



Firefighters' Pension Investment Fund Board of Trustees

MINUTES OF MEETING

Monday, March 30, 2020
9:00 A.M.

Double Tree by Hilton Hotel
Rosewood Room
3003 Corporate West Drive
Lisle, Illinois 60532

Teleconference:

844-992-4726 or 408-418-9388
Meeting ID: 969 723 523

WebEx:

Go to: <https://mb.webex.com>
Meeting ID: 969 723 523
Password: g4NPMd6KtJ8

I. Call to Order

Chairperson Chuck Sullivan called the meeting to order at 9:00 AM. He stated that notice and an agenda of the meeting of the Board of Trustees (the "Board") of the Firefighters' Pension Investment Fund (the "Fund") had been duly posted. He further noted that in accordance with Executive Orders 2020-07 and 2020-10 issued by Governor Pritzker, and further guidance issued by the Illinois Attorney General's Office, the meeting would be conducted via teleconference and WebEx, 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 in Item 12 of the Agenda.

II. Taking of the Roll

At the request of the Chairperson, the Board's counsel, Mitch Holzrichter of Mayer Brown LLP, acted as clerk for the meeting and took the roll of Trustees in attendance. Trustees Kevin Bramwell, Steve Chirico, Brad Cole, Russ Hunt, Matthew Kink, Patrick Nichting, Jeff Rowitz, George Schick, and Chuck Sullivan were present in person.

Mr. Holzrichter announced that a quorum of Trustees was present.

III. Approval of February 28, 2020 Minutes

The Chairperson presented the minutes of the meeting of the Board held on February 28, 2020. The Chairperson asked for any edits, additions, or corrections to the minutes; no changes were suggested.



Trustee Chirico moved to approve the minutes of the meeting of the Board held on February 28, 2020, as presented. The motion was seconded by Trustee Bramwell. The motion passed unanimously by voice vote.

IV. Report of the Chairperson

Chairperson Sullivan reported that since the Board met in February, our world and our communities have been confronted with a historic pandemic that has required the State and the Board to adapt. He commended Governor Pritzker's leadership and ability to make fast, prudent decisions. The Chairperson described that the Governor issued EO 2020-07, which among other things suspended some sections of the Open Meetings Act and directed public bodies, such as the Board, to meet remotely if necessary. He further described that the Board consulted with counsel to ensure the meeting was being held in conformance with all relevant statutes, the Executive Order, and best practices. He described the Board's plan to post information on its website.

The Chairperson cited that the global pandemic does not mitigate the Board's statutory and fiduciary responsibilities, so the Board will continue with its work to the best of its ability. Finally, he recognized the Fund's participants, and thanked the firefighters across the State on the front lines serving the victims of this disease.

V. Resolution 2020-01 to Approve Employment Agreement with Executive Director

Vice Chairperson Cole recommended that the Board approve the employment of William Atwood as Executive Director. An employment agreement was provided to the Board and posted for public inspection. It is effective March 2, 2020 and details the responsibilities of the position. Vice Chairperson Cole described that, in addition to serving as Executive Director, the position will act as Chief Executive Officer and Chief Investment Officer. He also noted that the Board has been provided with a copy of the proposed employment agreement. Vice Chairperson Cole moved that the Board approve the employment agreement with Mr. Atwood, as Executive Director of the Fund, as presented (Resolution 2020-01). The motion was seconded by Trustee Chirico.

A roll call vote was taken: Trustees Bramwell, Chirico, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; and the motion passed.

VI. Resolution 2020-02 to Approve By-Laws

Executive Director Atwood presented the proposed Bylaws. He described that the Bylaws create two committees and four officers and address statutory requirements particular to the Board's authorizing statute, including certain voting requirements. He suggested that at the next meeting, the Board elect a Secretary and a Treasurer. Trustee Kink moved that the Bylaws be adopted as presented (Resolution 2020-02). The motion was seconded by Trustee Rowitz.

A roll call vote was taken: Trustees Bramwell, Chirico, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; and the motion passed.

VII. Resolution 2020-03 to Appoint Committees

Executive Director Atwood described that under the Bylaws, committee members are recommended by the Chairperson and appointed by the Board. The Chairperson recommended



the following appointments to the Audit and Compliance Committee: Trustees Hunt, Kink, and Rowitz; and the following appointments to the Elections Committee: Trustees Bramwell, Nichting, and Schick.

Trustee Chirico moved to approve the committee appointments as presented (Resolution 2020-03). The motion was seconded by Trustee Bramwell.

A roll call vote was taken: Trustees Bramwell, Chirico, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; and the motion passed.

The Chairperson recommended that the committees begin work as soon as possible.

VIII. Resolution 2020-04 to Adopt Fiscal Year 2020 Budget

Executive Director Atwood presented the Fiscal Year 2020 budget for approval by the Board. The amount proposed for this fiscal year is about \$383,000. He described the management approach used in developing the budget and the need to ramp up operations quickly. He described the proposed senior hires in order to move forward to prudently transfer assets in compliance with applicable standards. He also described the need for near-term legal and operational professional services and insurance for the Board.

