

Addison FPD Firefighters' Pension Fund

10 S. Addison Road, Addison, IL 60101-3870

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PENSION TRUSTEES: Timothy Scott, President • Scott Walker, Secretary • John Rice, Trustee
Michael Super, Trustee • Charles Schlicher, Trustee • Bernadette LaRocca, Treasurer

ADDISON FPD FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES MINUTES OF A REGULAR MEETING WEDNESDAY, MAY 9, 2018 – 10:00 A.M.

A regular meeting of the Addison FPD Firefighters' Pension Fund Board of Trustees was held on Wednesday, May 9, 2018 at 10:00 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 Secretary Walker at 10:02 a.m.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Bernadette LaRocca, Treasurer; Greg Kiesewetter, Cook Castle Associates; Attorney Rick Reimer, Reimer Dobrovolny & Karlson, LLC; Tom Sawyer and John Falduto, Sawyer Falduto Asset Management, LLC; Derek Flessner and Allie Rysell, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

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

Semi-Annual Review of Closed Session Meeting Minutes: The minutes of the November 1, 2016 and November 9, 2016 closed session meetings were reviewed by the Board. A motion was made by Trustee Rice and seconded by Trustee Super to approve and release the November 1, 2016 and November 9, 2016 closed session meeting minutes and audio tapes, subject to the redaction of any attorney-client privilege subject matter based upon the finding they no longer need to remain confidential. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Rice, Super and Schlicher

NAYS: None

ABSENT: None

The Board discussed the process and requirements needed to destroy old audio recordings from disability hearings. All questions were answered by Attorney Reimer. Further discussion will be held at the next regular meeting.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto and Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending March 31, 2018. As of 03/31/18, the ending market value

of the Fund is \$47,433,441 with an investment return for the quarter of (.55%) net of fees, outperforming the policy benchmark of (0.79%). The current portfolio allocation is 56% in Equities, 43.9% in Fixed Income and 0.1% in Cash and Equivalents. Since the inception date of 01/31/16, the investment return is 9.88%, outperforming the policy benchmark of 8.98%. The Cash Flow and Performance Review, Portfolio Value vs. Cumulative Net Investment Report, Market Commentary, Equity Portfolio and Fixed Income Portfolio were reviewed with the Board. All questions were answered by Mr. Sawyer and Mr. Falduto. A motion was made by Trustee Schlicher and seconded by Trustee Super to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

Trustee Walker informed the Board that the District has recently issued a contribution to the Pension Fund in the amount of \$754,000 for the tax levy request and an additional contribution amount of \$250,000.

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

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* Mr. Flessner presented the Monthly Financial Report for the period ended March 31, 2018. As of 03/31/18, the net position held in trust for pension benefits is \$47,449,253.07, with a change in position for the ten month period of \$1,804,157.92. 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.

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period 01/01/18 through 03/31/18, showing total disbursements in the amount of \$167,120.34.

A motion was made by Trustee Rice and seconded by Trustee Schlicher to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$167,120.34. Motion carried by roll call vote.

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

Additional Bills, if any – Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee will be issued and payment is due by July 2nd. A motion was made by Trustee Walker and seconded by Trustee Schlicher to approve the payment of the IDOI Compliance Fee upon receipt of the invoice. Motion carried by roll call vote.

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

COMMUNICATIONS OR REPORTS: *Statements of Economic Interest:* The Board noted that the Statements of Economic Interest have been submitted by all Trustees prior to the May 1st due date.

Annual Affidavits of Continued Eligibility: The Board noted that L&A will mail Affidavits of Continued Eligibility to all pensioners and QILDRO recipients with the June payroll cycle. A status update will be presented at the next regular meeting.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: There were none at this time.

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.

NEW BUSINESS: *Transfer of Creditable Service – William D. Justiz:* The Board noted that William D. Justiz requested a creditable service purchase calculation to transfer creditable service of 11 months from the Addison FPD Firefighters' Pension Fund to the Fireman's Annuity and Benefit Fund of Chicago, per Public Act 100-0544/HB0688. L&A sent former Firefighter Justiz the creditable service transfer calculation for his review. As of May 31, 2018, the total amount due to the Addison FPD Firefighters' Pension Fund is \$8,050.03. The Board noted that a response has not been received to date. L&A will notify the Board if Firefighter Justiz elects to proceed with his transfer of creditable service.

