

Addison FPD Firefighters' Pension Fund

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Timothy Scott
President

Scott Walker
Secretary

John Rice
Trustee

Michael Super
Trustee

Keven Barnes
Trustee

Bernadette LaRocca
Treasurer

MINUTES OF A REGULAR MEETING OF THE ADDISON FPD FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES AUGUST 7, 2019

A regular meeting of the Addison FPD Firefighters' Pension Fund Board of Trustees was held on Wednesday, August 7, 2019 at 9:00 a.m. at the Addison Fire Protection District #1 Headquarters, located at 10 S. Addison Road, Addison, Illinois 60101, pursuant to notice.

CALL TO ORDER: Trustee Scott called the meeting to order at 9:00 a.m.

ROLL CALL:

PRESENT: Trustees Timothy Scott, Scott Walker, John Rice and Keven Barnes
ABSENT: Trustee Michael Super
ALSO PRESENT: Treasurer Bernadette LaRocca, Addison FPD; Attorney Rick Reimer, Reimer & Dobrovolny PC; Tom Sawyer, John Falduto and Andrew Falduto, Sawyer Falduto Asset Management LLC, Derek Flessner, Kevin Cavanaugh and Sam Meyer, Lauterbach & Amen, LLP (L&A) Lieutenant Robert Shea, Addison FPD

PUBLIC COMMENT: There was no public comment

APPLICATION FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Robert Shea:* The Board reviewed the regular retirement benefit calculation for Robert Shea prepared by L&A. Lieutenant Shea had an entry date of June 2, 2000, retirement date of June 13, 2020, effective date of pension of April 17, 2021, 50 years of age at date of retirement, base salary of \$108,614.64 with a \$1,500.00 longevity, \$1,800.00 education and a \$4500.00 paramedic stipend. A motion was made by Trustee Rice and seconded by Trustee Walker to approve Robert Shea's regular retirement benefit without prejudice to the final calculation of salary once the salary is ascertained. Motion carried by roll call vote.

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

Approve Regular Retirement Benefits – Austin Taylor: The Board reviewed the regular retirement benefit calculation for Austin Taylor prepared by L&A. Firefighter Taylor had an entry date of June 2, 2000, retirement date of June 4, 2020, effective date of pension of June 5, 2020, base salary of \$93,332.28 with \$1,500.00 longevity, \$294.00 education and \$4,500.00 paramedic stipend. A motion was made by Trustee Rice and seconded by Trustee Barnes to approve Austin Taylor's regular retirement benefit without prejudice to the final calculation of salary once the salary is ascertained. Motion carried by roll call vote.

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

APPROVAL OF MEETING MINUTES: *May 15, 2019 Regular Meeting:* The Board reviewed the May 15, 2019 regular meeting minutes. A motion was made by Trustee Rice and seconded by

Trustee Barnes to approve the May 15, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the closed session meeting minutes and will not release them at this time due to pending matters.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending June 30, 2019. As of June 30, 2019, the second quarter net return is 3.06% versus the quarter account benchmark of 3.57%. The investment return for the quarter is \$1,587,710 for an ending market value of \$52,776,834. The current asset allocation is as follows: Fixed Income at 42.7%, Equities at 55.1% and Cash Equivalents at 2.1%. Mr. Sawyer reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board. A motion was made by Trustee Barnes and seconded by Trustee Walker to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: Mr. Falduto presented an updated investment policy prepared by Sawyer Falduto Asset Management, LLC. The Board reviewed and discussed the proposed investment policy. Policy updates include formatting, definitions, equity diversification and the fixed income allocation. A motion was made by Trustee Walker and seconded by Trustee Rice to adopt and execute the updated investment policy as presented and to direct L&A to file the investment policy with the Illinois Department of Insurance within 30 days of execution. Motion carried by roll call vote.

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

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the one-month period ending June 30, 2019 prepared by L&A. As of June 30, 2019, the net position held in trust for pension benefits is \$52,767,827.20 for a change in position of \$3,030,756.25. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Rice and seconded by Trustee Barnes to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period April 1, 2019 through June 30, 2019 for total disbursements \$186,633.44. A motion was made by Trustee Walker and seconded by Trustee Rice to approve the disbursements shown on the Vendor Check Report in the amount of \$186,633.44. Motion carried by roll call vote.

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

Additional Bills, if any: There were no additional bills presented for approval.

COMMUNICATIONS OR REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners and QILDRO recipients with the June payroll cycle and a due date of July 31, 2019. To date, 10 affidavits remain outstanding. L&A

will mail second request affidavits to the outstanding pensioners. Status updates will be provided to the Board as they become available.

Active Member File Maintenance: The Board noted that L&A will prepare Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Withdrawal from the Fund – Sean J. Kulpa:* The Board reviewed the contribution refund request submitted by Sean J. Kulpa. A motion was made by Trustee Rice and seconded by Trustee Barnes to approve Sean J. Kulpa's contribution refund in the amount of \$6,991.85 paid in a direct rollover to Chicago Fire issued on May 14, 2019. Motion carried by roll call vote.

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

Withdrawal from the Fund – Kevin C. Kronforst: The Board reviewed the contribution refund request submitted by Kevin C. Kronforst. A motion was made by Trustee Walker and seconded by Trustee Barnes to approve Kevin C. Kronforst's contribution refund in the amount of \$12,304.55 paid directly to himself subject to any implacable income tax withholdings. Motion carried by roll call vote.

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

TRUSTEE TRAINING UPDATES: *Trustee Training Update:* The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit any training certificates to L&A for recordkeeping.

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Review Preliminary Actuarial Valuation:* The Board reviewed the preliminary Actuarial Valuation prepared by L&A. A motion was made by Trustee Walker and seconded by Trustee Barnes to authorize L&A to calculate the final valuation subject to confirmation of the audited financials. Motion carried by roll call vote.

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

IDOI Annual Statement: The Board noted that the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

Motion to Adopt and Publish the Decision and Order – Joel C. Arnier: Attorney Reimer presented the Board with the decision and order regarding Joel Arneir's disability application. A motion was made by Trustee Scott and seconded by Trustee Walker to adopt and publish the written decision and order prepared by Reimer & Dobrovolny PC. Motion carried by roll call vote.

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

ATTORNEY'S REPORT – REIMER & DOBROVOLNY PC: *Legal Updates:* The Board reviewed the *Legal and Legislative Update* quarterly newsletter. Attorney Reimer discussed recent court cases and decisions, as well as general pension matters with the Board.

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

ADJOURNMENT: A motion was made by Trustee and seconded by Trustee to adjourn the meeting at 10:04 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for November 20, 2019 at 9:00 a.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 11-20-2019

Minutes prepared by Sam Meyer, Pension Services Administrator, Lauterbach & Amen, LLP