Vice Chairperson Cole noted that the Fund's fiscal year will be from July 1 through June 30 of each year, and the proposed budget therefore ends June 30, 2020. He further noted that the budget for certain items are without formal proposals from vendors and service providers, and the numbers may therefore change. The intent is to authorize up to the amount recommended, and with the understanding that certain numbers are tentative and amounts that change will come back to the Board for further consideration. He noted that later in the meeting the Board would be considering a loan agreement with the Illinois Finance Authority to fund the expenditures authorized by the budget. For subsequent budgets, the Board will need to consider draw down authority of funds. Vice Chairperson Cole moved to approve the Fiscal Year 2020 budget as presented in the amount of \$383,385 (Resolution 2020-04). The motion was seconded by Trustee Chirico.

The Chairperson called for further discussion of the budget. Trustee Rowitz expressed appreciation for the comments made, and concern over the staffing being budgeted for before the Board has reviewed job descriptions. He also recommended that the Board consider outsourcing work instead of staffing in the beginning. Executive Director Atwood assured the Board that job descriptions would be brought for Board approval before any positions are filled. He also noted that outsourcing of certain functions is a good idea, and that leveraging technology will be needed. He described that the task ahead of the Board is new as they attempt to transfer 280 individual funds to their portfolio in line with GASB best practices and no margin for error. His intent is to recruit individuals that would not require a learning curve.

Trustee Rowitz also asked for further description of the legislative and operations services provided for. Executive Director Atwood described the desire to ramp up and develop capacity quickly by entering into a contract with a provider of certain services to draft the legislation, staff the elections committee, set up training programs, develop a communications plan, and prepare trailer legislation. Vice Chairperson Cole clarified that it is not the intent of the Board to hire a lobbyist or engage a lobbying firm at this time.



A roll call vote was taken: Trustees Bramwell, Chirico, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; and the motion passed.

IX. Resolution 2020-05 to Authorize Loan Agreement with IFA

Executive Director Atwood presented the resolution to authorize a loan agreement with the Illinois Finance Authority ("IFA") (Resolution 2020-05). The topic was discussed at the Board's first meeting, when the IFA circulated a draft term sheet that would authorize a loan of \$7,500,000. Since then, the world has changed, and he has been in contact with the IFA to adjust those terms. In particular, the minimum interest rate was reduced from 3.0% to 1.5%, reflecting the significant reduction in the Federal Funds Rate since February. The loan period statutorily ends in 2022 or when the Fund is successful in transferring assets.

He noted that the Board can also consider private lenders. After being in contact with at least one private lender and summarizing the terms of the transaction, the lender declined to submit a proposal. These terms appear to at market or below market.

Trustee Nichting inquired whether the funds can be drawn over time, and Mr. Atwood confirmed that they are currently contemplating monthly draws, based on the budget. Trustee Nichting did not see any interest or draws reflected in the budget that was passed. Mr. Atwood indicated that capitalized interest would be reflected in budgets going forward.

Trustee Rowitz expressed concern with voting for an agreement that the Board has not yet seen. Executive Director Atwood clarified that the resolution before the Board authorizes the Executive Director to enter into the agreement on behalf of the Board in consultation with counsel. The Board is represented by Reinhart law firm on this transaction, and the attorneys are working on certain details. Mr. Atwood stated he will only sign if the attorneys advise that the agreement is in line with this resolution. The Chairperson stated that he is comfortable authorizing the Executive Director to enter into the agreement.

Trustee Nichting moved to approve the resolution as presented (Resolution 2020-05). The motion was seconded by Trustee Chirico.

A roll call vote was taken: Trustees Bramwell, Chirico, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; and the motion passed.

After the vote, Chairperson Sullivan reminded the Board that all Trustees will receive a copy of the Loan Agreement when it is finalized and executed.

X. Resolution 2020-06 to Authorize Bank Accounts

Executive Director Atwood presented the resolution authorizing a bank account with Wintrust Bank. The authorized signatories are Executive Director Atwood, the Chairperson, the Vice Chairperson, Trustee Hunt, and Trustee Rowitz. Trustee Bramwell moved to approve the resolution as presented (Resolution 2020-06). The motion was seconded by Trustee Rowitz.

A roll call vote was taken: Trustees Bramwell, Chirico, Cole, Hunt, Kink, Nichting, Rowitz, Schick, and Sullivan voted in favor; none voted against; and the motion passed.



XI. Other Business

No other business was brought before the Board.

XII. Schedule of Upcoming Meetings

The next meeting of the Board will be held on Monday, April 20, 2020, at 9:00 a.m., to be conducted in the same way this meeting was conducted in light of the ongoing pandemic.

Chairperson Sullivan expressed appreciation for all that Executive Director Atwood has done for the Board to date.

XIII. Public Comment

There was no comment from the public.

XIV. Adjournment

Vice Chairperson Cole moved to adjourn the meeting. The motion was seconded by Trustee Rowitz. The motion passed unanimously by voice vote, and the meeting was adjourned at 9:47 AM.