

Addison FPD Firefighters' Pension Fund

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Timothy Scott
President

Scott Walker
Secretary

John Rice
Trustee

Michael Super
Trustee

Bernadette LaRocca
Treasurer

ADDISON FPD FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES MINUTES OF A REGULAR MEETING TUESDAY, FEBRUARY 19, 2019 – 9:00 A.M.

A regular meeting of the Addison FPD Firefighters' Pension Fund Board of Trustees was held on **Tuesday, February 19, 2019 at 9:00 a.m.** at the Addison Fire Protection District #1 Headquarters, 10 S. Addison Road, Addison, Illinois, for the purpose of conducting regular business.

CALL TO ORDER: The meeting was called to order by President Scott at 9:00 a.m.

ROLL CALL:

PRESENT: President Timothy Scott, Secretary Scott Walker, Trustees Michael Super and John Rice

ABSENT: None

ALSO PRESENT: Attorney Rick Reimer, Reimer & Dobrovolny, PC; Dave Harrington, Sawyer Falduto Asset Management, LLC; Derek Flessner, Dawn Ratkovich and Allie Rysell, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *Regular Meeting Minutes – November 14, 2018:* The minutes of the November 14, 2018 regular meeting were reviewed by the Board. A motion was made by Trustee Super and seconded by Trustee Rice to approve the minutes from the November 14, 2018 regular meeting as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the February 25, 2009 closed session meeting minutes regarding the disability of Robert D. Burg and the November 4, 2009 closed session meeting minutes regarding the disability of Kim L. Edwards. A motion was made by Trustee Super and seconded by Trustee Scott to approve and release the February 25, 2009 and November 4, 2009 closed session meeting minutes and to destroy the audio recordings from both closed session meetings. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Super and Rice

NAYS: None

ABSENT: None

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC:

Review/Update Investment Policy: The Board reviewed the current Investment Policy Guidelines. No changes are necessary at this time.

Quarterly Investment Performance Report: Mr. Harrington presented the Quarterly Investment Performance Report for the period ending December 31, 2018. As of 12/31/18, the ending market value of the portfolio is \$46,634,621 with an investment return for the quarter of (7.23%) net of fees, underperforming the policy benchmark of (7.18%). The current asset allocation is 52% in Equities, 46.9% in Fixed Income and 1.1% in Cash and Equivalents. The year-to-date investment return is (3.92%) net of fees, underperforming the policy benchmark of (2.94%). Since the inception date of 01/31/16, the investment return is 6.00%, outperforming the policy benchmark of 5.78%. The Cash

Flow and Performance Review, Portfolio Value vs. Cumulative Net Investment Report, Equity Portfolio, Fixed Income Portfolio and Market Commentary were reviewed with the Board. Mr. Harrington noted that the AQR Large Cap Defensive Style Fund and MFS International Growth Fund were added to the portfolio. The Morningstar Category Rankings Report was reviewed with the Board. Mr. Harrington noted that the Bridgeway Ultra Small Company Market Fund has underperformed in the past, but has since improved year-to-date. All questions were answered by Mr. Harrington. A motion was made by Trustee Super and seconded by Trustee Walker to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* Mr. Flessner presented the Monthly Financial Report for the period ending December 31, 2018. As of 12/31/18, the net position held in trust for pension benefits is \$46,643,144.82, with a change in position for the seven-month period of (\$2,215,055.61). The Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal were reviewed with the Board. All questions were answered by Mr. Flessner.

Trustee Walker informed the Board that the District will be contributing the remaining balance due of approximately \$632,000 to the Pension Fund in March to fulfill the Pension Fund's tax levy request of \$2,838,545. The Board discussed the Pension Fund's current funding level percentage. All questions were answered by Trustee Walker and Mr. Flessner.

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period 10/01/18 through 12/31/18, showing total disbursements in the amount of \$167,500.67. A motion was made by Trustee Walker and seconded by Trustee Super to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$166,596.23. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Super and Rice
NAYS: None
ABSENT: None

Additional Bills, if any: There were no additional bills to review at this time.

