



FIREFIGHTERS' PENSION INVESTMENT FUND
1919 S. HIGHLAND AVE. • BUILDING A, SUITE 237 • LOMBARD, IL 60148

**MINUTES OF A REGULAR MEETING OF THE
FIREFIGHTERS' PENSION INVESTMENT FUND
AUDIT & COMPLIANCE COMMITTEE
JUNE 7, 2022**

A regular meeting of the Firefighters' Pension Investment Fund of Illinois Audit and Compliance Committee was held on Tuesday, June 7, 2022 at 2:00 p.m. at the FPIF Headquarters located at 1919 S. Highland Avenue – Building A, Suite 237, Lombard, Illinois 60148 and via videoconference in accordance with Section 7(e) of the Illinois Open Meetings Act, pursuant to notice.

I. Call to Order

Chairman Kink called the meeting to order at 2:00 p.m.

II. Taking of the Roll

Robina Amato took the roll. Trustees Greg Knoll, Tom Dailly and Chairman Matthew Kink were present; there were no absences.

Also present: Executive Director William Atwood, CFO David Zaloga, COO Steve Zahn, Portfolio Officer Mitchell Green, Member Services Officer Robina Amato, Trustee George Schick and John Perry and Herb Roach, FPIF Staff/Board of Trustees; Courtney Murray, Ernst & Young; Bruno Amici and Craig Goesel, Alliant Insurance Services, Inc.

III. Approval of the April 25, 2022 and April 28, 2022 Meeting Minutes

The Committee reviewed the April 25, 2022 and April 28, 2022 audit and compliance committee meeting minutes. A motion was made by Trustee Knoll and seconded by Trustee Dailly to approve the April 25, 2022 and April 28, 2022 meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink

NAYS: None

ABSENT: None

IV. Consideration and Possible Action – FPIF March 2022 Financial Statements

Mr. Zaloga presented the March 31, 2022 Monthly Financial Reports to the Committee. Mr. Zaloga reviewed the statement of net position for March 31, 2022 showing an end of period position of \$6,887,301,511, the nine-month expense report as of March 31, 2022 totaling \$1,929,905 and the Vendor Check Report for the period March 1, 2022 through March 31, 2022 for a total disbursement of \$117,746.78. A motion was made by Trustee Dailly and seconded by Trustee Knoll to accept the March 2022 financial statements as presented. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink

NAYS: None

ABSENT: None

V. Consideration and Possible Action – FPIF FY23 Budget

Mr. Zaloga presented a preliminary FY23 budget for review to the Committee and reviewed the individual budget amounts in comparison to previous budget years for total personnel, professional services, operating expenses and investment managements fees. A final version of the budget will be presented at the June 17, 2022 FPIF Board meeting for approval.

VI. Consideration and Approval – Actuarial Return Assumption for Pension Funds without Investment Assets

Jason Franken presented a memo to the Committee describing the process in which Foster and Foster worked with Marquette Associates and utilized data from Horizon Actuarial Services to determine an assumed rate of return of 1.9% for Article 4 funds that hold only cash and cash equivalents. At such a time the funds transfer cash to FPIF for investment, the previously adopted assumed rate of return for all participating pension funds would then apply. A motion was made by Trustee Knoll and seconded by Trustee Dailly to approve for recommendation to the FPIF Board of Trustees an assumed rate of return of 1.9% for Article 4 funds without investment assets. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink
NAYS: None
ABSENT: None

VII. Consideration and Approval – D&O Insurance

Craig Goesel reviewed the current D&O Insurance with the Committee and presented four new renewal options. Renewal options included increases to fiduciary liability and cyber liability. A motion was made by Trustee Dailly and seconded by Trustee Knoll to approve and recommend renewal option #4 for an annual premium of \$83,956. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink
NAYS: None
ABSENT: None

VIII. Ernst & Young Presentation on Statements of Work

Courtney Murray presented a summary of Statements of Work 1 through 5 for the Committee and highlighted FPIF Key accomplishments, deliverables and costs associated with each Statement of Work. David Zaloga presented an amendment to Statement of Work #5 which includes a project extension and amendment to the scope to include a risk and control self-assessment for a total cost of \$174,715. A motion was made by Trustee Knoll and seconded by Trustee Dailly to approve the amendment to Statement of Work #5 as presented. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink
NAYS: None
ABSENT: None

IX. Article 4 Auditor Update

David Zaloga provided an update to the Committee on all informational meetings held with the Illinois Department of Insurance to gain information related to the audit of Article 4 funds post transition and noted that FPIF will develop an RFP for the selection of an audit firm to prepare the required audit work. Further updates will be provided as they become available.

X. Other Business

The Committee noted the next regular meeting of the Audit and Compliance Committee will be held on August 25, 2022 at 1:00 p.m.

XI. Public Comment

There was no Public Comment.

XII. Adjournment

A motion was made by Trustee Dailly and seconded by Trustee Knoll to adjourn the meeting at 3:29 p.m. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink

NAYS: None

ABSENT: None