



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
NOVEMBER 12, 2021**

A regular meeting of the Firefighters' Pension Investment Fund of Illinois Audit and Compliance Committee was held on Friday, November 12, 2021 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 Kink called the meeting to order at 10:00 a.m.

II. Taking of the Roll

Robina Amato took the roll. Chairman Matt Kink, and Trustees Greg Knoll and Tom Dailly 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, Chairman Chuck Sullivan, Trustees Kevin Bramwell, Herb Roach and John Perry, FPIF Staff/Board of Trustees; Jason Franken and Heidi Andorfer, Foster and Foster

III. Approval of the October 8, 2021

The Committee reviewed the October 8, 2021 audit and compliance committee meeting minutes. A motion was made by Trustee Knoll and seconded by Trustee Dailly to approve the October 8, 2021 meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink

NAYS: None

ABSENT: None

IV. Consideration and Approval – FPIF Financial Statements

Mr. Zaloga presented the September 30, 2021 Monthly Financial Reports to the Committee. Mr. Zaloga reviewed the statement of net position for September 30, 2021 showing a negative position of (\$2,795,071.03), the three-month expense report as of September 30, 2021 totaling \$289,578.35 and the Vendor Check Report for the period September 1, 2021 through September 30, 2021 for a total disbursement of \$3,345.77. A motion was made by Trustee Dailly and seconded by Trustee Knoll to accept the September 30, 2021 Monthly Financial Report as presented. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink

NAYS: None

ABSENT: None

V. FY2022 FPIF Budget Discussion

Mr. Zaloga reviewed proposed budget amendments to the legal, audit consulting, custody and postage fees for FY2022. All proposed amendments total an addition of \$195,200 between the Professional Services and Operations categories.

Trustee Knoll commented on legal fee adjustments accounting for a majority of the proposed budgets; while Director Atwood provided explanation to legal fees FPIF is responsible for regarding pending litigation and what expenses are mitigated with the Attorney General providing primary legal counsel.

VI. FPIF Policies

Attorney Weiner discussed consolidating all existing policies and by-laws of the Firefighters' Pension Investment Fund to ensure all future updates are consistent across all policies to remain in compliance. Further updates will be provided to the Committee and the Board of Trustees as they become available.

VII. Update on FY 2021 FPIF Audit

Mr. Zaloga provided an update to the current FY2021 external audit being conducted by Sikich. FPIF Staff is currently reviewing the first draft of the financial audit; there have been no audit adjustments recommended and no internal control deficiencies. The annual financial report and management letter will be scheduled for presentation during the Board meeting on December 13, 2021.

VIII. Presentation of the Investment Return Assumption – Foster and Foster

Heidi Andorfer provided explanation to the Committee on the experience study that will be conducted by Foster and Foster. Mrs. Andorfer reviewed the Actuarial Standards of Practice and provided examples of several ASOPs that apply to pension valuations. Mr. Franken presented methodology and current trends for determining investment return assumptions. A draft experience study is scheduled for review at the next regularly scheduled Audit and Compliance Committee meeting.

IX. Schedule of Upcoming Meetings

The Committee noted the next meeting of the Audit and Compliance Committee will be held on December 3, 2021 at 9:00 a.m.

X. Public Comment

Mr. Zahn read a public comment submitted by Larry Stanley, Board Trustee with the Buffalo Grove Firefighters' Pension Fund requesting an expense ratio of assets divided by all expenses associated with the Fund. Mr. Zahn confirmed that this request will be answered directly by FPIF Staff.

Michael Mounts, Board Trustee with the Lake Forest Firefighters' Pension Fund inquired on the ability for municipalities to make contributions according to the current local funding policy in place after actuarial statements are provided by FPIF as required by statute.

XI. Adjournment

A motion was made by Trustee Knoll and seconded by Trustee Dailly to adjourn the meeting at 11:45 a.m. Motion carried by roll call vote.

AYES: Trustees Knoll, Dailly and Chairman Kink

NAYS: None

ABSENT: None