COMMUNICATIONS OR REPORTS: *Review Lauterbach & Amen, LLP Correspondence – Reciprocity for Daniel R. Midell:* The Board reviewed correspondence from L&A dated January 4, 2019 regarding Daniel R. Midell's reciprocity with the Addison FPD Firefighters' Pension Fund, Berwyn Firefighters' Pension Fund and Cicero Firefighters' Pension Fund. L&A reviewed the breakdown of Firefighter Midell's creditable service and pensionable salary with each Pension Fund and noted that payment has been paid in full with all Pension Funds. L&A reminded the Board that Firefighter Midell submitted payment in full to the Addison FPD Firefighters' Pension Fund on October 17, 2017. No further Board action is needed.

2019 IRS Mileage Rate: The Board noted that as of January 1, 2019, the IRS Mileage Reimbursement Rate has increased 3.5 cents to 58 cents per mile. All Trustees submitting Trustee training reimbursement requests must use the new IRS Mileage Reimbursement Rate.

Statements of Economic Interest: Trustee Walker informed the Board that the List of Filers were submitted prior to the February 1, 2019 due date. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2019.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: There were none at this time.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Status Update – Disability of Joel C. Arnier Jr.:* Attorney Reimer informed the Board that Firefighter Arnier's three independent medical examinations are complete, but he has only received two medical reports to date. Once the third medical report is received, the disability hearing can be scheduled. The Board discussed potential meetings dates to schedule the disability hearing for Joel C. Arnier Jr. All questions were answered by Attorney Reimer. Further discussion will be held at the next regular meeting.

ATTORNEY'S REPORT – REIMER & DOBROVOLNY, PC: *Review/Approve – QILDRO for Jeffrey R. Purtell:* Attorney Reimer noted that the required paperwork has been received regarding the QILDRO concerning Jeffrey R. Purtell. L&A confirmed that the alternate payee is receiving QILDRO payments. No further Board action is needed.

Legal Updates: Attorney Reimer distributed copies of the quarterly *Legal and Legislative Update* newsletter highlighting recent court decisions and pension news. All questions were answered by Attorney Reimer.

OLD BUSINESS: *Trustee Training Update:* The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit all training certificates to L&A for recordkeeping.

Status Update – Purchase of the Retirement Income for Illinois Fire and Police: Pensions, Social Security, and Deferred Compensation Book for Board Trustees: Trustee Scott informed the Board that copies of the "Retirement Income for Illinois Fire and Police: Pensions, Social Security, and Deferred Compensation" book by Daniel W. Ryan were purchased by the District.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2019 Cost of Living Adjustments as calculated by L&A. A motion was made by Trustee Rice and seconded by Trustee Super to approve the 2019 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Super and Rice
NAYS: None
ABSENT: None

Review Trustee Term Expirations and Election Procedures: The Board noted that the vacant retired member term that was held by Charles W. Schlicher is expiring April 30, 2019. L&A will conduct an election on behalf of the Pension Fund for the retired member Trustee position. Further discussion will be held at the next regular meeting.

Trustee Walker noted that Mr. Schlicher's daughter donated \$10,000 to the Illinois Fire Chief's Association Scholarship Fund in his honor. All questions were answered by Trustee Walker.

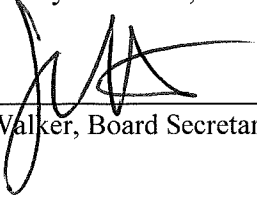
CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Super and seconded by Trustee Scott to adjourn the meeting at 10:56 a.m. Motion carried unanimously by voice vote.

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The next regular meeting of the Addison FPD Firefighters' Pension Fund will be held on **Wednesday, May 15, 2019 at 9:00 a.m.** at the Addison Fire Protection District #1 Headquarters, 10 S. Addison Road, Addison, Illinois.

Respectfully submitted,



Scott Walker, Board Secretary

Date 5-15-19

Minutes prepared by Allie Rysell, Pension Services Administrator, Lauterbach & Amen, LLP