
18. Develop and recommend to the Board an operating budget, direct and manage expenditures within the budget and make reports as directed.
19. Prepare the IMRF comprehensive annual financial report.
20. Develop and deliver all operational reports to the Governor and Illinois General Assembly as required by Illinois State law.

It was moved by Ms. Copper and seconded by Ms. Henry to adopt the above resolution which supersedes Resolution 2005-10-06(g).

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-02-05) (Approval of the Board Self-Evaluation and Staff Feedback Statements) General Counsel Vladimir Shuliga explained that the Board self-evaluation is coming up and will be conducted at the March Board meeting. He provided the Board with IMRF Board Self-Evaluation statements as well as staff survey statements for Board feedback.

It was moved by Ms. Copper and seconded by Mr. Isaac to approve the Board Self-Evaluation and Staff Feedback Statements.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-02-06) (Approval of the Reciprocal Exchange Project, Cost Sharing Agreement, and Budget Amendment) General Counsel Vladimir Shuliga explained that the State University Retirement System (SURS) issued the RFP for the development of a Reciprocal Exchange Data Sharing System and related services. SURS collaborated with select staff members from each reciprocal system to compose the RFP and evaluate qualified proposals. One proposal from Managed Business Solutions, LLC (MBS) was received and all systems agreed to retain MBS via a single contract with SURS. The Board is being asked to approve an intergovernmental cost-sharing agreement that outlines the terms for covering the pro-rata costs associated with the development and annual maintenance and support of the new Reciprocal Data Exchange System.

SURS currently provides administrative oversight and management of data deemed necessary for Reciprocal Systems to administer their respective retirement plans under the Articles of the Illinois Pension Code and under the Retirement Systems Reciprocal Act. The current data exchange system,

hosted by SURS, will be obsolete due to SURS implementing a new Pension Administration System.

In October 2024, SURS, in partnership from the thirteen Reciprocal Systems, developed and released the RFP for Reciprocal Exchange Data Sharing System. MBS was the only respondent to the RFP. After evaluations and negotiations, a "best and final offer" resulted in some cost reductions. All reciprocal systems are being asked to approve an intergovernmental cost-sharing agreement whereby each system would be responsible for paying their pro-rata share (based on member records count) of initial build and annual maintenance. IMRF pro-rata share is 34.2%. Upon approval from all systems, SURS would enter into the contract with MBS. IMRF will not contract directly with MBS, but its obligation to pay its pro-rata costs under the contract will be based on the intergovernmental cost-sharing agreement. The breakdown of costs, based on the proposed terms of the contract, are as follows:

Year 1: 3/1/2025-12/31/2025 (initial build + partial maintenance and support (Oct - Dec)) \$318,348.21 + \$12,560.78

Year 2: 1/1/2026 - 12/31/2026 (annual maintenance and support) \$50,242.45

Year 3: 1/1/2027 - 12/31/2027 (annual maintenance and support) \$50,242.45

Year 4: 1/1/2028 - 12/31/2028 (annual maintenance and support) \$50,242.45

Staff recommends the Board of Trustees approve an intergovernmental cost-sharing agreement with SURS for the development and maintenance of a Reciprocal Exchange Data Sharing System in the amount of \$481,636.34, pending legal review.

It was moved by Mr. Miller and seconded by Ms. Copper to approve a cost-sharing agreement with SURS for the development and maintenance of a Reciprocal Exchange Data Sharing System from March 2025 through December 2028, and corresponding amendment to the 2025 Budget in the amount of \$330,909.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-02-07) (Death and Disability Rates) The Chief Financial Officer explained that every February, the Board of Trustees sets the average employer death benefit rate and the disability benefit rate for the upcoming year. The report he presented to the Board recommends those rates for 2026. The report also projects internal cash flow, details the distribution of investment earnings, and projects the percentage amount of the 13th payment.

Staff made the following recommendations for the Board to approve:

- Decrease the death benefit rate in 2026 to 0.12% of payroll, from 0.13% in 2025.
- Maintain the disability benefit rate in 2026 to 0.04% of payroll.

He further estimates:

- Benefit payments will exceed contributions by approximately \$2,041.3 million in 2025.
- IMRF credited approximately \$818.9 million of interest and charged \$1,510.7 million of residual investment income to employer reserves in 2024, based on investment returns of 9.1% in 2024.
- The supplemental retirement benefit for 2025 will be approximately 23% of the June benefit.

