

Addison 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 FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES MINUTES OF THE REGULAR MEETING WEDNESDAY, MAY 10, 2017 – 10:00 A.M.

A regular meeting of the Addison Firefighters' Pension Fund Board of Trustees was held on Wednesday, May 10, 2017 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 President Timothy Scott at 10:00 a.m.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Attorney Rick Reimer, Reimer Dobrovolny & Karlson; John Falduto and Tom Sawyer, Sawyer Falduto Asset Management; Derek Flessner, Trinetta Gardner and Allie Rysell, Lauterbach & Amen, LLP

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *Regular Meeting – February 8, 2017:* The minutes from the February 8, 2017 regular meeting were reviewed by the Board. A motion was made by Trustee Schlicher and seconded by Trustee Rice to approve the minutes from the February 8, 2017 regular meeting as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Minutes: The Board reviewed the November 1, 2016 and November 9, 2016 closed session minutes. A motion was made by Trustee Rice and seconded by Trustee Super to keep the November 1, 2016 and November 9, 2016 closed session minutes confidential due to pending matters regarding Donald E. Markowski's disability. Motion carried unanimously by voice vote.

The Board discussed releasing the closed session minutes and/or transcripts from the closed session meetings for Robert D. Burg, Kim L. Edwards, Gregory E. Leston, Ronald C. Murray and Anthony Volpe. A motion was made by Trustee Rice and seconded by Trustee Schlicher to release the closed session minutes and/or transcripts for Robert D. Burg, Kim L. Edwards, Gregory E. Leston, Ronald C. Murray and Anthony Volpe and to authorize the destruction of any audio tape recordings based on the finding they no longer need to remain confidential. Motion carried unanimously by voice vote.

INVESTMENT REPORT: *Sawyer Falduto Asset Management, LLC:* Mr. Falduto and Mr. Sawyer presented the Investment Report for the period ending March 31, 2017. As of 03/31/17, the ending market value of the Fund is \$44,611,071 with an investment return for the quarter of 3.53% net of fees, outperforming the policy benchmark of 3.05%. The current portfolio allocation is 54.1% in Equities, 45.6% in Fixed Income and 0.3% in Cash and Equivalents. The Market Commentary, Equity Portfolio, Fixed Income Portfolio and Transactions Report were reviewed with the Board. All questions were

answered by Mr. Sawyer and Mr. Falduto. A motion was made by Trustee Super and seconded by Trustee Rice to accept the Investment Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: There were no updates to the Investment Policy at this time.

ACCOUNTANT'S REPORT: *Monthly Financial Report – Lauterbach & Amen, LLP:* Mr. Flessner presented the Monthly Financial Report for the period ended March 31, 2017. As of 03/31/17, the plan net held in trust for pension benefits is \$44,918,028.71, with a net change in position for the ten month period of \$2,579,944.63. 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. A motion was made by Trustee Schlicher and seconded by Trustee Walker to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Trustee Walker informed the Board that the District contributed an additional \$600,000 to the Pension Fund on May 8, 2017 to exceed Lauterbach & Amen's May 31, 2016 recommended actuarial contribution amount of \$2,434,889. The Board thanked the District for the additional contribution.

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period 01/01/17 through 03/31/17, showing total disbursement of \$181,910.60. A motion was made by Trustee Super and seconded by Trustee Schlicher to approve the payment of the disbursements shown on the Vendor Check Report in the amount of \$181,910.60. Motion carried by roll call vote.

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

Additional Bills, if any: Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance (IDOI) Compliance Fee invoice will be issued and payment is due by June 30th. A motion was made by Trustee Super and seconded by Trustee Walker to approve the payment of the statutory IDOI Compliance Fee, upon receipt of the invoice. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Schlicher, Rice and Super
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 by the May 1st due date.

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

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Eric R. Rasmussen:* The Board reviewed Eric R. Rasmussen's Application for Membership. Firefighter Rasmussen had a date of hire of March 20, 2017 as a Tier II participant.

