

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
NORTH CHICAGO FIREFIGHTERS' PENSION FUND**

April 7, 2014

A regular meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Monday, April 7, 2014, at 9:00 a.m., located at 1850 Lewis Avenue, North Chicago, IL 60064, pursuant to notice, for the purpose of conducting regular business.

CALL TO ORDER BY THE PRESIDING OFFICER

President Lawrence Stickler called the meeting to order at 9:01 a.m.

ROLL CALL

Upon roll call the following answered:

Present: President Lawrence Stickler, Secretary Douglas Winston, Trustee/Treasurer Kenneth Robinson and Trustee Jason Laniosz

Absent: Trustee Dell Urban

Also Present: Commander John Umek; Board Attorney Carolyn Clifford of Ottosen Britz; Carol Digman of Tree City Investments; James Ritchie and Becky Davis of Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT

Trustee Robinson inquired about recent legislation that was passed regarding minimum staffing. Attorney Clifford will follow up with the Board on how this legislation may affect Fire and Police staffing going forward. There was no further public comment.

APPROVAL OF THE PRIOR MEETING MINUTES

The Board reviewed the prior meeting minutes presented in the Board meeting packet. A motion was made by Trustee Robinson and seconded by Trustee Stickler to approve the January 6, 2014 minutes as written. Motion carried by unanimous voice vote.

The Board distributed and reviewed the 03/25/2008 closed session minutes. A motion was made by Trustee Robinson and seconded by Trustee Stickler to approve the 03/25/2008 closed session minutes as written, and to release them, based on a finding that they are no longer confidential. The destruction of the 03/25/2008 audio recording of the closed session will be added to the agenda for the next meeting.

TREASURER'S REPORT

Mr. Robinson distributed and reviewed the 03/31/14 Treasurer's report. The report stated the First Midwest Bank account balance on 02/28/2014 was \$21,784.13. Total receipts as of 03/31/14, were \$168,400.24 and resulted in a cash total of \$190,184.37 before disbursements. Total disbursements as of 03/31/14, were \$177,995.61 and resulted in an ending balance of \$12,188.76. A motion was made by Trustee Stickler and seconded by Trustee Winston to accept the 03/31/2014 Treasurer's report. Motion carried by unanimous voice vote.

The Board inquired about the amount the City will levy for the 2014 contribution to the Fire Pension Fund. Trustee Robinson will follow up and email the actual amount to the Board today.

ACCOUNTANT'S REPORT

Mr. Ritchie reviewed the monthly financial report presented in the Board meeting packet. For the ten months ended February 28, 2014, the net position held in trust for pension benefits was \$9,516,182.01. A motion was made by Trustee Robinson and seconded by Trustee Laniosz to accept the 02/28/2014 financial report. Motion carried by unanimous voice vote.

The Board noted that on 10/02/2013, the IRS notified the Fund that, based on the additional information L&A sent on 07/01/2013, the discrepancy has been resolved. No further action is needed.

Mr. Ritchie presented the audit confirmations that will need to be executed by Trustee/Treasurer Robinson. Mr. Ritchie also noted that the 04/30/2014 IDOI Annual Statement is currently in process.

PRESENTATION AND APPROVAL OF BILLS

The Board reviewed the Warrant List distributions presented in the Board meeting packet.

- A motion was made by Trustee Robinson and seconded by Trustee Laniosz to approve the disbursements for January, February and March 2014, totaling \$26,257.08.
AYES: Trustees Stickler, Robinson, Winston, and Laniosz
NAYS: None
ABSENT: Trustee Urban
- A motion was made by Trustee Robinson and seconded by Trustee Laniosz to approve the disbursements for October, November and December 2013, totaling \$34,238.03.
AYES: Trustees Stickler, Robinson, Winston, and Laniosz
NAYS: None
ABSENT: Trustee Urban

The Board discussed the engagement letter and payment of the 04/30/2013 fee invoice from Zabinski Consulting. Mr. Ritchie will forward the invoice to Trustee/Treasurer Robinson for review.

The Board discussed the annual IDOI Compliance fee invoice, which will be mailed from the IDOI in May and payment is due by the end of June. A motion was made by Trustee Winston and seconded Trustee Laniosz to authorize payment of the IDOI Compliance fee invoice upon receipt.

AYES: Trustees Stickler, Robinson, Winston, and Laniosz
NAYS: None
ABSENT: Trustee Urban

INVESTMENT REPORT

Ms. Digman distributed the investment performance report for 03/31/2014 and reviewed it with the Board. The portfolio was up 0.97% for the quarter with a market value of \$9,446,464. The benchmark reported a return of .93%. Ms. Digman stated that the Fund was up 9.6% fiscal year-to-date. Asset allocations were: Stocks 52%, Bonds 32%, and Cash 15%. A motion was made by Trustee Robinson and seconded by Trustee Laniosz to accept the investment report. Motion carried by unanimous voice vote.

Ms. Digman indicated that there are no revisions to the investment policy needed at this time.

ATTORNEY'S REPORT

The Board reviewed the legal updates distributed by Attorney Clifford.

The Board noted the 2014 timeline requirements prepared by Attorney Clifford, and included in the Board meeting packet.