It was moved by Mr. Kuehne, seconded by Ms. Copper, to approve the above recommendations from the Projection Report for 2025 and 2026 as presented.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-02-08) (An Appointment to Fill an Executive Trustee Vacancy Effective March 1, 2025 Through December 31, 2025) General Counsel Vladimir Shuliga explained that the Board took action at the Special Board meeting on February 20, 2025, so no action is necessary. On February 20, 2025, the Board appointed Brian Townsend as the new Executive Trustee from March 1, 2025 through December 31, 2025.

(25-02-09) (Report of the Audit Committee) Mr. Stefan, Chair of the Audit Committee, reported that the Committee approved the minutes from the December 20, 2024 Audit Committee meeting. They also reviewed and accepted the following:

- Changes to Internal Audit Charter
- Changes to the Audit Officer Job Description
- Internal Audit Communications Plan
- Internal Audit Strategic Plan
- Internal Audit Performance Scorecard Methodology
- Executive Director job description

There are no recommendations for Board action at this time.

(25-02-10) (Report of the Investment Committee Meeting) Ms. Henry, Chair of the Investment Committee, gave a report on the meeting that was held on February 20, 2025.

She reported that the committee approved the minutes from the December 19, 2024 meeting. Also, Consultant Mr. Pirone of Callan presented the results of the 2025 Asset Allocation Review, and staff presented the 2025 Asset Allocation Recommendations.

The Investment Committee recommends the Board approve the 2025 Asset Allocation Policy.

Furthermore, the Investment Committee recommends the following:

- Strategic Asset Allocation as of January 1, 2025
 - 32.5% - U.S. Equity
 - 18.0% - International Equity
 - 24.0% - Fixed Income
 - 10.5% - Private Real Assets

- o 14.0% - Alternative Investments
 - o 1.0% - Cash
- Policy Benchmark effective on December 31, 2025
 - o 32.5% - Custom U.S. Equity Benchmark
 - o 18.0% - MSCI All Country World Index ex USA (Net)
 - o 24.0% - Custom Fixed Income Benchmark
 - o 10.5% - Custom Private Real Assets Benchmark
 - o 14.0% - Custom Alternative Investments Benchmark
 - o 1.0% - 3 Month T-Bills
- For U.S. Residential Real Estate RFP Recommendations:
 - o Authorize a commitment of up to \$25 million to S2 Real Estate Fund II, L.P.;
 - o Authorize a commitment of up to \$50 million to Pretium Affordable Single-Family Rental Fund VII, L.P.; and,
 - o Authorize a commitment of up to \$25 million to Mesirow Financial Real Estate Value Fund V, L.P.
 - o Authorize staff to complete all documentation necessary to execute these recommendations, subject to legal due diligence.
- For Alternatives Recommendations
 - o Authorize a commitment of up to \$40 million to Base 10 Seed & Series A-Fund IV, L.P. and Base 10 Series B-Fund II, L.P.
 - o Authorize a commitment of up to \$100 million to Lightspeed Venture Partners Fund XV-A (Inception), L.P., Lightspeed Venture Partners Fund XV-B (Ignite), L.P., Lightspeed Venture Partners Select Fund VI, L.P., and Lightspeed Opportunity Fund III, L.P.
 - o Authorize a commitment of up to \$100 million to Strategic Value Special Situations Fund VI, L.P.
 - o Authorize staff to complete all documentation necessary to execute these recommendations, subject to legal due diligence.

It was moved by Ms. Henry and seconded by Mr. Miller to approve the above recommendations from the Investment Committee.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-02-11) (Report of the Legislative Meeting) Mr. Stefan, Chair of the Legislative Committee, gave a report on the meeting that was held on February 20, 2025.

He informed that the committee approved the minutes from the December 19, 2024 meeting. They also voted to move forward with the Springfield Drive-Down during the last week of April.

Also, the Committee recommends that IMRF remain **neutral** on the following legislation:

- HB 1736 (Avelar) - Adds the Joliet Port District on the list of qualified instrumentalities that allows them to participate in IMRF upon approval by the Board.

- HB 2358 (Weber) - Requires all benefit payments to begin within 30 days of receipt of a full and complete application filed with the Fund.
- SB 1456 (Martwick) - Requires the Department of Insurance to create an online curriculum for pension fund trustees and requires trustees to complete the training annually.

The Committee recommends **opposing** the following new legislation:

- HB 2484 (Kifowit) - In the provisions applicable to IMRF, reinstates a provision allowing policy chiefs in communities with an Article 3 (downstate police) pension fund to opt in to participation in IMRF SLEP rather than Article 3 fund.
- HB 3113 (Wilhour) - Requires funds to calculate a "hypothetical Social Security benefit" for all Tier 2 members who do not also participate in Social Security and to increase their benefits to that amount plus \$1 if that amount is greater than the benefit for that service credit in the fund.

