



Firefighters' Pension Investment Fund Board of Trustees

MINUTES OF MEETING

Monday, June 1, 2020
1:00 PM

Illinois Municipal League
500 E. Capitol Avenue
Springfield, IL 62701

Teleconference:

844-992-4726 or 408-418-9388
Meeting ID: 962 369 276

WebEx:

Go to: <https://mb.webex.com>
Meeting ID: 962 369 276
Password: ifMJi7MWQ47

I. Call to Order

Chairperson Chuck Sullivan called the meeting to order at 1:00 PM. He noted that in accordance with Executive Orders 2020-07, 2020-33 and 2020-39 issued by Governor Pritzker, guidance issued by the Illinois Attorney General's Office, and Senate Bill 2135 of the 101st General Assembly, the meeting would be conducted via teleconference and WebEx, and that to facilitate public comments, written submission of public comments would be accepted by e-mail, and any such submitted comments would be addressed later in the meeting.

II. Taking of the Roll

At the request of the Chairperson, the Board's counsel, Mitch Holzrichter of Mayer Brown LLP, acted as clerk for the meeting and took the roll of Trustees in attendance. Trustees Kevin Bramwell, Brad Cole, Russ Hunt, Matthew Kink, Patrick Nichting, Jeff Rowitz, George Schick, and Chuck Sullivan were present. Trustee Steve Chirico was absent.

Mr. Holzrichter announced that a quorum of Trustees was present.

III. Approval of April 20, 2020 and May 15, 2020 Minutes

The Chairperson presented the minutes of the meetings of the Board held on April 20, 2020 and May 15, 2020. The Chairperson asked for any edits, additions, or corrections to the minutes; Trustee Hunt clarified that he was in attendance at the May 15, 2020 meeting, and requested the minutes be revised to reflect this.



Trustee Kink moved to approve the minutes of the meeting of the Board held on April 20, 2020, as presented, and the minutes of the meeting of the Board held on May 15, 2020, as amended with the proposed correction. The motion was seconded by Trustee Rowitz.

A roll call vote was taken: Trustees Bramwell, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; Trustee Chirico was absent; and the motion passed.

IV. Resolution (2020-14) to Ratify Actions Taken by Voice Vote

Chairperson Sullivan described that, based on Senate Bill 2135, which was recently passed by the Illinois General Assembly and requires roll call voting during teleconference meetings of public bodies, the Board found it prudent to ratify certain actions of the Board taken at prior meetings by voice vote.

Vice Chairperson Cole clarified that the Governor has not yet signed Senate Bill 2135 into law, but that ratification was still a good idea. This understanding was affirmed by the Chairperson.

Vice Chairperson Cole moved to approve Resolution 2020-14 as presented. The motion was seconded by Trustee Bramwell.

A roll call vote was taken: Trustees Bramwell, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; Trustee Chirico was absent; and the motion passed.

V. Report of the Chairperson

Chairperson Sullivan did not make a report.

VI. Report of the Audit Committee

Trustee Hunt reported that the Audit Committee has met two times since the April 20 Board meeting, at which the committee considered the procurement and hiring policies before the Board and the budget. The committee also considered the retention of an independent auditor. He noted that the committee considered the matters before the Board thoroughly and recommends them unanimously.

Chairperson Sullivan noted that there were three items from the Audit Committee report that required action by the Board: approval of the Fiscal Year 2021 Budget and Headcount, the adoption of a hiring policy, and the adoption of a procurement policy.

VII. Resolution (2020-15) to Adopt the Fiscal Year 2021 Budget and Headcount

Executive Director Atwood presented the Fiscal Year 2021 budget for approval by the Board. He described that the budget as presented would keep IFPIF at or below \$7 million through 2022, which is his target to budget toward, though the Pension code allows FPIF to borrow \$7.5 million. He reported that he is confident that the transition can be completed before the statutory deadline. He highlighted that the budget presented includes only one position for accounting in the personnel category, where multiple staff were originally contemplated. As the needs of the transition were considered during the budgeting process, these funds were reallocated to professional services from personnel. Executive Director Atwood also noted that the significant



amounts budgeted for professional services are only estimates, and those numbers may be shifted as FPIF moves forward in the fiscal year. He requested that the Board allow him to move funds as the year progresses.