Attorney Clifford discussed the retainer agreement discussed and reviewed at the prior meeting. A motion was made by Trustee Robinson and seconded by Trustee Stickler to approve the retainer agreement and included services, for an amount of \$1,300 per quarter.

AYES: Trustees Stickler, Robinson, Winston, and Laniosz
NAYS: None
ABSENT: Trustee Urban

INFORMATIONAL ITEMS AND UNFINISHED BUSINESS

- Trustee Training Summary: Ms. Davis noted that new trustee training information was sent to Commander Umek and that he has agreed to complete the training requirements and duties of a Trustee. Trustee Winston has agreed to complete the FOIA and OMA training as the Board's designee. The Board agreed to attend the IPPFA Midwest training conference in Lake Geneva, WI in October. Commander Umek will not attend the Midwest conference, since he will be fulfilling his new trustee training requirement by attending the IPPFA's certified trustee program as soon as possible this year.

- Review Fiduciary Liability Insurance proposal: Attorney Clifford reviewed the proposal from Mesirow Financial with the Board and indicated that coverage would be advisable. A motion was made by Trustee Winston and seconded by Trustee Robinson to approve the Mesirow Financial proposal with Ullico as the carrier and for an annual premium cost of \$4,250, effective 05/01/2014.
AYES: Trustees Stickler, Robinson, Winston, and Laniosz
NAYS: None
ABSENT: Trustee Urban
Ms. Davis will communicate the Board's decision to Mesirow Financial.
- Statements of Economic Interest (SEI): All Trustees confirmed that their SEI has been, or will be completed, before the May 1st due date.

NEW BUSINESS

The Board discussed the reciprocity request from Chuck Kriens (Lake Forest Fire), which is in process. L&A was directed to forward any paperwork that has been submitted to the Board for its review.

The Board reviewed the 2014 statutory pensioner increases presented in the Board meeting packet. A motion was made by Trustee Robinson and seconded by Trustee Winston to approve the pensioner increases as prepared by L&A.

AYES: Trustees Stickler, Robinson, Winston, and Laniosz
NAYS: None
ABSENT: Trustee Urban

The Board discussed Jason Laniosz's leave of absence granted by the City of North Chicago. Attorney Clifford prepared a memorandum regarding the topic and guidance to the City and the Board regarding his creditable service. Trustee Laniosz stated that his leave of absence will begin on 05/14/2014 and will end on 02/05/2015. He understands that since the leave is not due to a personal injury, he will not be able to pay back his contributions for this leave of absence, and that it will be noted as an unpaid break in service.

The Board discussed the election results for the active member position. Commander John Umek ran unopposed and was elected by acclamation. A motion was made by Trustee Robinson and seconded by Trustee Stickler to certify the election results electing Commander John Umek to the Board of Trustees, by acclamation, for a three year term, ending 04/30/2017. Motion carried by unanimous voice vote.

The Board conducted the Board Officer elections.

- Trustee Robinson nominated Trustee Stickler as President. There were no other nominations and nominations were closed. Trustee Stickler was elected by acclamation as President of the Board.
AYES: Trustees Stickler, Robinson, Winston, and Laniosz
NAYS: None
ABSENT: Trustee Urban
- Trustee Stickler nominated Trustee Winston as Secretary. There were no other nominations and nominations were closed. Trustee Winston was elected by acclamation as Secretary of the Board.
AYES: Trustees Stickler, Robinson, Winston, and Laniosz
NAYS: None
ABSENT: Trustee Urban

The Board confirmed that there are no changes to the following service engagements: IDOI Annual Statement and actuarial report – to be completed by L&A; annual audit – to be completed by Zabinski Consulting.

- A motion was made by Trustee Robinson and seconded by Trustee Winston to approve payment of the Zabinski Consulting invoice in the amount of \$3,225 for the completion of the 04/30/2013 audit.
AYES: Trustees Stickler, Robinson, Winston, and Laniosz
NAYS: None
ABSENT: Trustee Urban

- A motion was made by Trustee Robinson and seconded by Trustee Stickler to approve the engagement letter from Zabinski Consulting to complete the 04/30/2014 audit, at a cost of \$3,225.
AYES: Trustees Stickler, Robinson, Winston, and Laniosz
NAYS: None
ABSENT: Trustee Urban

The Board discussed the possibility of a reduced cost for a joint actuarial report for 2014, between the City of North Chicago, the Fire Pension Fund and the Police Pension Fund. A motion was made by Trustee Robinson and seconded by Trustee Stickler to request that L&A prepare a proposal to determine the cost of the joint actuarial report venture.

AYES: Trustees Stickler, Robinson, Winston, and Laniosz
NAYS: None
ABSENT: Trustee Urban

The Board briefly discussed the inclusion of its agendas and minutes on the City's website so that members can be informed of Pension Fund business.

The Board extended its gratitude to Jason Laniosz for serving on the Board, and his dedication to fulfilling the duties of a Pension Board Trustee.

CLOSED SESSION – The Board agreed there was no need for closed session.

ADJOURNMENT

A motion was made by Trustee Robinson and seconded by Trustee Winston to adjourn the meeting at 10:36 a.m. Motion carried by unanimous voice vote.

Respectfully Submitted,

Douglas Winston, Pension Board Secretary

Date approved: _____

Minutes prepared by Becky Davis, Pension /Services Administrator