

Addison FPD Firefighters' Pension Fund

10 S. Addison Road, Addison, IL 60101-3870 • Business Phone: (630) 628-3100 • Fax (630)543-9742

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 WEDNESDAY, NOVEMBER 14, 2018 – 10:00 A.M.

A regular meeting of the Addison FPD Firefighters' Pension Fund Board of Trustees was held on **Wednesday, November 14, 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 President Scott at 10:03 a.m.

ROLL CALL:

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

ABSENT: Secretary Scott Walker

ALSO PRESENT: Attorney Brian LaBardi, Reimer & Dobrovlny, PC; 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 – August 8, 2018:* The minutes of the August 8, 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 August 8, 2018 regular meeting as written. Motion carried unanimously by voice vote.

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

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. Sawyer and Mr. Falduto presented the Quarterly Investment Performance Report for the period ending September 30, 2018. As of 09/30/18, the ending market value of the Fund is \$51,085,333 with an investment return for the quarter of 2.35% net of fees, underperforming the policy benchmark of 3.17%. The current portfolio allocation is 55.1% in Equities, 44.6% in Fixed Income and 0.4% in Cash and Equivalents. The year-to-date investment return is 3.58% net of fees, underperforming the policy benchmark of 4.58%. Since the inception date of 01/31/16, the investment return is 9.63%, outperforming the policy benchmark of 9.37%. 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. 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 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, 2018. As of 09/30/18, the net position held in trust for pension benefits is \$51,101,018.39, with a change in position for the four-month period of \$2,242,817.96. 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 07/01/18 through 09/30/18, showing total disbursements in the amount of \$167,500.67. A motion was made by Trustee Scott and seconded by Trustee Super to approve the disbursements shown on the Vendor Check Report in the amount of \$167,500.67. Motion carried by roll call vote.

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

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 2018 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: *Deceased Pensioner and Board Trustee – Charles W. Schlicher:* The Board noted that Charles W. Schlicher, pensioner and Board Trustee of the Addison FPD Firefighters' Pension Fund, passed away on August 19, 2018 and his pension benefits have ceased. A final prorated benefit was issued in the amount of \$5,269.06.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Application for Disability Benefits – Joel C. Arnier Jr.:* Attorney LaBardi informed the Board that additional medical records were received and sent to INSPE Associates, Ltd. Firefighter Arnier's three independent medical examinations will be scheduled through INSPE Associates, Ltd and a status update will be provided at the next regular meeting.

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 – IDOI Annual Statement: Mr. Flessner reviewed the IDOI Annual Statement for the year ended May 31, 2018 and noted that the Annual Statement and Certification Form were filed with the Illinois Department of Insurance on November 5th. A motion was made by Trustee Super and seconded by Trustee Rice to accept the IDOI Annual Statement for the year ended May 31, 2018 as presented. Motion carried unanimously by voice vote.

NEW BUSINESS: *Review Participant Board Report:* Mr. Flessner reviewed the Participant Board Report with the Board, which utilizes data as of May 31, 2018. All questions were answered by Mr. Flessner.

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 contribution amount is \$2,838,545 which is a \$171,988 increase from the prior year contribution. The statutory minimum contribution requirement is \$2,322,098. A motion was made by Trustee Super and seconded by Trustee Scott to accept the Actuarial Valuation as prepared, to request a tax levy in the amount of \$2,838,545 from the Addison Fire Protection District for the Addison Firefighters' Pension Fund based on the recommendation of L&A, and to direct Attorney LaBardi to submit the tax levy request letter and Actuarial Valuation to the Addison Fire Protection District on behalf of the Addison FPD Firefighters' Pension Fund. Motion carried by roll call vote.

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

Review/Adopt – Municipal Compliance Report: The Board reviewed the Municipal Compliance Report prepared by L&A. A motion as made by Trustee Super and seconded by Trustee Rice 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 LaBardi to submit Municipal Compliance Report to the Addison Fire Protection District on behalf of the Addison FPD Firefighters' Pension Fund.

Establish 2019 Board Meeting Dates: The Board discussed establishing the 2019 Board meeting dates as February 19th, May 15th, August 7th and November 20th at 9:00 a.m. 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 Scott to establish the 2019 Board meeting dates as stated. Motion carried unanimously by voice vote.

ATTORNEY'S REPORT – REIMER & DOBROVOLNY PC: *Status Update – QILDRO for Jeffrey R. Purtell:* Attorney LaBardi reviewed Jeffrey R. Purtell's QILDRO paperwork and noted that additional documents are needed to finalize the QILDRO. No Board action is needed at this time. Further discussion will be held at the next regular meeting.

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

Review IDOI Siren – Advisory Services under Article 1A: Attorney LaBardi reviewed the IDOI Siren dated November 1, 2018 concerning advisory services under Article 1A. The Department will no longer issue advisory opinions effective immediately. All questions were answered by Attorney LaBardi.

Trustee Scott informed the Board that he would like to purchase 5 copies of the *Retirement Income for Illinois Fire and Police: Pensions, Social Security, and Deferred Compensation* book by Daniel W. Ryan for each Pension Fund Trustee. The cost is approximately \$20 per book and the District may cover the cost. Further discussion will be held at the next regular meeting.

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

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ADJOURNMENT: A motion was made by Trustee Scott and seconded by Trustee Rice to adjourn the meeting at 10:51 a.m. Motion carried unanimously by voice vote.

The next regular meeting of the Addison FPD Firefighters' Pension Fund will be 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.

Respectfully submitted,



Scott Walker, Board Secretary

Date 2-19-19

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