Vice Chairperson Cole thanked the committee for its work and requested clarification that, with regards to the transfer authority being given to the Executive Director, it will still be reported to the full Board if a transfer is made. Executive Director Atwood affirmed that transfers would be reported to the Board.

Trustee Rowitz moved to approve Resolution 2020-15 as presented. The motion was seconded by Trustee Schick.

A roll call vote was taken: Trustees Bramwell, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; Trustee Chirico was absent; and the motion passed.

VIII. Resolution (2020-16) to Adopt a Hiring Policy

Chairperson Sullivan presented Resolution 2020-16 to approve a hiring policy establish clear processes for the hiring of staff and the delegation of certain hiring authority to the Executive Director.

Executive Director Atwood noted a correction was needed under "Definitions" to reflect that the Chief Operating Officer is a Category 1 position, which was inadvertently left out. The correction will be made.

Vice Chairperson Cole requested clarification that item 4.5 of the policy, which indicates that the Executive Director shall fix benefits and compensation for employees subject to the policy adopted by the Board, will be consistent with what has been approved for benefits under the employee manual. Executive Director Atwood affirmed.

Vice Chairperson Cole moved to approve Resolution 2020-16 and adopt the hiring policy as amended with the proposed correction. The motion was seconded by Trustee Bramwell.

A roll call vote was taken: Trustees Bramwell, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; Trustee Chirico was absent; and the motion passed.

IX. Resolution (2020-17) to Adopt a Procurement Policy

At the request of the Chairperson, Mitch Holzrichter presented the procurement policy to the Board. The policy generally models the Illinois Procurement Code applicable to state agencies and sets out a competitive procurement process. The policy also makes certain exceptions where a competitive procurement is not required, consistent with the Illinois Procurement Code. The policy states that items to be procured must have been budgeted by the Board, and certain items will require Board authorization, specifically within the investment services area. When the Fund does not do a competitive procurement, a justification will be prepared, and the Executive Director will include these in his monthly report to the Board. Executive Director Atwood further highlighted that he is comfortable with his obligations to report on such purchases.



Trustee Kink moved to approve Resolution 2020-17 as presented. The motion was seconded by Trustee Rowitz.

A roll call vote was taken: Trustees Bramwell, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; Trustee Chirico was absent; and the motion passed.

X. Report of the Elections Committee

Trustee Hunt reported that the Elections Committee has met four times since the April 20 Board meeting. At those meetings, the committee considered and recommended the 2020 Trustee Election Rules, Schedule, and Candidate packet. The Committee also recommended the Board consider certain vendors for creation of a voter file and nominating petition services. Trustee Hunt gave a brief overview of the election schedule, with the election results being certified on or before December 7, 2020.

The committee considered proposals for voter file and nominating petition services and recommended Lauterbach & Amen and Survey and Ballot Systems, respectively. The committee will also be considering election administration vendors for consideration at the July Board meeting. He noted that the committee considered the matters before the Board thoroughly and recommends them unanimously.

Chairperson Sullivan commended the work of the committee, and noted that there were two items from the Election Committee report that required action by the Board: approval of the election rules, schedule, and candidate packet, and the approval of certain contracts recommended by the committee.

XI. Resolution (2020-18) to Adopt Election Rules, an Election Timeline, and an Election Packet

Chairperson Sullivan presented Resolution 2020-18 to adopt election rules, schedule, and candidate packet. The Board is required to administer the election of the permanent Board of Trustees in compliance with Article 22C of the Pension Code. The rules were developed in conjunction with public comment.

