

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

July 7, 2014

A regular meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Monday, July 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 9:04 a.m.

ROLL CALL

Upon roll call the following answered:

Present: President Lawrence Stickler, Secretary Douglas Winston, Trustee/Treasurer Kenneth Robinson, Trustee Dell Urban and Trustee John Umek

Absent: None

Also Present: Board Attorney David Zafiratos of Ottosen Britz; Carol Digman of Tree City Investments; Todd Schroeder and Becky Davis of Lauterbach & Amen, LLP (L&A); David Biggs and Lt. Kimberly Schaefer

PUBLIC COMMENT

Lt. Kimberly Schaefer inquired about combined creditable service procedures with her previous Fund, Highwood Fire. Lt. Schaefer stated that she was employed for approximately 11 months at Highwood and that her contributions were refunded to her. The Board advised Lt. Schaefer and indicated that information would be provided to her.

Lt. Schaefer left the meeting.

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 April 7, 2014 minutes as written. Motion carried by unanimous voice vote.

The Board conducted its six-month review of closed session minutes, and discussed the audio recording of the 03/25/2008 closed session. A motion was made by Trustee Robinson and seconded by Trustee Winston to approve the destruction of the audio recording of the 03/25/2008 closed session, and noted that there are no other closed session minutes, at this time. Motion carried by unanimous voice vote.

TREASURER'S REPORT

Treasurer Robinson distributed and reviewed the 05/31/14 Treasurer's report. The report stated the First Midwest Bank account balance on 05/31/2014 was \$76,816.53. Tax monies are being received so the Fund should have sufficient funds for benefit payments and expenses until October. A motion was made by Trustee Stickler and seconded by Trustee Robinson to accept the 05/31/2014 Treasurer's report. Motion carried by unanimous voice vote.

Treasurer Robinson stated that of the Fund's recommended amount of \$1,024,176, approximately \$700,000 was levied by the City for the Fire Pension Fund. Treasurer Robinson stated that he would follow up to report the exact amount levied.

ACCOUNTANT'S REPORT

L&A reported that the Zabinski annual audit of the Fund is currently in process, and that a draft report is expected to be distributed to the Board soon.

L&A reported that the 04/30/2014 DOI Annual Statement is currently in process, and that a draft report is expected to be distributed to the Board shortly.

Mr. Schroeder reviewed the L&A proposal for actuarial consulting services presented in the Board meeting packet, and answered the Board's questions. Treasurer Robinson indicated that the L&A proposal was reviewed by the City Comptroller, and that she was in agreement with the proposal. It was agreed that there would be the following breakdown for payment of the actuarial services: the City and Police Pension Fund will pay 37.5% each, and the Fire Pension Fund would pay the remaining 25%. It was agreed that payment of the 2014 actuarial reports would be \$1,500 each for the City and Police Pension Fund, and \$1,000 for the Fire Pension Fund. The fees for 2015 and 2016 are \$8,000 for each year and include the GASB reporting. Payment will follow the agreed upon percentages, as previously stated.

Draft reports of the Municipal Compliance Report (MCR) and the Actuarial Valuation were distributed, but will not be finalized until the audit report and DOI annual statement are finalized. A motion was made by Trustee Robinson and seconded by Trustee Stickler to approve L&A's proposal for the Police and Fire Pension Fund actuarial reports for the fiscal years ending 04/30/2014, 2015 and 2016, as presented.

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

L&A will update the current engagement letter to reflect the proposed actuarial fees as discussed. An updated L&A engagement letter will be presented for approval at the next meeting.

The Board discussed whom to invoice for the actuarial services, and it was agreed that the Pension Funds and City should be invoiced separately for the actuarial services, as discussed.

L&A indicated that the final 04/30/2014 Actuarial Valuation and MCR will be ready for the Board's approval at the next regular meeting.

The Board reviewed the monthly financial report presented in the Board meeting packet. For the one month ended May 31, 2014, the net position held in trust for pension benefits was \$9,463,928.50. A motion was made by Trustee Winston and seconded by Trustee Robinson to accept the financial report as presented. Motion carried by unanimous voice vote.

PRESENTATION AND APPROVAL OF BILLS

The Board reviewed the Warrant List of distributions presented in the Board meeting packet. A motion was made by Trustee Robinson and seconded by Trustee Winston to approve the disbursements for March, April and May 2014, totaling \$36,337.08.

