



FIREFIGHTERS' PENSION INVESTMENT FUND

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**MINUTES OF A REGULAR MEETING OF THE
FIREFIGHTERS' PENSION INVESTMENT FUND
INVESTMENTS AND OPERATIONS COMMITTEE
FEBRUARY 3, 2023**

A regular meeting of the Firefighters' Pension Investment Fund of Illinois Investments and Operations Committee was held on Friday, February 3, 2023 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 Section 7(e) of the Illinois Open Meetings Act, pursuant to notice.

I. Call to Order

Chairperson Roach called the meeting to order at 10:00 a.m.

II. Taking of the Roll

Robina Amato took the roll. Trustees Kevin Bramwell, Jason Skilondz and Chairperson Herb Roach were all present; there were no absences.

Also present: Executive Director William Atwood, Portfolio Officer Mitchell Green, Chief Operating Officer Steve Zahn, Member Services Officer Robina Amato, Trustee Greg Knoll and Douglas Krieger, FPIF Staff/Board of Trustees; Mike Piotrowski and Doug Oest, Marquette Associates

III. Approval of the January 18, 2023 Meeting Minutes

The Committee reviewed the January 18, 2023 meeting minutes. A motion was made by Trustee Bramwell and seconded by Trustee Skilondz to approve the January 18, 2023 meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Bramwell, Skilondz and Chairperson Roach

NAYS: None

ABSENT: None

IV. Report of the Portfolio Officer

Mr. Green noted during the month of December the portfolio fell 2.6% largely driven by decline in US equities. Mr. Green provided further insight to fixed income and real estate performance, rate increases, inflation, unemployment and wage rates.

Mr. Green also provided an update on the upcoming transition to Brown Brothers Harriman, Garcia Hamilton, and the 1-3 year treasury index. Russell Investments has been selected as the transition manager with the most competitive cost proposal and expertise in transitions of this size. Mr. Green noted that the Staff successfully negotiated a \$92,000 reduction in commissions paid for the transition.

V. Performance Report – Marquette Associates

Monthly Performance Report as of December 31, 2022 – Mr. Piotrowski presented the December 31, 2022 monthly performance report to the Committee. As of December 31, 2022, the FPIF's assets were invested in: 29.8% fixed income, 64.2% equities, and 5% real estate. The total market

value as of December 31, 2022 was \$7,213,321,713 with a one-month return of -2.6% versus the policy benchmark of -2.6%. Mr. Piotrowski provided a brief market update and answered all questions.

VI. Update on Private Markets Consultant RFP Process

Portfolio Officer Mitchell Green informed the Committee that the Staff would issue an RFP for private markets investment consulting and discretionary advisory services. Mr. Green explained that the Staff would work with the non-discretionary consultant to retain large and mega buyout funds, large growth funds, sponsor-backed direct lending funds, core real estate funds, and core infrastructure funds. He further explained that higher risk/return segments of each asset class would fall under the OCIO mandates. Mr. Green presented the RFP timeline, which includes a recommendation for an investment consultant at FPIF's May Board meeting and recommendations for approximately three discretionary OCIO advisors at FPIF's August Board meeting. Chairman Roach asked for the pros and cons of three OCIO relationships versus more or less. Mr. Green responded that the number of OCIO mandates would be minimized and that the mandates would be broad enough to ensure that FPIF constructs a comprehensive private markets program. Mr. Green further explained the benefits of working with specialist firms.

Director Atwood provided a memo to the Committee describing the process to select Investment Advisors and provided details to the preparation and issuance of an RFP, initial review of proposals, qualitative screening, selection of finalists, recommendation to the Committee, consideration by the Board of Trustees, and contracting. Director Atwood acknowledged direction received from the Committee Chairman for the staff to reach a consensus on its recommendation and stated that the staff would strive to reach a consensus.

Lastly, Mr. Green reviewed the specific criteria that would be used to screen and evaluate proposals. Mike Piotrowski of Marquette Associates stated that the biggest difference between the Private Markets Consultant RFP and FPIF's prior RFPs was that Marquette would not be an evaluator in the Private Markets Consultant RFP process and that staff would perform the RFP process independently. Trustee Knoll requested the approximate number of responses expected. Mr. Green indicated he expected under 15 non-discretionary proposals approximately 30 non-discretionary proposals. A motion was made by Trustee Skilondz and seconded by Trustee Bramwell to accept the Private Markets Consultant RFP process as presented. Motion carried by roll call vote.

AYES: Trustees Bramwell, Skilondz and Chairperson Roach
NAYS: None
ABSENT: None

VII. Consideration and Approval – Amendments to the Agency Directives Manual

Mr. Zahn apprised the Committee that the current FPIF Agency Directives Manual has been reviewed and amendments are recommended to several sections including Holidays, tuition reimbursement, payroll deductions, bereavement leave, insurance, retirement, workers' compensation, and maternity and family leave. A copy of the Agency Directives Manual was provided with all revisions included. A motion was made by Trustee Skilondz and seconded by Trustee Bramwell to approve and recommend to the Board of Trustees the amendments to the Agency Directives Manual as presented and to amend the title of the policy to the Employee Personnel Manual. Motion carried by roll call vote.

AYES: Trustees Bramwell, Skilondz and Chairperson Roach
NAYS: None
ABSENT: None

VIII. Update on Non-Transferable Assets

Mr. Zahn provided an updated memo on non-transferable assets currently being monitored by FPIF. The information provided was collected from 171 participating pension funds that have transitioned investments assets to FPIF, began a new fiscal year post transition and have filed an annual report with the IDOI. Of the total assets held for these funds 92.85% are invested with FPIF, 4.34% is held in cash, 2.7% is invested in GICs or annuities and 0.11% is invested in CDs or other non-transferable investments. All questions were answered by Mr. Zahn.

IX. Other Business

Chairperson Roach noted the next scheduled meeting of the Investments and Operations Committee will be held on April 25, 2023 at 10:00 a.m.

X. Public Comment

There was no request for public comment.

XI. Adjournment

A motion was made by Trustee Bramwell and seconded by Trustee Skilondz to adjourn the meeting at 10:54 a.m. Motion carried by roll call vote.

AYES: Trustees Bramwell, Skilondz and Chairperson Roach

NAYS: None

ABSENT: None