

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, NOVEMBER 8, 2017 – 10:00 A.M.

A regular meeting of the Addison FPD Firefighters' Pension Fund Board of Trustees was held on Wednesday, November 8, 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 John Rice, Michael Super and Charles Schlicher

ABSENT: None

ALSO PRESENT: Attorney Evan Haim, Reimer Dobrovolny & Karlson, LLC; John Falduto and Tom Sawyer, Sawyer Falduto Asset Management; Derek Flessner and Allie Rysell, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *Regular Meeting Minutes – August 9, 2017:* The minutes from the August 9, 2017 regular meeting were reviewed by the Board. A motion was made by Trustee Rice and seconded by Trustee Schlicher to approve the minutes from the August 9, 2017 regular meeting as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board tabled the review of the closed session meeting minutes until the next regular meeting.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT: *Quarterly Investment Performance Report:* Mr. Falduto and Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending September 30, 2017. As of 09/30/17, the ending market value of the Fund is \$47,886,310 with an investment return for the quarter of 2.92% net of fees, outperforming the policy benchmark of 2.61%. The current portfolio allocation is 53.2% in Equities, 46.2% in Fixed Income and 0.6% in Cash and Equivalents. 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.

Review/Update Investment Policy: Mr. Falduto and Mr. Sawyer reviewed the Investment Policy Guidelines with the Board. The Board discussed increasing the target portfolio allocation in Equity from 50% to 55%. All questions were answered by Mr. Falduto and Mr. Sawyer. A motion was made by Trustee Schlicher and seconded by Trustee Super to adjust the Equity and Fixed Income target allocations and ranges to the following: Equity: Target of 55% and Range from 45-65%; Fixed Income: Target of 45% and Range from 35-55%; Cash/Short Term: Maintain Target as 0%. Motion carried by roll call vote.

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

A motion was made by Trustee Schlicher and seconded by Trustee Rice 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 ended September 30, 2017. As of 09/30/17, the net position held in trust for pension benefits is \$47,865,521.26, with a change in position for the four month period of \$2,220,426.11. 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 Rice and seconded by Trustee Super 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 07/01/17 through 09/30/17, showing total disbursement of \$181,631.92. A motion was made by Trustee Super and seconded by Trustee Walker to approve the payment of the disbursements shown on the Vendor Check Report in the amount of \$181,631.92. Motion carried by roll call vote.

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

Trustee Training Reimbursements: There were no reimbursements to review at this time.

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

COMMUNICATIONS OR REPORTS: *Annual Affidavits of Continued Eligibility:* The Board noted that all 2017 Affidavits of Continued Eligibility have been received by L&A. The originals were presented to the Board for their records.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: There were no applications for membership or withdrawals from the fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: There were no applications for retirement or disability benefits 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.

Status Update – Administrative Review for Disability of Donald E. Markowski: Attorney Haim informed the Board that a hearing will be held on December 7, 2017 for oral arguments regarding the disability of Donald E. Markowski. Copies of the recently filed brief were distributed to each Trustee for review. All questions were answered by Attorney Haim. A status update will be provided at the next regular meeting.

Status Update – Illinois Department of Insurance Annual Statement and Certification Form: The Board noted that the IDOI Annual Statement and Certification Form were submitted to the IDOI on October 13, 2017.

NEW BUSINESS: *Deceased QILDRO Recipient – Florence Temes:* The Board noted that Florence Temes, QILDRO recipient of Bobby Temes, passed away on October 24, 2017 and her payments have ceased. Ms. Temes' prorated payment for October, 2017 was \$604.58.

Creditable Service Purchase – Daniel R. Midell: The Board reviewed the creditable service calculation for Daniel R. Midell, as prepared by L&A, to combine service under reciprocity per 40 ILCS 5/4-109.3. The Board noted that former Firefighter Midell submitted payment to the Addison FPD Firefighters' Pension Fund on October 17, 2017 in the total amount of \$4,957.56. A motion was made by Trustee Super and seconded by Trustee Schlicher to accept Daniel R. Midell's payment in the amount of \$4,957.56 and to acknowledge that the creditable service purchase has been paid in full. Motion carried by roll call vote.

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

Creditable Service Purchase – Nicholas F. Lezza: The Board noted that Nicholas F. Lezza requested a creditable service purchase calculation to combine service under reciprocity per 40 ILCS 5/4-109.3. L&A sent Firefighter Lezza the creditable service calculation for his review. As of November 30, 2017, the total amount due to the Addison FPD Firefighters' Pension Fund is \$974.81. L&A will notify the Board if Firefighter Lezza elects to proceed with his creditable service purchase. Further discussion will be held at the next regular meeting.

Review/Approve – Actuarial Valuation and Tax Levy Request: The Board reviewed the finalized Actuarial Valuation prepared by L&A. Based on the data and assumptions used to prepare the final reports, the recommended municipal contribution amount is \$2,666,557 which is a \$231,668 increase from the prior year contribution. The statutory minimum contribution requirement is \$2,160,435. A motion was made by Trustee Super and seconded by Trustee Schlicher to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$2,666,557 from the Addison Fire Protection District for the Addison Firefighters' Pension Fund based on the recommendation of L&A. Motion carried by roll call vote.

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

Review/Adopt – Municipal Compliance Report: The Board reviewed the Municipal Compliance Report prepared by L&A. A motion as made by Trustee Rice and seconded by Trustee Schlicher to approve and adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried unanimously by voice vote.

The Board directed Attorney Haim to submit the tax levy request letter, Municipal Compliance Report and Actuarial Valuation to the Addison Fire Protection District on behalf of the Addison FPD Firefighters' Pension Fund.

Establish 2018 Board Meeting Dates: The Board discussed establishing the 2018 Board meeting dates as February 14th, May 9th, August 8th and November 14th at the Addison Fire Protection District #1 Headquarters, 10 S. Addison Road, Addison, Illinois. A motion was made by Trustee Super and seconded by Trustee Schlicher to establish the 2018 Board meeting dates as stated. Motion carried unanimously by voice vote.

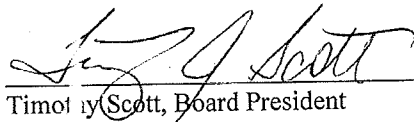
CLOSED SESSION, IF NEEDED: There was no need for closed session.

ATTORNEY'S REPORT – REIMER DOBROVOLNY & KARLSON, LLC: Attorney Haim reviewed the quarterly *Legal and Legislative Update* newsletter highlighting recent court decisions and pension news. All questions were answered by Attorney Haim.

ADJOURNMENT: A motion was made by Trustee Schlicher and seconded by Trustee Super to adjourn the meeting at 11:04 a.m. Motion carried unanimously by voice vote.

The next regular meeting of the Addison Firefighters' Pension Fund will be held on **Wednesday, February 14, 2018 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 2-14-2018

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