It was moved by Mr. Stefan and seconded by Mr. Isaac, to accept the recommendations of the Legislative Committee.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-02-12) (Legislative Update) IMRF's Government Affairs Manager, Bonnie Shadid, gave a report on current legislative activity. She reported that the General Assembly met for three weeks since the December Board meeting. The new General Assembly convened the 104th General Assembly on Wednesday, January 8th. They are next scheduled to be in session during the week of February 17th.

She continued to report that the new bill introduction deadline has passed in both chambers and 29 new bills that affect IMRF, including the three bills that make up the Board's 2025 Legislative Agenda, were introduced. While most have been introduced previously, a few new proposals are also included. Ms. Shadid provided a chart with a list of the bills.

The main focus for 2025 for the General Assembly as a whole will be on the predicted multi-billion dollar 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. The Commission on Government Forecasting and Accountability (COGFA) provided a cost study of one of the more recent bills to change Tier 2 benefits just for the three largest state funds (SERS, SURS, and TRS) and predicted a cost of \$3 billion. This number seems to be much higher than the legislators thought it might have been and seems to have dampened some of the urgency in making these changes, at least in the short term.

The Senate held its first pension hearing on Wednesday, February 5th. It was a subject matter only hearing for the state systems to discuss the potential violation of the Social Security replacement provisions due to the differences in the Social Security and Tier 2 wage caps. This is not an issue for IMRF since we are fully coordinated with Social Security.

The House also held an informal meeting of some new members of the regular House pension committee and the House pension appropriations committee. Representatives from the four largest systems (SERS, SURS, TRS, and IMRF) were asked to provide a quick tutorial on their systems for these new members. Those members who attended were interested, but their time was more limited than planned due to session.

(25-02-13) (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. Meetings between the arbitration panel's experts and the parties' experts began in November 2024. An objection regarding one of the new expert reports is currently being briefed by the parties.

**KEITH GARDNER v. BOARD OF TRUSTEES OF IMRF et al.
(DUPAGE COUNTY 2021 MR 1377; THIRD DISTRICT APPELLATE COURT 3-22-0404)**

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 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, 2023, 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 not to pursue an appeal to the Supreme Court. The case was remanded back to the Circuit Court, who 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 DRC were secured through possible 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. 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 was held on November 26-28, 2024. The Court has made directions for disclosure by Glencore and the Director Defendants, with disclosure to be provided in various tranches until April 30, 2025.

VERONICA MONTOYA v. BOARD OF TRUSTEES OF IMRF et al.
(DUPAGE CTY 2022 MR 756; THIRD DISTRICT APPELLATE COURT 3-23-0666)

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, 2023, 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, which was denied on January 29, 2025. IMRF now awaits the remand of the case to the Trial Court.

GIVENS v. IMRF (U.S. EEOC 440-2022-09088; N.D. ILL. 1:23-CV-14101)

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

Status: Discovery on the case has completed, and the parties are in the midst of the summary judgment briefing schedule.

JULI 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 from the IMRF hearing officer, the IMRF Board denied Bruzzdzinski's request for an exception to the Pension Code, leaving per 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 sought to add additional documents to the record which were not part of the proceedings, which the court struck on December 18 based on IMRF's motion. A briefing schedule on the merits of the case was set, and hearing is set for April 22, 2025.

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

Summary: Mr. 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. The case has been fully briefed, and the next status date is set for February 26, 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. Other defendants to the litigation have also filed motions to dismiss. The motions are being briefed, and the matter is set for hearing on February 21, 2025. On February 20, 2025, the plaintiff agrees to dismiss the case. We expect it to convert to an administrative hearing with IMRF.

TERRENCE HEFFRON v. BOARD OF TRUSTEES OF IMRF, et al.
(DUPAGE COUNTY 2025 MR 54)

Summary: Mr. Heffron retired from IMRF effective June 1, 2023, and began receiving a reciprocal retirement based on service credit from the State Employees' Retirement System (SERS). In 2024, SERS advised Heffron that he would have received a higher pension benefit had he retired independently with each system. A staff determination was made, which denied his request to change his benefit election based on Board rule and the Reciprocal Act. After hearing before the IMRF hearing officer, the IMRF Board denied Heffron's request to change his benefit election and retire independently with IMRF. Heffron appealed the decision.

