



FIREFIGHTERS' PENSION INVESTMENT FUND

1919 S. HIGHLAND AVE • BUILDING A, SUITE 237 • LOMBARD, IL 60148

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## **Firefighters' Pension Investment Fund Board of Trustees**

### **MINUTES OF MEETING**

Monday, December 7, 2020  
9:00 a.m.

#### **Videoconference:**

<https://lauterbachamen.zoom.us/j/85271294214?pwd=MjBBdIBJU0JISlBIOHowT3RlUk5QT09>

Meeting ID: 852 7129 4214  
Password: 408963

#### **Audio Only:**

Dial In: 1 (312) 626 6799  
Meeting ID: 852 7129 4214

#### **In-Person Meeting Location**

1919 S. Highland Avenue  
Building A, Suite 237  
Lombard, IL 60148

#### **I. Call to Order**

Chairman Sullivan called the meeting to order at 10:00 a.m. and noted that in accordance with Executive Orders 2020-07, 2020-10 and 2020-33 issued by Governor Pritzker, guidance issued by the Illinois Attorney General's Office, and Public Act 101-0640, the meeting was conducted in person as well as via teleconference and Zoom, 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 Chairman Sullivan, Heather Weiner from Mayer Brown took the roll of Trustees in attendance. Chairman Chuck Sullivan, Vice Chairman Brad Cole, Trustees Russ Hunt, George Schick, Jeff Rowitz, Matthew Kink, Kevin Bramwell, Patrick Nichting and Steven Chirico were present. No Trustees were absent and a quorum was present.

*Also present:* Executive Director Bill Atwood, COO Steve Zahn, CFO David Zaloga and Portfolio Officer Mitchell Green, FPIF Staff; Heather Weiner and Mitch Holzrichter, Mayer Brown; Robina Amato, Lauterbach & Amen, LLP

**III. Approval of November 20, 2020 Meeting Minutes**

Chairman Sullivan presented the minutes of the Board meeting held on November 20, 2020. Chairman Sullivan asked for any edits, additions, or corrections to the minutes. A motion was made by Vice Chairman Cole and seconded by Trustee Bramwell to approve the November 20, 2020 meeting minutes as written. Motion carried by roll call vote.

AYES: Chairman Sullivan, Vice Chairman Cole, Trustees Hunt, Schick, Bramwell, Kink, Rowitz, Nichting and Chirico  
NAYS: None  
ABSENT: None

**IV. Consideration and Selection – Investment Consultant**

Director Atwood presented the memorandum of Results of Investment Consultant RFP Process to the Board. Director Atwood reviewed the timeline in which the RFP took place, the process in which finalists were scored and considered, best and final offers submitted by all finalists, the investment consultant evaluation matrix and the conclusion and recommendation to select Marquette Associates as the FPIF Investment Consultant.

Vice Chairman Cole requested that the memorandum provided by Director Atwood previously labeled private and confidential be made public.

A motion was made by Vice Chairman Cole and seconded by Trustee Rowitz to select Meketa Investment Group to act as the Investment Consultant to the FPIF as contemplated in the request for proposals that was issued on September 8, 2020 and to authorize FPIF Staff and legal counsel to negotiate and enter into a contract for such services consistent with the RFP and proposals including any best and final offer submitted by Meketa Investment Group. Further discussion was held by the Board.

Trustee Chirico inquired on the additional factors that were considered by Director Atwood that resulted in the recommendation to the Board. Director Atwood addressed the specific factors mentioned in the memorandum resulting in the final recommendation of Marquette Associates that included the best and final offer presented to the Board, reduction in proposed fees, the addition of valuable team members, and the knowledge and expertise with Article 4 pension funds.

Trustee Rowitz inquired on the initial scoring process prior to the Board presentations that took place on October 27, 2020 and how much associated fees were a factor of the overall scoring. Director Atwood stated that fees were only a minor factor in the scoring. Director Atwood then reviewed the scoring results after the initial interviews of the four finalists and how the process modeled the scoring and RFP process of the Illinois State Board of Investments. Director Atwood stated that all four firms are capable of managing the transition of assets with Marquette Associates having the ability to build the portfolio but also assist in the prudent transfer of assets which from his perspective is the biggest risk.

Trustee Rowitz further inquired about the number of portfolios currently managed by Marquette Associates greater than \$5,000,000,000 in assets and what the performance on those portfolios has been. Director Atwood confirmed that Marquette had lagged their benchmark as shown on the performance results listed within the evaluation matrix provided to the Board. Director Atwood further shared his intent to develop a low cost, passive investment strategy at

the beginning of the transition process and to re-evaluate vendor relationships after the transition is complete.

