

Addison Firefighters' Pension Fund

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

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

ADDISON FIREFIGHTERS PENSION BOARD MINUTES OF REGULAR MEETING WEDNESDAY, AUGUST 12, 2015 – 9:00 AM

A Regular Meeting of the Addison Firefighters' Pension Board was called to order by President Timothy Scott at 9:07 am on Wednesday, August 12, 2015, at 10 S. Addison Road, Addison, Illinois, for the purpose of conducting regular business.

ROLL CALL:

Present: Trustees Timothy Scott, Donald Markowski, Charles Schlicher and Michael Super
Absent: Trustee John F. Rice
Also Present: Attorney Evan Haim, Reimer Dobrovolsky & Karlson; Spencer Klein and Terese Krafcheck, MB Financial; Tom Sawyer and John Falduto, Sawyer Falduto Asset Management; Derek Flessner, Todd Schroeder, and Cheryl Kessler, Lauterbach & Amen, LLP; Scott Walker, Charles Baxa, Jr., and Bernadette LaRocca, Addison Fire Protection District

PUBLIC COMMENT: None

APPROVAL OF MINUTES: *May 14, 2015 – Regular Meeting:* The Minutes from the May 14, 2015 regular meeting were reviewed by the Board. A motion was made by Trustee Super and seconded by Trustee Markowski to approve the minutes as written. Motion carried unanimously by voice vote.

July 10, 2015 – Special Meeting: The Minutes from the July 10, 2015 special meeting were reviewed by the Board. A motion was made by Trustee Schlicher and seconded by Trustee Super to approve the minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Meeting Minutes: There were no closed meeting minutes to review.

INVESTMENT REPORTS: *MB Financial:* Terese Krafcheck and Spencer Klein presented the Performance Report as of June 30, 2015. Mr. Klein reviewed the quarterly report and pointed out the new reporting format. As of 06/30/2015, the total fund market value was \$28,142,839 with 55% in equities, 39% in fixed income, 5% in alt. strategies and 1% in cash and equivalent. The net earned income and gains/losses totaled -\$33,913. The total fund performance for the quarter was -0.13 and 1.78 for the fiscal year to date. A motion was made by Trustee Super and seconded by Trustee Schlicher to accept the quarterly MB financial report as presented. Motion carried unanimously by voice vote.

Sawyer Falduto Asset Management, LLC - John Falduto & Tom Sawyer: Since hired, Mr. Falduto and Mr. Sawyer have been working with Trustee Markowski and Trustee Scott to open a Schwab custodial account for the transfer of pension fund investments from Bernardi Asset Management to Sawyer Falduto.

The Board directed Sawyer Falduto and MB Financial to transmit their quarterly reports to Lauterbach & Amen so they can be included in the Board's meeting packets.

Review Investment Policy/Asset Allocation: The Board reviewed their current investment policy and a proposed draft policy which has been reviewed and approved by Attorney Haim. The Board directed Sawyer Falduto and MB Financial to review the proposed investment policy and present a recommended diversification for the entire fund at a special meeting scheduled for Wednesday, September 2, 2015 at 10:00 am.

Sawyer Falduto Investment Advisory Agreement, Schwab Retirement Account Application & Addendum: The Board discussed the proposed agreement with Sawyer Falduto and was advised that Attorney Haim reviewed and approved the agreement. A motion was made by Trustee Markowski and seconded by Trustee Super to approve the Sawyer Falduto Agreement and authorize the opening of a Schwab account.

AYES: Trustees Scott, Markowski, Schlicher and Super

NAYS: None

ABSENT: Trustee Rice

TREASURER'S REPORT: *Monthly Financial Report – Lauterbach & Amen, LLP:* The monthly Financial Report for the period ending June 30, 2015 was presented for the Board's review. The net position held in trust for pension benefits is \$43,454,678.76 for a change in position of \$29,154.92. A motion was made by Trustee Super and seconded by Trustee Schlicher to accept the monthly financial report as presented and approve payment of the disbursements shown on the Vendor Checks Report in the amount of \$206,012.16 for the period 4/1/15 through 6/31/15.

AYES: Trustees Scott, Markowski, Schlicher and Super

NAYS: None

ABSENT: Trustee Rice

COMMUNICATIONS OR REPORTS: *Active Member Files Update:* The Board was informed that Lauterbach & Amen sent letters in August to all active members requesting any file updates.

Thank you for Georgianne: The Board discussed the administrative work performed by Georgianne Prince. A motion was made by Trustee Schlicher and seconded by Trustee Super to pay Ms. Prince \$50.00 for her administrative work on behalf of the board.

AYES: Trustees Scott, Markowski, Schlicher and Super

NAYS: None

ABSENT: Trustee Rice

APPLICATIONS FOR ADMISSIONS/WITHDRAWALS FROM FUND: None.

APPLICATIONS FOR RETIREMENT OR DISABILITY BENEFITS: *Retirement Application – Martin Scott Heinrich:* The Board acknowledged an Application for Retirement submitted by Martin Scott Heinrich. Mr. Heinrich's effective date of pension is 8/31/15, with 32 creditable years of service, with an applicable salary of \$120,822.00. The amount of his monthly benefit is \$7,551.380 which is 75%

of his applicable salary. A motion was made by Trustee Schlicher and seconded by Trustee Super to approve the retirement benefit calculation for Martin Scott Heinrich, as calculated by Lauterbach & Amen.

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

OLD BUSINESS: None.

NEW BUSINESS: *Review and Revise Rules and Regulations:* Tabled to next meeting.

Trustee Training Update: The Board reviewed the trustee training summary provided in the Board packet. The Trustees were reminded to submit their training certificates to Lauterbach & Amen for recording.

Status of Lauterbach & Amen Services and Establish new BMO Harris Bank Account: The Board discussed Lauterbach & Amen's added services and the opening of an account at BMO Harris. The Board directed MB to continue issuing payments on behalf of the Fund until the end of 2015 and directed Lauterbach & Amen to begin issuing payments on behalf of the Fund and to use the new FEIN beginning January 1, 2016. A motion was made by Trustee Markowski and seconded by Trustee Schlicher to authorize Lauterbach & Amen to open an account at Harris Bank.

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

Preliminary Actuarial Report: Todd Schroeder of Lauterbach & Amen presented draft copies of the actuarial valuation summary for June 1, 2015. The recommended contribution is \$2,045,213 which is an increase of \$104,758 from last year. When the audit is complete, the actuarial valuation will be finalized and presented to the Board for approval.

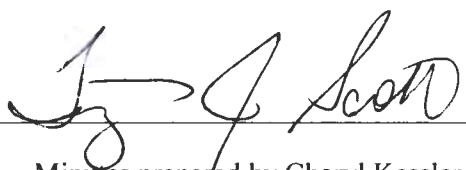
POSSIBLE CLOSED SESSION: None.

ATTORNEY'S REPORT: Attorney Haim provided his firm's newsletter *Legal and Legislative Update*. Attorney Haim advised the Board that there are no annual medical evaluations required at this time. All questions were answered by Attorney Haim.

ADJOURNMENT: A motion was made by Trustee Schlicher and seconded by Trustee Markowski to adjourn the meeting at 10:33 am. Motion carried unanimously by voice vote.

The next regular meeting of the Addison Firefighters' Pension Fund will be held on Wednesday, November 11, 2015 at 9:00 am.

Respectfully submitted,



Date 11-11-15

Minutes prepared by Cheryl Kessler, Pension Services Administrator, Lauterbach & Amen, LLP