Status: The complaint was filed on January 22, 2025. IMRF will be filing a motion to dismiss based on defects in the complaint.

The Board took a break from 9:54 a.m. until 10:05 a.m.

(25-02-14) (Strategic Plan/Vision and Values) Organizational Excellence Officer, Michael Everett, presented an update of the 2023-2025 Strategic Plan and the key accomplishments for each Key Result Area: Financial Health; Customer Engagement; Workforce Engagement; and Operational Excellence.

Mr. Everett also informed the Board that we will be starting the 2026-2028 Strategic Planning Process; and the first task the Board needs to do is confirm IMRF's mission, vision, and values. He presented a timeline for the 2026-2028 Strategic Planning Process.

Communications Officer John Krupa continued to present to the Board the scope of the mission, vision and values project, which is to evaluate and potentially update IMRF's Vision statement and organizational Values to ensure that they are achieving the desired business purpose. This project was led by a cross-functional team who conducted a survey and met with Focus Groups. There were 140 survey participants and 12 Focus Group participants with representation from all departments. Key staff feedback was that the Organizational Values are well known, achieving the desired purpose, and should be retained. Furthermore, the Vision Statement should be more inspiring and be written in more understandable and relatable language, while maintaining its brevity.

Mr. Krupa read the current mission statement and Vision Statement:

Mission Statement

"To efficiently and impartially develop, implement, and administer programs that provide income protection to members and their beneficiaries on behalf of participating employers in a prudent manner."

Vision Statement

"To provide the highest quality retirement services to our members, their beneficiaries and employers."

Based on staff feedback, the decision is to keep the current mission statement and replace the current Vision Statement with the following proposed Vision Statement:

"Driven by our commitment to excellence, we deliver financial security and peace of mind."

Therefore, as step 1 of the 2026-2028 Strategic Planning Process, staff requests that the Board of Trustees make a motion to affirm the IMRF Mission, Vision, and Values presented below:

Mission Statement

"To efficiently and impartially develop, implement, and administer programs that provide income protection to members and their beneficiaries on behalf of participating employers in a prudent manner."

"Driven by our commitment to excellence, we deliver financial security and peace of mind."

Values

Respect, Empathy, Accountability, Accuracy, Courage and Honesty (REAACH)

It was moved by Mr. Isaac and seconded by Mr. Kuehne to affirm IMRF's Mission, Vision and Values as presented.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-02-15) (Workspace Improvement Project Update) General Counsel Vladimir Shuliga explained that at the December 2024 Board meeting, the Board passed a motion to authorize staff to enter into final lease negotiations at 800 Commerce and 2001 York for the relocation of the IMRF offices located at 2211 York. The Board's direction to pursue relocation followed a presentation in which the lease costs, construction costs, and potential floor plans of the three finalist options were considered. After receiving direction from the Board, staff received best and final lease proposals.

After reviewing the best and final offers from the two relocation options, staff is requesting authorization to execute a lease with 800 Commerce with the following terms, subject to satisfactory legal due diligence:

- Term: 15 Year
- Base rent: \$15.75 per sq. ft.
- Rent abatement: 18 months
- Tenant improvement allowance: \$100 per sq. ft.

Staff is also requesting to approve an amendment to the 2025 capital budget in the amount of \$28,742,859 for all activities necessary to complete the relocation to 800 Commerce, including but not limited to design, engineering, construction, furnishings, and equipment.

It was moved by Ms. Copper and seconded by Ms. Henry to authorize the Executive Director to execute a lease with 800 Commerce with the following economic terms, subject to satisfactory legal due diligence:

- Term: 15 Year
- Base rent: \$15.75 per sq. ft.
- Rent abatement: 18 months
- Tenant improvement allowance: \$100 per sq. ft.

And approve an amendment to the 2025 budget in the amount of \$28,742,859.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

The Board took a break from 11 a.m. until 11:10 a.m.

(25-02-16) (Operational Update) Executive Director Brian Collins gave an update on operations related to the Horizon system. He reported that from March 4, 2024 until January 31, 2025, IMRF received \$1,158,262,936 in total contributions and made payments totaling \$2,983,382,123. He added that retirement claims processing has stabilized and staff is working on 2024 Closing tasks, which is a significant undertaking. So far, we completed 161,535 COLA calculations, 2,980 interest calculations, 173,801 1099-R tax statements, 117,312 annuitant statements, and 238,023 data records for actuaries. Furthermore, the following steps of the closing process are on

track: 348,917 member statements; 487,948 data for actuaries (member records) 5,307 data for actuaries (employer rate records), 168,838 data for actuaries (refund and benefit records), 223,844 data for actuaries (employer ratios); 3,412 GASB Reports, and Department of Insurance Report.