Trustee Nichting stated that the most significant change regarding investments between local Article 4 pension funds and the consolidated Firefighters' Pension Investment Fund is the Prudent Person Standard and that any of the investment consultants to be chosen will be acting as a fiduciary to the FPIF and Director Atwood reviewed the non-discretionary relationship the selected firm would have with FPIF and how it applies to managing risk of FPIF.

Trustee Rowitz reviewed the performance metrics included on the evaluation matrix and emphasized the responsibility of both the Board of Trustees and the selected Investment Consultant to out-perform the benchmarks.

Attorney Weiner called the roll on the motion previously moved by Vice Chairman Cole and seconded by Trustee Rowitz to select Meketa Investment Group as the Investment Consultant for FPIF. Motion failed by roll call vote.

AYES: Vice Chairman Cole, Trustees Rowitz, Nichting and Chirico  
NAYS: Chairman Sullivan, Trustees Bramwell, Hunt, Kink and Schick  
ABSENT: None

A motion was made by Trustee Schick and seconded by Trustee Kink to select Marquette Associates to act as the Investment Consultant to the FPIF as contemplated in the request for proposals that was issued on September 8, 2020 and to authorize FPIF Staff and legal counsel to negotiate and enter into a contract for such services consistent with the RFP and proposals including any best and final offer submitted by Marquette Associates.

Vice Chairman Cole inquired about any known conflicts of interest with the selection of Marquette Associates while Chairman Sullivan confirmed he is not aware of any. Trustee Nichting inquired to any other funds' annual performance currently managed under Marquette Associates. Trustees Chirico, Schick and Kink all stated that Marquette Associates currently manages the local Article 4 funds they share a Trustee or Executive position with and shared that each of those funds have outperformed their benchmark.

Attorney Weiner called the roll on the motion previously moved by Trustee Schick and seconded by Trustee Kink to select Marquette Associates as the Investment Consultant for FPIF. Motion carried by roll call vote.

AYES: Chairman Sullivan, Trustees Bramwell, Chirico, Hunt, Kink and Schick  
NAYS: Vice Chairman Cole, Trustees Rowitz and Nichting  
ABSENT: None

With six votes in the affirmative and three votes in the negative, the motion passed.

**V. Review and Approval of the Diversity Policy**

Director Atwood presented the proposed Diversity Policy that had previously been approved and submitted by the Investments and Operations Committee. Director Atwood confirmed that the policy has been drafted consistent with the current statute, establishes diversity as a priority, establishes utilization goals for female, minority, disabled and emerging managers and utilization goals for minority, female and disabled brokerage. Director Atwood also informed the Board that him and Chairman Sullivan will be testifying at the Senate Hearing to address

diversity and female and minority utilization amongst pension plans. A motion was made by Trustee Hunt and seconded by Trustee Chirico to adopt the Diversity Policy as prepared.

Vice Chairman Cole confirmed that adoption of the Diversity Policy provides certain goals that the Board can either exceed or not meet and that all investment decisions by the Board are to be made as fiduciaries of the Fund and may not always meet the goals outlined within the diversity policy. Director Atwood and Attorney Holzrichter confirmed that the diversity goals are subordinate to the fiduciary responsibilities of the Board. Motion carried by roll call vote.

AYES: Chairman Sullivan, Vice Chairman Cole, Trustees Hunt, Schick, Bramwell, Kink, Rowitz, Nichting and Chirico

NAYS: None

ABSENT: None

**VI. FPIF 2020 Trustee Election Update from the Elections Clerk**

Mr. Zahn provided an update to the FPIF 2020 Trustee Election including December 1, 2020 being the last date in which to cast a ballot and a summary of the December 4, 2020 FPIF Election Panel meeting to certify the election results. Mr. Zahn informed the Board that Greg Knoll has been elected for the Beneficiary Trustee 2-year term; Herb Roach and Patrick Nichting have been elected to the Executive Trustee 4-year terms and Jeff Rowitz has been elected to the Executive Trustee 2-year Term. Mr. Zahn also informed the Board that the 7-day period for members to submit any challenges to the Election Clerk.

**VII. Other Business**

There was no other business to discuss.

**VIII. Schedule of Upcoming Meetings**

The Board noted the next regular meeting will be held on December 18, 2020 at 9:00 a.m. Chairman Sullivan suggested another regular meeting to be held on January 4, 2020 at 9:00 a.m. to seat the permanent Board of Trustees, there were no objection.

**IX. Public Comment**

There was no public comment.

**X. Adjournment**

A motion was made by Trustee Kink and seconded by Trustee Chirico to adjourn the meeting at 10:01 a.m. Motion carried by roll call vote.

AYES: Chairman Sullivan, Vice Chairman Cole, Trustees Hunt, Schick, Bramwell, Kink, Rowitz, Nichting and Chirico

NAYS: None

ABSENT: None