



FIREFIGHTERS' PENSION INVESTMENT FUND
1919 S. HIGHLAND AVE. • BUILDING A, SUITE 237 • LOMBARD, IL 601

**MINUTES OF A REGULAR MEETING OF THE
FIREFIGHTERS' PENSION INVESTMENT FUND
AUDIT COMMITTEE
JULY 22, 2020**

A regular meeting of the Firefighters' Pension Investment Fund of Illinois Audit Committee was held on Wednesday, July 22, 2020 at 10:00 a.m. at the FPIF Headquarters located at 1919 S. Highland Avenue – Building A, Suite 237, Lombard, Illinois 60148 and via videoconference in accordance with Public Act 101-0640, pursuant to notice.

I. Call to Order

Chairman Hunt called the meeting to order at 10:00 a.m.

II. Taking of the Roll

Robina Amato of Lauterbach & Amen, LLP took the roll. Chairman Hunt, Trustee Rowitz, and Trustee Kink were present; there were no absences.

Also present: CFO David Zaloga, Director Bill Atwood, COO Steve Zahn and Executive Assistant Erin White, FPIF Staff; Trustee Cole, FPIF Board of Trustees; Robina Amato, Lauterbach & Amen, LLP

III. Approval of the June 18, 2020 Meeting Minutes

The Committee reviewed the June 18, 2020 Audit Committee meeting minutes. A motion was made by Trustee Rowitz and seconded by Trustee Kink to approve the June 18, 2020 meeting minutes as written. Motion carried by roll call vote.

AYES: Chairman Hunt, Trustees Rowitz and Kink

NAYS: None

ABSENT: None

IV. Introduction of David Zaloga

Director Atwood introduced the Chief Financial Officer David Zaloga and expressed his confidence in the work he has already taken on with the financials and the partnership he has created with Lauterbach & Amen, LLP.

Director Atwood also introduced the Executive Assistant Erin White to the committee and informed the Board she has begun work with the FPIF staff.

V. Financial Report

Director Atwood reviewed the FY2020 budget with the committee and noted that the Board is coming in well under budget. Director Atwood also reviewed the invoice for the legal fees associated with the IFA financing and preparation of loan documents for approximately \$21,000 that will be split with the Illinois Police Officer's Pension Investment Fund.

Mr. Zaloga presented both the modified cash basis and the full accrual financial statements for the period ending June 30, 2020 and reviewed the difference between the two statements to the committee. Mr. Zaloga further reviewed the cash, liabilities and capitalized interest listed on the balance sheet, expense report, and the vendor check report for the period July 1, 2019 through June 30, 2020 in the total amount of \$148,654.92.

Mr. Zaloga reviewed the preliminary accrual basis financial statements for the period ending June 30, 2020 with total assets in the amount of \$183,197.07 and total liabilities in the amount of \$229,499.66. Mr. Zaloga noted that specific line items on the June 30, 2020 expense report exceed the budget and will be discussed under *Final Revision to FY2020 Budget*.

A motion was made by Trustee Rowitz and seconded by Trustee Kink to accept the June 30, 2020 financial statements as presented. Motion carried by roll call vote.

AYES: Chairman Hunt, Trustees Rowitz and Kink

NAYS: None

ABSENT: None

VI. Final Revisions to FY2020 Budget

Mr. Zaloga presented the memo requested authorization to reallocate budgeted expense amounts from the Senior Portfolio Officer Salary, CFO Salary and COO Salary to the Employer FICA, Unemployment, Accountant/Client Service, PSA/Court Reporter, Legal Services, Bank Fees, Software Purchases and Interest Expense line items. A motion was made by Trustee Kink and seconded by Trustee Rowitz to authorize the reallocation of budgeted expense amounts as outlined in the memorandum. Motion carried by roll call vote.

AYES: Chairman Hunt, Trustees Rowitz and Kink

NAYS: None

ABSENT: None

VII. Ethics Policy

Director Atwood apprised the Board that he and Trustee Kink have worked closely with each other and Mayer Brown to revise and improve the Ethics Policy for approval. Trustee Kink summarized the additional amendments to the policy to the committee to ensure the policy had continuity and citations relative to particular laws and acts within Illinois state statute and the necessity of the responsibility of the Ethics officer to be included in the policy.

Trustee Cole suggested that the language pertaining to the Ethics Officer be included in both the Ethics policy and the By Laws. Trustee Cole also inquired about whether or not section 7.1 Post Employment Obligations pertains to contractual employees and requested it be definitively clarified.

Trustee Cole also apprised the Board on new state mandates pertaining to Harassment and Discrimination as mentioned in section 8.2 of the Ethics Policy and informed the Board he has materials that may be of use for FPIF staff. Director Atwood requested that Trustee Cole share the materials for review.

A motion was made by Trustee Rowitz and seconded by Trustee Kink to approve the Ethics policy, pending clarification of the inquiries regarding section 7.1 of the policy. Motion carried by roll call vote.

AYES: Chairman Hunt, Trustees Rowitz and Kink
NAYS: None
ABSENT: None

VIII. Benefits Policy

Director Atwood reviewed the FPIF Insurance Policy with the committee to provide health insurance coverage for all full-time employees and details pertaining to the level of cost and coverage.

IX. Retirement Policy

Director Atwood reviewed the FPIF Retirement Policy as a defined contribution plan for enrolled employees and informed the Board the Ad Hoc committee will be considering adoption of a 401K provider as an optional savings plan for employees.

Trustee Rowitz inquired about the life insurance coverage and Steve Zahn answered all questions and further clarified this is a term policy.

Trustee Cole addressed language within the retirement policy stating that the Board “agrees to support legislation to allow the FPIF to participate as an employer in a public pension fund that enrolls into a defined benefit pension plan” and requested the paragraph be removed. Director Atwood requested that he provide updated language to the audit committee for review at the next regular meeting.

A motion was made by Trustee Rowitz and seconded by Trustee Kink to approve the FPIF Retirement Policy subject to removal of the third paragraph. Motion carried by roll call vote.

AYES: Chairman Hunt, Trustees Rowitz and Kink
NAYS: None
ABSENT: None

Trustee Cole left the meeting at 10:55 a.m.

A motion was made by Trustee Kink and seconded by Trustee Rowitz to approve the FPIF Insurance Policy as presented. Motion carried by roll call vote.

AYES: Chairman Hunt, Trustees Rowitz and Kink
NAYS: None
ABSENT: None

X. Presentations and Selection of External Audit Firm

David Zaloga explained the review process of all the received proposals for an external audit firm and informed the Board that Sikich, LLP best met the criteria for the FPIF Board. Chad Lucas and Frederick Lantz from Sikich, LLP presented the proposal for audit services and reviewed the firm’s expertise, client references, various services provided and team biographies.

A motion was made by Trustee Rowitz and seconded by Trustee Kink to accept the staff recommendation to select Sikich, LLP as the external auditor for the Firefighters’ Pension Investment Fund. Motion carried by roll call vote.

AYES: Chairman Hunt, Trustees Rowitz and Kink
NAYS: None
ABSENT: None

XI. Other Business

There was no other business to discuss.

XII. Schedule of Upcoming Meetings

Director Atwood suggested scheduled a meeting at the call of the Chair, there was no objection.

XIII. Public Comment

There was no public comment.

XIV. Adjournment

A motion was made by Trustee Kink and seconded by Trustee Rowitz to adjourn the meeting at 11:12 a.m. Motion carried by roll call vote.

AYES: Chairman Hunt, Trustees Rowitz and Kink

NAYS: None

ABSENT: None