

ADDISON FIRE PROTECTION DISTRICT #1
FIREFIGHTER'S PENSION BOARD
10 S. ADDISON ROAD
ADDISON, IL 60101

MINUTES OF MEETING
MAY 14, 2015

The May 14, 2014 meeting of the Addison Fire Protection District #1 Pension Board was called to order at 6:00 p.m. In attendance were: Fire Chief D. Markowski, J. Rice, C. Schlicher, T. Scott, M. Super, Attorney Evan Haim, MB Financial Representatives Spencer Klein and Terese Krafcheck, Derek Flessner from Lauterbach & Amen, LLP., and Ron Bernardi from Bernardi Securities.

APPROVAL OF MINUTES OF THE FEBRUARY 12, 2015 MEETING

M. Super made a motion to approve the minutes of the February 12, 2015 meeting, which was seconded by T. Scott. Upon a roll call vote:

AYES: Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

APPROVAL OF MINUTES OF THE MARCH 10, 2014 MEETING

M. Super made a motion to approve the special meeting minutes of the March 10, 2014 meeting, which was seconded by J. Rice. Upon a roll call vote:

AYES: Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

PUBLIC COMMENTS

None

TREASURER'S REPORT

At the end of March 2015, the Asset Allocation of the composite of the MB managed and the Bernardi brokerage account was 46% equities, 52% fixed income and 2% cash. The market value of the MB managed account was approximately \$28.3 mln and the Bernardi account was approximately \$14.6 mln. For the three months ending March 2015, the MB managed account had total earnings of approximately \$530k. The MB managed portion of the AFPDPP had a gross total return of 1.91% for the first quarter of 2015. These results beat the Blended Index by 21 basis points. Equities were ahead of the benchmark, with a return of 2.45% vs 2.01%.

Fixed income modestly trailed the benchmark, at 1.52% vs 1.76%. Alternatives were ahead of benchmark at 0.48% vs -0.04%. Cash was flat.

M. Super made a motion to approve the Treasurer's Report as presented, which was seconded by Chief D. Markowski. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

M. Super made a motion to approve the Accounts Payable as presented for the month ending 4/30/15 in the amount of \$25,958.54, which was seconded by J. Rice. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

ATTORNEY'S REPORT

Attorney Haim passed out the Legal and Legislative Update Newsletter.

CORRESPONDENCE

- Received a certificate of Continuing Pension Board Education hours for T. Scott.
- Received a resignation letter from Tim Deutschle on March 26, 2015 as a retired member of the Pension Board.
- Received a letter from President Mike Super of the Addison Fire Protection District regarding the appointment of Fire Chief Markowski to the Pension Board.
- Received a breakdown of Recap of Extra Payments made from the District to the Pension Board.
- Received an email from Deputy Chief Scott Walker regarding Transfers to Pension.
- Received a Notice of Public Pension Funds Compliance Fee from the State.

J. Rice made a motion to approve payment in the not-to-exceed amount of \$8,000 for the annual DOI Fee, which was seconded by M. Super. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

OLD BUSINESS

- A. APPROVE TIER II MEMBERSHIP APPLICATIONS FOR LOUIS DIGIOIA AND ERIC BANDEMER**

Chief Markowski made a motion to approve Tier II Membership for Louis DiGioia effective 1/5/15 and Eric Bandemer effective 1/26/15, which was seconded by M. Super. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

NEW BUSINESS

A. JOHN RICE UNCONTESTED SEAT FOR ELECTION TO PENSION BOARD

T. Scott made a motion to certify the election of John Rice for a 3-year term beginning May 1, 2015, which was seconded by M. Super. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

B. RETIREE POSITION ELECTION RESULTS

T. Scott made a motion to certify Trustee Schlicher to complete the term that is up for re-election on the 3rd Monday of April 3, 2016, which was seconded by M. Super. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

C. ELECTION OF BOARD OFFICERS

M. Super made a motion to elect T. Scott as President of the Pension Board, which was seconded by J. Rice. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

M. Super made a motion to elect Chief Don Markowski as Secretary to the Pension Board, which was seconded by C. Schlicher.

M. Super made a motion to appoint Chief Markowski to be the FOIA Officer for the Pension Board, which was seconded by C. Schlicher.

M. Super made a motion to appoint Chief Markowski as the Open Meetings Act Officer (Chief Markowski volunteered to be the Officer), which was seconded by C. Schlicher.

**D. APPROVE NEW THREE YEAR ENGAGEMENT LETTER WITH LAUTERBACH & AMEN
EFFECTIVE 6/1/2015**

Barb of Lauterbach & Amen, LLP gave a presentation on the administrative and secretarial services that their firm provides to Pension Board. Discussion was held and various questions were asked.

Chief Markowski made a motion to renew the engagement letter for a 3-year commitment year ending 5/31/2018 with the annual fees as presented which will also include PSA & Portals, which was seconded by C. Schlicher. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

**E. GREG KIESEWETTER TO REVIEW FIDUCIARY LIABILITY POLICY AND APPROVE RENEWAL
EFFECTIVE 6/1/2015**

Greg Kieseewetter stated that there were no changes in terms of the proposal. The assets went up about 4%, premiums were the same, and he is very comfortable with the underwriter company. Discussion was held and questions were asked.

Chief Markowski made a motion to renew the Fiduciary Liability Policy and Renewal effective 6/1/15 in the not-to-exceed amount of \$9,253.00, which was seconded by M. Super. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

**F. BERNARDI SECURITIES TO DISCUSS CURRENT STANDING AND POSSIBLE FUTURE
DIRECTION WITH INVESTMENT COMMITTEE**

Ron Bernardi of Bernardi Securities passed the portfolio out to the Board and went over the current market overview, portfolio management process, options and foundation built on credit research. They also reviewed the Addison Fire Protection District #1 fixed income sales directive, current investor profile and Statement of Understanding and discussion was held regarding the strategy and the direction going forward.

G. CONSIDER RFP'S FOR INVESTMENT OF PENSION FUND

Attorney Haim stated that this is not necessary however, since you have new members it is not a bad idea to get other quotes. Discussion was held regarding whether to have an RFP for an investor/advisor. Chief Markowski stated that he would like to know who does what and would like to be kept up to date with what is going on.

M. Super made a motion for the Board to issue an RFP for an Investment Advisory for all the funds, which was seconded by C. Schlicher. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

H. ANNUAL FILING OF STATEMENT OF ECONOMIC INTEREST STATEMENTS FOR EACH TRUSTEE

This was handled under Correspondence.

I. DISCUSS CHANGING FUTURE MEETING TIMES FOR REGULAR BUSINESS HOURS

Discussion was held in changing the meeting times to regular business hours. Chief Markowski suggested morning meetings at 9:00 A.M. on the second Wednesday of the month.

Chuck Schlicher made a motion to change the meetings to the second Wednesday of the month for August 12, 2015 and November 11, 2015, which was seconded by M. Super. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

Chuck Schlicher made a motion to appoint the President and Secretary of the Pension Board as the contacts for Bernardi Securities, which was seconded by M. Super. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super
NAYS: None
ABSENT: None. The motion carried.

EXECUTIVE SESSION

None

OTHER BUSINESS AT THE DISCRETION OF THE PRESIDENT

None

ADJOURNMENT

T. Scott made a motion to adjourn the meeting at 8:30 p.m., which was seconded by C. Schlicher. Upon a roll call vote:

AYES: Markowski, Rice, Schlicher, Scott, Super

NAYS: None

ABSENT: None. The motion carried.

Respectfully submitted,

Georgianne Prince

*189 Scott, President
8-12-2015*