Application for Membership – Kevin C. Kronfrost: The Board reviewed Kevin C. Kronfrost's Application for Membership. Firefighter Kronfrost had a date of hire of April 12, 2017 as a Tier II participant.

A motion was made by Trustee Super and seconded by Trustee Schlicher to accept Eric R. Rasmussen into the Addison Firefighters' Pension Fund effective 03/20/17 and to accept Kevin C. Kronfrost into the Addison Firefighters' Pension Fund effective 04/12/17 as Tier II participants. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Application for Retirement – Michael F. Polizzi:* The Board reviewed the retirement benefit calculation for Michael F. Polizzi. A motion was made by Trustee Schlicher and seconded by Trustee Super to approve the retirement benefits for Firefighter Polizzi with an entry date of 05/30/93, retirement date of 06/12/17, effective date of pension of 06/13/17, 50 years old at the date of retirement, 24 years of creditable service, applicable salary of \$109,881.00, applicable pension percentage of 60.0%, amount of originally granted annual pension of \$65,928.60 and amount of originally granted monthly pension of \$5,494.05 as calculated by Lauterbach & Amen. Motion carried by roll call vote.

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

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

Military Service Purchase – Robert B. Shea: The Board noted that Robert B. Shea requested a military service purchase calculation for the period 06/02/98 through 06/01/00. As of March 15, 2017, the balance owed to the Addison Firefighters' Pension Fund is \$71,556.36. Trustee Scott informed the Board that Firefighter Shea is not proceeding with his military service purchase at this time. No further action is needed.

NEW BUSINESS: *Discussion/Possible Action – Fiduciary Liability Insurance Renewal:* The Board reviewed the Formal Binder of Insurance, as provided by Cook Castle Associates. A motion was made by Trustee Walker and seconded by Trustee Super to approve the fiduciary liability insurance policy through Euclid and issue payment in the amount of \$9,663.00 for a one year policy premium, effective 06/01/2017 through 06/01/2018. Motion carried by roll call vote.

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

Review Interim Report – GASB Statement 45: The Board reviewed the Interim Report for the District as prepared by Lauterbach & Amen. All questions were answered by Lauterbach & Amen.

Certify 2017 Board Election Results – Active Member Positions: Lauterbach & Amen conducted an election for one of the active member positions on the Addison Firefighters' Pension Fund Board of Trustees. Tim Scott ran unopposed and was reelected by acclamation for a three-year term. 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.

Confirmation of Appointed Member – Michael Super: The Board noted that Michael Super has been reappointed to the Addison Firefighters' Pension Fund Board of Trustees for a three-year term. A motion was made by Trustee Schlicher and seconded by Trustee Walker to certify the reappointment of Trustee Super to the Addison Firefighters' Pension Fund for a three-year term. Motion carried unanimously by voice vote.

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.

Discuss Components of Creditable Service: Attorney Reimer discussed the components of creditable service with the Board. All questions were answered by Attorney Reimer.

Status Update – Administrative Review for Disability of Donald E. Markowski: Attorney Reimer provided a brief status update regarding the Administrative Review for Donald E. Markowski. A hearing date has been scheduled for September 14, 2017 at 9:30 a.m. Further discussion will be held at the next regular meeting.

CLOSED SESSION – IF REQUIRED: There was no need for closed session.

ATTORNEY'S REPORT: Attorney Reimer distributed the *Legal and Legislative Updates* quarterly newsletter highlighting recent court decisions and pension news.

ADJOURNMENT: A motion was made by Trustee Rice and seconded by Trustee Super to adjourn the meeting at 11:19 a.m. Motion carried unanimously by voice vote.

The next regular meeting of the Addison Firefighters' Pension Fund will be held on Wednesday, August 10, 2017 at 10:00 a.m. at the Addison Fire Protection District #1 Headquarters, 10 S. Addison Road, Addison, Illinois.

Respectfully submitted,



Timothy Scott, Board President

Date 8-9-2017

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