

ROLL CALL

At 1:35 p.m., the General Counsel called the roll and noted a quorum was present.

ELECTION OF CHAIR

Trustee Reiches moved to elect Board Chairman Levine as Chair of the Investment Policy Committee. Trustee Cozzi seconded and the motion passed unanimously.

MINUTES OF PREVIOUS MEETING

Trustee Reiches moved to approve the minutes of the Investment Policy Committee meeting held September 17, 2015 in the form previously distributed. Trustee Cozzi seconded and the motion passed unanimously.

REPORT OF THE INVESTMENT POLICY COMMITTEE CHAIR

Chairman Levine thanked Members for the opportunity to serve as Chair and welcomed the Board's Consultants to the meeting. Chairman Levine encouraged Members to engage in open dialogue during the meetings and to treat the Committee as a working committee.

MANGER PRESENTATIONS

Segall Bryant & Hamill

Mssers. Dickherber, Hildebrandt, and Paulis, Segall Bryant & Hamill, were invited to join the meeting as a result of having been put on the Board's Watch List and the Board's additional concerns. Discussion ensued regarding Segall Bryant & Hamill's presentation. Following review of materials, previously distributed, and comments from Members, the Segall Bryant & Hamill representatives thanked the Members and were excused. (Official minutes contain attachment.)

Trustee Reiches requested Staff to instruct all presenting managers and funds to use data net of fees in their presentations.

GENERAL CONSULTANT PRESENTATION: MEKETA INVESTMENT GROUP ("MEKETA")

Segall Bryant & Hamill Small Cap Core Recommendation

Mssers. Benham and Wooley and Ms. Wallace, on behalf of Meketa, referred Members to the memorandum, "Segall Bryant & Hamill Small Cap Core Recommendation" as previously distributed, and reviewed. (Official minutes contain attachment.) Director Atwood clarified that the Board's decision to take no action with regard to Segall Bryant & Hamill, consistent with the recommendation provided by Meketa, is in line with its fiduciary duty and in compliance with the Board's Watch List Policy.

Global Fixed Income RFP

The Meketa representatives referred Members to the memorandum, "Global Bonds (ex. US) Search Recommendation," as previously distributed, and reviewed. (Official minutes contain attachment.) Discussion ensued regarding Meketa's recommendation regarding the Global Fixed Income RFP. The Committee took no action on the Global Fixed Income RFP as recommended by Meketa due to Meketa's pending asset allocation study.

REAL ESTATE PRESENTATION: COURTLAND PARTNERS ("COURTLAND")

Real Estate Portfolio Performance Review and Update re Clarion Partners

Mssers. Novick and Rapalje, on behalf of Courtland, referred Members to the presentation materials, "Real Estate Portfolio Performance Measurement Report" for the second quarter of 2015 and reviewed. (Official minutes contain attachment.) Discussion ensued regarding Courtland's recommendation regarding the Real Estate Portfolio Performance Measurement Report.

Trustee Cozzi requested an update on the status of ISBI's exposure with respect to its investments with Clarion Partners. The Courtland representatives reported that Clarion Partners is currently undergoing a corporate restructuring; therefore, Courtland finds it prudent to defer any recommendation regarding this investment until after the restructuring is complete. The Courtland representatives further reported that, consistent with the Board's discussions at the July 21, 2015 Special Meeting of the Board, Clarion Partners have made no additional investments in the real estate portfolio. Chairman Levine noted that the Board previously had asked Courtland to discuss with Clarion refraining from making any additional investments pending future Board action on its asset allocation. The Chair and Executive Director Atwood had further requested Courtland to prepare a memo explaining the transition process should the Board choose to terminate Clarion Partners. Chairman Levine, Trustee Reiches and Trustee Cozzi additionally noted that Clarion Partners' concentrated real estate portfolio represents risk within ISBI's portfolio. Trustee Cozzi noted that the corporate restructuring currently underway at Clarion Partners strengthens the Board's need to limit its overall exposure to a single manager. Chairman Levine commented that the Board's direction to Courtland in June regarding Clarion Partners which was reiterated at this Committee meeting limits ISBI's exposure to a single manager.