Mr. Collins also informed that the Contact Center was very successful in completing a total of 64,105 total member interactions; and 31,633 total employer interactions. He also informed of Contact Center challenges which include a spike in calls and emails in January and February due to 1099-R inquiries. So, we hired 6 temporary contact center reps on 2/10 and we are providing ongoing employer training in our new systems and processes. In addition, claims processing was successful by consistently exceeding pre-Horizon monthly processing averages. However, a small number of older, workable claims remain in the pipeline. Many of these relate to issues during data conversion and there are some exception cases that require complex manual intervention. These are the cases that account for most Board contacts.

Finally, Mr. Collins reported that due to complexity, the Horizon software update was split into 3 parts: Horizon 1.0 "Go Live (was on 3/4/2024); Horizon 1.1a in 3Q 2025; and Horizon 1.1b in 2026. Horizon 1.1a updates the system to the latest software version and fixes some defects. The project plan is drafted and the Horizon 1.1a Readiness Team is meeting weekly.

(25-02-17) (Trustee Questions and Horizon Presentation) Karine Pettigrew and Mark-Andre' Longchamps from TELUS were present to answer any questions from the Board. Karine explained to the Board IMRF's completion of processes compared to other pension funds and IMRF has completed certain processes faster than the others, even though IMRF has more employers/members. Ray Smith from Provaliant was also present and he explained the role of Provaliant to the Board. Mr. Kosiba asked if we are addressing ways to reduce manual intervention for calculating pension estimates. Karine ensured Horizon 1.1a will help reduce manual intervention, but she will check if it will be for that specific task. Mr. Collins explained that our greatest improvement is in the Call Center. Ms. Henry and Mr. Kuehne commented that system conversions will always have hiccups and both commented that Mr. Collins has always taken care of all member emails that were forwarded to him from the Board. Mr. Cycholl asked when the pension calculator issues will be fixed. Staff will find out that answer. Ms. Copper asked about Call Back Assistant issues. Mr. Collins explained that we are working on that by adding more staff

(25-02-18) (Report of the Executive Director) The Executive Director presented the 2024 Fourth Quarter Strategic Objectives Update Report which focuses on activities completed during the Fourth Quarter of 2024 that support IMRF's 2023-2025 Strategic Plan.

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

(25-02-19) (Trustee Forum) An updated Conference log was given as information to the Board.

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 so far in 2025.

(25-02-22) (Appreciation of Service) Executive Director Brian Collins presented the following Resolution for Appreciation of Service to Trustee Tom Kuehne who is retiring.

WHEREAS, Tom Kuehne has faithfully served 12 years on the IMRF Board of Trustees, and;

WHEREAS, Tom Kuehne served from January 2013 through February 2025 as an Executive Trustee, and;

WHEREAS, over the course of his service, Tom Kuehne held multiple Board Officer positions, including the positions of President, Vice President, and Secretary, and;

WHEREAS, Tom Kuehne served on multiple IMRF committees, including the Investment Committee, the Benefit Review Committee, the Audit Committee, and the Legislative Committee, and;

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

WHEREAS, under Tom Kuehne's stewardship, IMRF assets grew from \$28 billion in December 2012 to more than \$56 billion in January 2025, and;

WHEREAS, under Tom Kuehne's stewardship, IMRF's funded status was more than 96% at the time of his departure, and;

WHEREAS, under Tom Kuehne'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 Tom Kuehne'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 IMRF Board of Trustees recognizes and honors Tom Kuehne for his significant contributions and excellent service to the Illinois Municipal Retirement Fund.

It was moved by Ms. Copper and seconded by Ms. Henry to approve the Resolution for Appreciation of Service for Tom Kuehne.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT

(25-02-21) (Trustee Comments) Board President Louis Kosiba announced that he is resigning from the Board of Trustees effective February 28, 2025 at 11:59 p.m.

(25-02-22) (Executive Session) It was moved by Mr. Miller and seconded by Mr. Isaac to go into Executive Session at 12:17 p.m. for pending litigation.

(25-02-18) (Adjournment) It was moved by Ms. Copper and seconded by Mr. Isaac to adjourn the Board Meeting at 12:38 p.m., and to reconvene at 9:00 a.m. on March 28, 2025.

VOTE:

ALL VOTED AYE - MOTION CARRIED

8 AYES; 0 ABSENT


President


Date


Secretary


Date