Vice Chairperson Cole echoed the compliments of the committee and moved to approve Resolution 2020-18 as presented. The motion was seconded by Trustee Nichting.

A roll call vote was taken: Trustees Bramwell, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; Trustee Chirico was absent; and the motion passed.

XII. Resolution (2020-19) to Approve Certain Contracts Recommended by the Elections Committee

Chairperson Sullivan presented Resolution 2020-19 approving the negotiation and execution of certain contracts related to the administration of the trustee election. The contracts include: a contract with Survey & Ballot Systems to provide electronic petition services, and a contract with Lauterbach & Amen, LLP to provide voter file services.

Trustee Hunt moved to approve Resolution 2020-19 as presented. The motion was seconded by Trustee Bramwell.



A roll call vote was taken: Trustees Bramwell, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; Trustee Chirico was absent; and the motion passed.

XIII. Report of the Ad Hoc Committee on Near Term Operations

Trustee Hunt reported that the Elections Committee met on May 5 and May 26, and reviewed a number of items related to FPIF operations including provision of staff benefits, business insurance, D&O fiduciary insurance, retention of web design services, selection of office space, retention of members of senior staff, and approval of job descriptions. Before the Board are various procurements, each constitute small purchases, memos of the Executive Director were given to the Board describing the process and rationale regarding these procurements and the recommendations of the committee. The hiring of candidates for Chief Financial Officer and Chief Operations Officer was also considered and the recommendations are accompanied by memos of the Executive Director explaining the process and recommendations.

Chairperson Sullivan noted that there were a number of items of business from the Ad Hoc Committee report, including the approval of a lease, the approval of contracts, the adoption of job descriptions, and certain hiring decisions.

XIV. Resolution (2020-20) to Approve the Execution of a Lease

Chairperson Sullivan presented Resolution 2020-20, authorizing and approving the lease of office space for FPIF at 1919 South Highland Avenue, in Lombard, Illinois, which will expire November 30, 2025. A competitive process was conducted for this lease, and we have thoroughly reviewed and negotiated terms acceptable to the Board.

Executive Director Atwood described that the committee took this matter very seriously, and he described certain business terms of the lease. He noted that he is reasonably confident that the property will meet our needs going forward through the term of the lease.

Trustee Schick asked whether there was a problem with the lease extending outside of the transition board's deadline of December 31. It was clarified that the lease is not subject to the statutory limitations on binding the permanent board, and the term is therefore acceptable.

Trustee Rowitz appreciate the added language regarding operating costs, but questioned whether it is normal in commercial leases for electrical systems to be the responsibility of the tenant. The question was discussed, with other trustees believing term is typical for commercial property.

Trustee Schick moved to approve Resolution 2020-20 as presented. The motion was seconded by Trustee Kink.

A roll call vote was taken: Trustees Bramwell, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; Trustee Chirico was absent; and the motion passed.

XV. Resolution (2020-21) to Approve Certain Contracts Recommended by the Committee on Near Term Operations

Chairperson Sullivan presented Resolution 2020-21 approving the negotiation and execution of certain contracts related to various operational needs, including a contract with Alliant Insurance



for D&O, Fiduciary, and Cyber Liability coverage, a contract with Corkill Insurance for business insurance and staff insurance benefits, and a contract with Plego Technologies for website design services.

Executive Director Atwood explained the enhanced cyber liability coverage contained in the revised policy circulated to the Board regarding the proposal from Alliant. He also proposed that the resolution language regarding Corkill Insurance be revised to be more precise in authorizing the Executive Director to entertain proposals for the Board to consider at its next meeting, which will be held prior to June 30.

Trustee Bramwell moved to approve Resolution 2020-21 as amended. The motion was seconded by Trustee Hunt.

A roll call vote was taken: Trustees Bramwell, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; Trustee Chirico was absent; and the motion passed.