Discussion/Possible Action –Fiduciary Liability Insurance Renewal: The Board reviewed the Fiduciary Liability Insurance quote, as provided by Cook Castle Associates. All questions were answered by Mr. Kiesewetter and Attorney Reimer. A motion was made by Trustee Schlicher and seconded by Trustee Super to acknowledge receipt of the \$3,000,000 fiduciary liability insurance policy renewal through Euclid, for a one-year policy effective 06/01/18 through 06/01/19, and that the premium of \$9,663 has been paid by the District. Motion carried by roll call vote.

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

Certify 2018 Board Election Results – Active Member Positions: L&A conducted an election for one of the Active Member positions on the Addison FPD Firefighters' Pension Fund Board of Trustees. John Rice ran unopposed and was reelected by acclamation for a three-year term expiring April 30, 2021. A motion was made by Trustee Schlicher and seconded by Trustee Super to certify the Active Member election results by acclamation. Motion carried unanimously by voice vote.

Appointed Member Term Expiration: The Board noted that Scott Walker has been reappointed to the Addison FPD Firefighters' Pension Fund Board of Trustees for a three-year term expiring April 30, 2021.

Board Officer Elections – President and Secretary: The Board discussed the Board Officer positions. A motion was made by Trustee Schlicher and seconded by Trustee Super to elect the slate of Board Officers as the following: Tim Scott as President and Scott Walker as Secretary. Motion carried unanimously by voice vote.

FOIA/OMA Designee: The Board determined that Trustee Walker will continue serving as the FOIA Officer and OMA Designee.

Trustee Rice left the meeting at 10:59 a.m.

Review/Possible Approval – Lauterbach & Amen Engagement Letter: The Board reviewed the L&A Engagement Letter for the years ended May 31, 2019, 2020 and 2021. Attorney Reimer recommended that the Board amend the Engagement Letter to include verbiage stating that L&A

maintains cyber liability insurance and that they provide documentation of such coverage upon request. A motion was made by Trustee Walker and seconded by Trustee Super to approve the L&A Engagement Letter, subject to the addition of the professional liability language. Motion carried by roll call vote.

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

The Board directed L&A to send the revised Engagement Letter to Attorney Reimer for review and to Trustee Walker for his signature.

Trustee Rice returned at 11:06 a.m.

Trustee Schlicher reviewed various topics that were discussed at the IPFA Seminar and noted upcoming pension committee hearings regarding Article 3 and 4 Pension Fund legislation. All questions were answered by Trustee Walker and Attorney Reimer.

ATTORNEY'S REPORT – REIMER DOBROVOLNY & KARLSON, LLC: *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.

Review/Approve – Revised Pension Fund Administrative Rules and Regulations: The Board reviewed revised copies of the Pension Fund's Administrative Rules and Regulations. All questions were answered by Attorney Reimer. A motion was made by Trustee Rice and seconded by Trustee Super to approve the revised Administrative Rules and Regulations as presented. Motion carried by roll call vote.

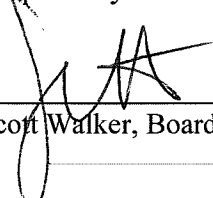
AYES: Trustees Scott, Walker, Rice, Super and Schlicher
NAYS: None
ABSENT: None

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

ADJOURNMENT: A motion was made by Trustee Super and seconded by Trustee Rice to adjourn the meeting at 11:16 a.m. Motion carried unanimously by voice vote.

The next regular meeting of the Addison FPD Firefighters' Pension Fund will be held on **Wednesday, August 8, 2018 at 10:00 a.m.** at the Addison Fire Protection District #1 Headquarters, 10 S. Addison Road, Addison, Illinois.

Respectfully submitted,



Scott Walker, Board Secretary

Date 8-8-18