



FIREFIGHTERS' PENSION INVESTMENT FUND

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

Firefighters' Pension Investment Fund
Board of Trustees

MINUTES OF MEETING

Friday, June 18, 2021
9:00 a.m.

Videoconference:

<https://us02web.zoom.us/j/87454168180?pwd=NXc4VUZPR0YvczE3NIRLWVBNMjRhZz09>

Meeting ID: 874 5416 8180
Password: 380307

Audio Only:

Dial In: 1 (312) 626 6799
Meeting ID: 847 5416 8180

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 9:00 a.m. and noted that in accordance with Executive Orders 2020-07 and 2020-05 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.

Attorney Holzrichter informed the Board that June 18th is now recognized as a Federal Holiday and due to the FPIF Board of Trustee meeting being scheduled in advance of this legislation today's meeting is not in violation of the OMA.

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 Cole, Trustees George Schick, Matthew Kink, Kevin Bramwell, Herb Roach and Gregory Knoll were present, there were no absences.

Also present: Executive Director William Atwood, COO Steve Zahn, CFO David Zaloga, Portfolio Officer Mitchell Green and Member Services Officer Robina Amato, FPIF Staff;

Heather Weiner, Mitch Holzrichter and Michael Scodro, Mayer Brown, LLP; Mike Piotrowski and Doug Oest, Marquette Associates; Craig Goesel, Alliant Insurance Services

III. Approval of the May 28, 2021 Meeting Minutes

The Board reviewed the May 28, 2021 regular meeting minutes. A motion was made by Trustee Schick and seconded by Kink to approve the May 28, 2021 meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach, Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

IV. Report of the Chair

Chairman Sullivan requested, without objection, that Resolution 2021-22 – Approving the Selection of an Actuary; Resolution 2021-27 – Approving the Selection of Certified Investment Asset List Auditors and Resolution 2021-28 – Approving a Contract for Certified Investment Asset List Strategic Advisor Services be postponed for adoption until the next regular meeting. Chairman Sullivan informed the Board that Resolution 2021-26 – Approving an Interim Budget for Fiscal Year 2022 will be considered in place of the previously drafted resolution approving a FY22 budget and headcount.

V. Report of the Executive Director

Executive Director William Atwood informed the Board that FPIF Staff and its retained professionals continue to move forward in the execution of the transition project provided an update to the various meetings with law firms and advocacy groups to keep them apprised of the transition timeline.

VI. Report of the Investments and Operations Committee

Trustee Bramwell informed the Board the Investments and Operations Committee met via teleconference on Wednesday, May 12, 2021 and Wednesday, June 2, 2021 with all Committee members present. The Committee heard a presentation by FPIF Staff and Marquette Associates on the draft Investment Policy and presentations from Passive Investment Managers State Street Global Advisors and Rhumblin Advisors. The Committee also heard presentations from both Gabriel Roeder Smith and Company and Foster and Foster as Actuary RFP finalists. The Committee requested FPIF Staff and Marquette Associates provide an updated investment asset allocation to reflect an increase to equities for consideration.

Resolution 2021-20 – Approval of FPIF Investment Policy: Mr. Green reviewed the proposed Investment Policy to the Board which included an interim asset allocation as follows: 65% total equity; 30% total fixed income and 5% total real assets. The long-term asset allocation includes 60% total equity; 30 total fixed income and 10% real assets.

Vice Chairman noted that adoption of the Investment Policy statement by the FPIF Board of Trustees does not confirm adoption of a 6.75% assumed rate of return as mentioned in the presentation of the Investment Policy. Further, the FPIF Board of Trustees has the ability to adopt a different assumed rate of return at a later date if necessary.

A motion was made by Trustee Bramwell and seconded by Trustee Schick to approve the FPIF Investment Policy as presented. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

Resolution 2021-21 – Approval of Passive Investment Managers: Mr. Green provided a summary of the RFP process for Passive Investment Managers with additional detail on RFP semi-finalists State Street Global Advisors and Rhumblin Advisors. A motion was made by Trustee Schick and seconded by Trustee Bramwell to approve Resolution 2021-21 – Approval of Passive Investment Managers with all US equity being managed by Rhumblin Advisors and the remainder be managed by State Street Global Advisors. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

Resolution 2021-22 – Approval of Actuary: Consideration of Resolution 2021-22 was postponed for the next scheduled meeting.