XVI. Resolution (2020-22) to Adopt Certain Job Descriptions

Chairperson Sullivan presented Resolution 2020-022, which adopts job descriptions for two positions that the Fund intends to recruit for: a Portfolio Officer and an Executive Assistant. After adoption of these job descriptions, individuals will be interviewed and hired pursuant to the hiring policy the Board adopted. The Executive Director clarified that Portfolio Officer will be Category 1, and the Executive Assistant will be Category 2, where he will recommend the hire to the committee rather than entire Board.

Vice Chairperson Cole clarified that the Executive Director will advise the full Board of any hires to be made. Executive Director Atwood confirmed that the Board will be fully apprised of all hires, even if only committee approval is required under the hiring policy.

Vice Chairperson Cole moved to approve Resolution 2020-22 as presented. The motion was seconded by Trustee Schick.

A roll call vote was taken: Trustees Bramwell, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; Trustee Chirico was absent; and the motion passed.

XVII. Hiring Decisions Regarding Chief Financial Officer and Chief Operations Officer

The Executive Director summarized the hiring process and was very pleased by the quality of candidates. The candidates recommended to the Board are David Zolaga for Chief Financial Officer and Steve Zahn for Chief Operating Officer position. The Ad Hoc Committee unanimously supported the recommendations, which need approval by the full Board.

Trustee Kink moved to approve the recommendations. The motion was seconded by Trustee Hunt.

A roll call vote was taken: Trustees Bramwell, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; Trustee Chirico was absent; and the motion passed.

XVIII. Discussion of Ethics Policy



The Executive Director discussed that in conjunction with the ethics training that was given to the Board in May, Mayer Brown will be preparing an Ethics Policy to be presented to the Board. The policy be presented to committee, and by the full Board at a future meeting.

XIX. Report of the Executive Director

Executive Director Atwood discussed three items: a summary of the financial report for the 2020 Fiscal Year, a status update regarding provision of training for Article 4 trustees, and a report on the transfer of assets.

On the budget, Executive Director Atwood described that he expected the actual budget to come in less than initially anticipated based on current expenditures. This was in part due to not staffing as heavily or needing to pay rent this fiscal year. Some items in professional services, like legal services, are above budget.

Regarding training, FPIF is authorized to provide fiduciary training to Article 4 trustees about the consolidation process, which will be done in conjunction with the Department of Insurance.

Trustee Kink asked about whether the training would be recorded and accessible to pension fund members, and Trustee Rowitz asked whether it would be provided free of charge. The Executive Director requested guidance from the Board, given the costs to provide the training. Vice Chairperson Cole described that during the task force process, the intent was to provide the training at no cost, and logistical costs should be borne by FPIF. Trustee Rowitz concurred that the training should be provided at no cost, and Executive Director Atwood recognized the guidance of the Board.

Finally, Executive Director Atwood described that as he has spent more time preparing for the transfer of assets and meeting with custodians, he is more confident about the feasibility of the transfer in a reasonable period of time. He has also gained more clarity on the Fund's role in the transfer process.

XX. Other Business

Trustee Schick commented that the Board's committee structure is working well, but encouraged the Board to utilize committees of the whole when appropriate for larger decisions. Chairperson Sullivan also encouraged Trustees to attend and engage in committee meetings, whether or not they are members of those committees.

No other business was brought before the Board.

XXI. Schedule of Upcoming Meetings

The Board discussed a meeting schedule and concluded that certain immediate items will need attention of the Board in June, and thereafter a more regular pattern of meeting will be beneficial.

The next meeting of the Board will be held on Monday, June 22, 2020, at 9:00 AM and on Monday July 27, 2020 at 1:00 PM.

XXII. Public Comment



There was no comment from the public.

XXIII. Adjournment

Trustee Hunt moved to adjourn the meeting. The motion was seconded by Vice Chairperson Cole. The motion passed unanimously by voice vote, and the meeting was adjourned at 2:25 PM.