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

The Board reviewed the IPPFA Midwest training conference registration presented in the board meeting packet. A motion was made by Trustee Robinson and seconded by Trustee Stickler to approve the \$1,220 payment for the IPPFA Midwest training conference registration fees.

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

It was noted that Trustee Umek is registered to attend the IPPFA Certified Trustee Program 14-4 being held on August 6th, September 10th, October 8th and November 12th, 2014. Completing this program will satisfy Trustee Umek's 32 hour certified training requirements. Trustee Umek was presented with the Section 1-109 and 1-113 of the Illinois Pension Code and the link to complete the Open Meetings Act (OMA) online training, found on the Illinois Attorney General's website. Trustee Umek indicated that he will complete the (OMA) training and forward the certificate of completion to Ms. Davis for recordkeeping.

INVESTMENT REPORT

Ms. Digman distributed the investment performance report for 06/30/2014 and reviewed it with the Board. The portfolio performance was up 3.55% for the quarter with an ending market value of \$9,485,523. Ms. Digman stated that the quarterly return for the benchmark was approximately 3.0%, and that the portfolio is up 11.58% for the trailing 12 months. Ms. Digman discussed recent transactions and investment strategies with the Board. A motion was made by Trustee Robinson and seconded by Trustee Stickler to accept the investment report. Motion carried by unanimous voice vote.

ATTORNEY'S REPORT

Attorney Zafiratos distributed and reviewed the presentation prepared by Attorneys Clifford and Zafiratos called *Trends and Developments in Pensions*, and reviewed recent and pending court cases.

The Board agreed that there are currently no disabled members that are required to have annual medical evaluations.

The Board executed the previously approved attorney retainer agreement.

ADMISSIONS/WITHDRAWALS FROM FUND, PENDING RETIREMENTS/DISABILITIES

The Board noted that there were currently no admissions or withdrawals from the Fund, nor any pending retirements or disabilities requested.

INFORMATIONAL ITEMS AND UNFINISHED BUSINESS

- Trustee Training Summary: the Board noted that Trustee Winston has agreed to complete the FOIA and OMA training as the Board's designee.
- Annual Affidavits of Continued Eligibility: L&A reported that the affidavits were mailed to the pensioners the end of June, and are due back by 07/31/2014. L&A will report on the results during the next meeting.
- Combined creditable service paperwork from Chuck Kriens (Lake Forest Fire): the Board reviewed the paperwork that was received by the Fund as presented in the Board meeting packet. A motion was made by Trustee Winston and seconded by Trustee Robinson to approve the combined creditable service request from Chuck Kriens, currently in process, per L&A's calculations. Motion carried by unanimous voice vote.
- Discuss combined creditable service of Ian Kennedy (Zion Fire): the Board reviewed the 04/30/2014 contribution report presented in the Board meeting packet. L&A reported that Mr. Kennedy is currently contributing the additional 1% to his current Fund (Zion Fire), but has not completed the combined creditable service process because he has not contacted his prior Fund, North Chicago Fire (NCFPF). Mr. Kennedy, however, has left his contributions with NCFPF. L&A indicated that they will advise the Zion Fire Pension Fund of this matter. No further action is required by North Chicago Fire Pension Fund until Mr. Kennedy presents his written request for combined creditable service.

Upon further review of the contribution report, the Board requested clarification regarding two other terminated members, Thomas Szostak and Dean M. Reinhardt. L&A will follow up with the DOI and provide a response to the Board regarding these two past members.

NEW BUSINESS

The Board acknowledged the 05/29/2014 death of pensioner Leo Koncan and surviving spouse Lorraine Koncan. The Board reviewed the surviving spouse benefit calculation presented in the board meeting packet. A motion was made by Trustee Robinson and seconded by Trustee Stickler approve payment of surviving spouse benefits to Lorraine M. Koncan, effective 05/30/2014, at the monthly amount of \$3,811.35.

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

The Board discussed the recent contact from the Local Records Commission.

The Board executed the new Harris Bank signature cards to remove past Trustee, Ted Wilder.

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

ADJOURNMENT

A motion was made by Trustee Robinson and seconded by Trustee Umek to adjourn the meeting at 10:25 a.m. Motion carried by unanimous voice vote.

Respectfully Submitted,

_____ Date approved: _____
Douglas Winston, Pension Board Secretary

Minutes prepared by Becky Davis, Pension /Services Administrator