Resolution 2021-23 – Approval of Amendment to Rule 2021-02 Transfer of Assets: The Board reviewed the amendment to FPIF Rule 2021-02 Transfer of Assets to provide for the delivery of written notice of transfer dates, the determination of the transition order and the determination transferable and non-transferable asset lists. A motion was made by Trustee Bramwell and seconded by Trustee Schick to approve Resolution 2021-23 – Approving an Amendment to the Transfer of Assets Rule. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

Resolution 2021-24 – Approval of Amendment to the Cash Management Policy: Mr. Zahn reviewed the amendment to the FPIF Cash Management Policy that provides account representatives for each participating pension fund will consist of the designated Authorized Agents and the Treasurer and the participating pension fund will be allowed to appoint an additional representative who is not a voting member of the participating pension fund. A motion was made by Trustee Bramwell and seconded by Trustee Schick approve Resolution 2021-24 Approving an Amendment to the Cash Management Policy. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

Resolution 2021-25 – Approval of Rule 2021-04 Calculation of Net Asset Value and Allocation of Cost: The Board reviewed the draft FPIF Rule 2021-04 Calculation of Net Asset Value and

Allocation of Costs that was reviewed and previously approved by the FPIF Investments and Operations Committee. A motion was made by Trustee Bramwell and seconded by Trustee Schick to approve Resolution 2021-25 Approving a Calculation of Net Asset Value and Allocation of Costs. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan
NAYS: None
ABSENT: None

VII. Report of the Audit & Compliance Committee

Trustee Kink presented a summary of the Audit and Compliance Committee meeting held on June 2, 2021 including a review of the current FPIF financial forecast and draft FY2022 budget by CFO David Zaloga. The Committee reviewed the financial statements for March and April 2021, received a transition update from Courtney Murray with Ernst and Young including progress on the Certified Investment Asset List RFP and a presentation from Craig Goesel with Alliant for the renewal of the FPIF D&O Insurance.

Resolution 2021-26 – Approval of FY22 Budget and Headcount: Consideration of this resolution is postponed until the next regular meeting. The Board will consider a replacement Resolution 2021-26.

Resolution 2021-26 – Approving and Interim Budget for Fiscal Year 2022. The Board reviewed Resolution 2021-26 that allows for the FY 2021 budget to continue in effect until a FY 2022 budget is adopted at a subsequent meeting. A motion was made by Trustee Kink and seconded by Trustee Knoll to approve Resolution 2021-26 – Approving an Interim Budget for Fiscal Year 2022. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan
NAYS: None
ABSENT: None

Resolution 2021-27 – Approval of Certified Investment Asset List Auditors: Consideration of Resolution 2021-27 is postponed for the next scheduled meeting.

Resolution 2021-28 – Approval of Certified Investment Asset List Auditor and Strategic Advisor: Consideration of Resolution 2021-28 is postponed for the next scheduled meeting.

Resolution 2021-29 – Approval of D&O Insurance: Mr. Craig Goesel presented a firm overview and renewal term options to the Board and reviewed all policy premiums.

Trustee Knoll asked a series of questions related to limits of liability, defense council selection and defense costs. Mr. Goesel answered all questions.

Vice Chairman Cole made a distinction that the Firefighters' Pension Investment Fund and the FPIF Board of Trustees do not administer benefit payments, therefore the likelihood for that category of litigation is significantly reduced.