Westbrook Real Estate Fund X ("Westbrook")

The Courtland representatives referred Members to the memorandum, "Evaluation of a Proposed Commitment of Up to \$50 Million in Westbrook Real Estate Fund X," previously distributed, and reviewed. (Official minutes contain attachments.) Discussion ensued regarding Courtland's recommendation of up to \$50 million dollars in Westbrook's Real Estate Fund X.

Mssers. Kazilionis and Roberts, on behalf of Westbrook, joined the meeting. Following review of materials, previously distributed, and comments from Members, the Westbrook representatives thanked the Members and excused themselves. (Official minutes contain attachment.)

Madison International Real Estate Liquidity Fund IV, L.P. (“Madison”)

The Courtland representatives referred Members to the memorandum, “Evaluation of a Proposed Commitment of Up to \$50 Million in Madison International Real Estate Liquidity Fund VI, L.P.,” previously distributed, and reviewed. (Official minutes contain attachments.) Discussion ensued regarding Courtland’s recommendation of up to \$50 million dollars in Madison International Real Estate Liquidity Fund VI.

Mssers. Chen and Dickerman, on behalf of Madison, joined the meeting. Following review of materials, previously distributed, and comments from Members, the Madison representatives thanked the Members and excused themselves. (Official minutes contain attachment.)

The General Counsel reported that both Westbrook and Madison had completed a Vendor Disclosure Questionnaire; there was nothing material to report and all disclosures had been considered in the recommendations provided by Courtland.

Trustee Cozzi consistent with the recommendations provided by Courtland moved to allocate \$50M to Westbrook and \$50M to Madison, subject to legal review and execution of contracts. Trustee Reiches seconded and the motion passed unanimously

Trustee Cozzi proposed inviting Clarion Partners to present to the Committee at its next scheduled meeting and the Chair concurred.

NEW BUSINESS/ OLD BUSINESS

Chairman Levine noted that the Committee’s June Meeting Minutes would need to be amended since the June Meeting Minutes did not adequately record the Committee’s discussion regarding the Private Equity Consultant RFP. He reminded the Members that during the discussion in June as to the Private Equity Consultant search, several Members made clear that they did not think they had had enough time to properly consider the matter and, due to how the RFP had been structured, the responses were not robust enough to meet ISBI’s needs. Chairman Levine noted that most of the Committee Members had actually expressed a preference for a consultant other than the incumbent. Accordingly, it was the Committee’s intent in June to merely extend the current arrangement with the current Private Equity Consultant with the understanding that a new RFP for private equity consultant would be distributed within a few months. The Chairman then noted that the June minutes failed to include those discussions and instead just reported, without mentioning the Committee’s discussion, that the Committee approved a new Private Equity Consultant contract with Franklin Park. Trustee Cozzi and Trustee Reiches agreed with the Chair’s comments and Trustee Cozzi added that it was his impression that the

Private Equity Consultant RFP was still open and pending. Chairman Levine noted his disappointment that the Private Equity Consultant discussion was ignored in the Committee's June Meeting Minutes and in Franklin Park's contract. Chairman Levine directed ISBI Staff to revise the Minutes of the June meeting to include the discussion of the Committee regarding the Private Equity Consultant Request for Proposal and the temporary extension of the current vendor.

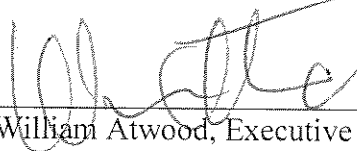
PUBLIC COMMENT

None.

NEXT MEETING AND ADJOURMENT

Chairman Levine stated that the next meeting of the Investment Policy Committee would be scheduled in March following the Board's approval of the 2016 Schedule of Meetings, official notices to be distributed at a later date. At 4:40 p.m., there being no further business to come before the Committee, Trustee Reiches moved to adjourn the meeting. Trustee Cozzi seconded and the meeting was adjourned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "W. Atwood", is written over a horizontal line.

William Atwood, Executive Director

