

Firefighters' Pension Investment Fund

Overview

David Zaloga, CPA, MBA
Chief Financial Officer

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FIREFIGHTERS' PENSION INVESTMENT FUND



Illinois Pension Fund Consolidation Task Force

Report issued October 10, 2019

- Consolidate Article 3 and Article 4 Investment Assets into two new Investment Boards
- Improve Returns
- Reduce Costs

SB1300 introduced during the Fall Veto Session



Public Act 101-610

- Signed into law December 18, 2019, Effective January 1, 2020
- Interim Board Appointed by the Governor on January 31, 2020

Chuck Sullivan, Chair

Brad Cole, Vice Chair

Kevin Bramwell

Steve Chirico

Russ Hunt

Mathew Kink

Patrick Nichting

Jeff Rowitz

George Schick



Critical Functions Through the Transition Period

- Elect a Permanent Board
- Transfer Consolidated Pension Assets into FPIF Portfolio
- Provide Statutorily Required Training
- Communicate With Local Pension Funds, Municipalities, and Stakeholders



Key Dates

- Investments
 - June 30, 2022
 - Statutory deadline for transference of local fire fund assets into the FPIF portfolio
- Operations
 - December 31, 2020
 - Statutory deadline for the election of the permanent Board of Trustees



Staff

William Atwood, Executive Director

Steve Zahn, Chief Operating Officer

David Zaloga, Chief Financial Officer

Mitchell Green, Portfolio Officer



Transition Summary Timeline

ALL TASKS AND DATES BELOW ARE TENTATIVE AND WILL CHANGE AS THE PROJECT EVOLVES

- Q3 and Q4 of 2020

- Issue RFP's for Investment Consultant, Accounting/Audit Consultant, Custodian, CPA Firm for Certified Asset Lists and Transition Manager
- Retention of Investment and Accounting/Audit Consultants
- Complete Election of Permanent Board
- Certify and Seat Permanent Board

- Q1 of 2021

- Adoption of Asset Consolidation Rules
- Retention of Custodian, Transition Manager, CPA Firm for Certified Asset Lists and Actuary
- Formal Transmittal of Transfer Date Notices to Local Funds



Transition Summary Timeline (cont.)

ALL TASKS AND DATES BELOW ARE TENTATIVE AND WILL CHANGE AS THE PROJECT EVOLVES

- Q2/ Q3/Q4 of 2021
 - Formal Transmittal of Certified Asset List to Local Funds
 - Transfer of Investment Assets from Local Funds to FPIF
 - Transmittal of Transfer Receipts to Local Funds
 - Adoption of FPIF Actuarial Assumptions and Completion of Actuarial Study

- Q2 2022
 - Statutory End of Transition



Elements for Investments Transition

Required External Services

- External Auditor
 - Perform independent audit of FPIF
 - Q3/Q4 of 2020
 - Sikich
- Investment Consultant
 - Advise FPIF on custodian oversight
 - Develop and implement investment policy
 - Q3/Q4 of 2020



Elements for Investments Transition

- Accounting/Audit Consultant
 - Advise FPIF on development of systems and procedures and best practice
 - Monitor custodian
 - Assist in external audit
 - Q3/Q4 of 2020
- Custodian
 - Transition and hold portfolio assets
 - Interface with constituent pension funds
 - Advise and build systems and procedures
 - Q1 of 2021
- Retention of Actuary
 - Q1 of 2021



Communicate With Local Pension Funds & Stakeholders

- Website
- Email
- Conventional mail
- Group meetings
- One on one contact

Organize and schedule these communications in cooperation with staff, Board, and retained professionals.



Conclusion of Transition

- As Transition concludes FPIF will provide key services for constituent pension funds and communities.
- Audit Services
 - FPIF will retain audit firm to audit all firefighter pension funds on a three-year cycle
 - In cooperation with DOI
- Actuarial Services
 - An actuarial firm will be retained by FPIF to provide actuarial services for the FPIF, as well as for the constituent pension systems
 - In cooperation with DOI

QUESTIONS

FPIF Contact Information

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