A motion was made by Vice Chairman Cole and seconded by Trustee Roach to approve Resolution 2021-29 Approving the Renewal of D&O Insurance Contract as presented in option #3 in Mr. Goesel’s materials. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

VIII. Resolution 2021-30 – Appointment of Elections Panel

Chairman Sullivan reviewed the resolution appointing Pay Devaney as beneficiary member, Steve Shetsky as active member and Patrick Hayes as employer representative to the FPIF Elections Panel. A motion was made by Vice Chairman Cole and seconded by Trustee Kink to approve Resolution 2021-30 Appointing the Election Panel as stated. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

IX. Resolution 2021-31 – Approval of Wintrust Authorized Signatories

Chairman Sullivan reviewed the resolution designating Chairman Sullivan, Vice Chairman Cole, Trustee Knoll as Treasurer of the Board, Director William Atwood and CFO David Zaloga as authorized signers on the Wintrust Bank account. A motion was made by Trustee Schick and seconded by Trustee Roach to approve Resolution 2021-31 Authorizing Banking Signatories as prepared. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

X. Resolution 2021-32 – Approval of Northern Trust Authorized Signatories

Chairman Sullivan reviewed the resolution designating Chairman Sullivan, Vice Chairman Cole, Trustee Knoll as Treasurer of the Board, Director William Atwood and CFO David Zaloga as authorized signers for The Northern Trust Company. A motion was made by Trustee Schick and seconded by Trustee Bramwell to approve Resolution 2021-32 Designating Public Depository and Authorizing Withdrawal of Moneys. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

XI. Resolution 2021-33 – Authorization for Staff to Retain Existing Article 4 Investment Providers

Director Atwood summarized Resolution 2021-33 which authorizes, on a case-by-case basis, the Executive Director to maintain assets with incumbent investment managers currently retained by participating pension funds.

Vice Chairman Cole inquired to the maximum cost associated with maintaining incumbent investment managers. Director Atwood clarified that while there is no anticipated maximum cost identified in the policy, all contracts with incumbent investment managers would be brought before the FPIF Investments and Operations Committee and the FPIF Board of Trustees for consideration and approval.

A motion was made by Trustee Kink and seconded by Trustee Knoll to approve Resolution 2021-33 Authorizing Staff to Retain Existing Article 4 Investment Providers.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

XII. Closed Session

5 ILCS 120/2(c)(11) – Pending Litigation and 5 ILCS 120/2(c)(1) Matters of Personnel: Chairman Sullivan noted the Board will meet in closed session to review pending litigation and matters of FPIF personnel. A motion was made by Trustee Bramwell and seconded by Trustee Schick to enter executive session at 10:07 a.m. pursuant to section 5 ILCS 120/2(c)(11) and 2(c)(1) of the Illinois Open Meetings Act. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

The Board reconvened open session at 10:37 a.m.; Attorney Wiener called the roll to establish a quorum was present.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

XIII. Resolution 2021-34 – Approval of Amendment to Executive Director’s Employment Agreement

Chairman Sullivan reviewed Resolution 2021-34 Authorizing an Amendment to the Executive Director’s Employment Agreement granting access to benefits that had previously been waived. A motion was made by Vice Chairman Cole and seconded by Trustee Schick to approve Resolution 2021-34 – Approval of Amendment to Executive Director’s Employment Agreement. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None

XIV. Other Business

Trustee Schick requested that FPIF Staff and Marquette Associates provide all Article 4 participating pension funds information on how quarterly investment performance reporting will be distributed and the timing in which participating pension funds may receive such reporting. Mr. Zahn informed the Board and all members of the Public that performance

reporting will be published on the FPIF website for review and FPIF Staff will keep the FPIF Board and participating pension boards informed on all further details as they become available.

Trustee Schick also inquired to any class action lawsuits that participating pension funds have the ability to participate in with current or prior investments. Mr. Zahn informed the Board and all members of the Public that a questionnaire prepared by The Northern Trust Company will begin identifying any member fund that fit this criteria. FPIF Staff will continue to work with Northern Trust to create a process to catalog and follow up with participating pension funds that have identified assets subject to litigation.

XV. Public Comment

There was no public comment.

XVI. Adjournment

A motion was made by Trustee Cole and seconded by Trustee Roach to adjourn the meeting at 10:44 a.m. Motion carried by roll call vote.

AYES: Trustees Schick, Bramwell, Kink, Roach and Knoll, Vice Chairman Cole and Chairman Sullivan

NAYS: None

ABSENT: None