

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

October 6, 2014

A regular meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Monday, October 6, 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

Due to President Lawrence Stickler's absence, a motion was made by Trustee Urban and seconded by Trustee Umek to appoint Trustee Douglas Winston as President Pro Tem. Motion carried by unanimous voice vote. President *Pro Tem* Douglas Winston called the meeting to order at 9:07 a.m.

ROLL CALL

Upon roll call the following answered:

Present: President *Pro Tem* Douglas Winston, Trustee Dell Urban, Trustee John Umek and Trustee/Treasurer Kenneth Robinson (arrived later)

Absent: President Lawrence Stickler

Also Present: Board Attorney Carolyn Clifford of Ottosen Britz; Carol Digman of Tree City Investments; retired Lt. David Biggs; Becky Davis of Lauterbach & Amen, LLP (L&A) and James Ritchie of Lauterbach & Amen, LLP (arrived later)

PUBLIC COMMENT

Mr. Biggs commented that the bagels were good and thanked Ms. Digman for bringing them; the Board agreed.

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 Urban and seconded by Trustee Umek to approve the July 7, 2014 minutes as written. Motion carried by unanimous voice vote.

Treasurer Robinson informed the Board that he would be late to the meeting today. The Board agreed to address the Treasurer's report later in the meeting.

ACCOUNTANT'S REPORT

The Board distributed the 04/30/2014 Zabinski audit and reviewed the report. A motion was made by Trustee Umek and seconded by Trustee Urban to accept the Zabinski audit report and approve payment of the Zabinski invoice in the amount of \$3,225.

AYES: Trustees Winston, Urban and Umek

NAYS: None

ABSENT: Trustees Stickler and Robinson

The Board reviewed the 04/30/2014 IDOI Annual Statement. A motion was made by Trustee Urban and seconded by Trustee Umek to approve the IDOI Annual Statement and execute the Certification Form. Motion carried by unanimous voice vote. Trustee Stickler's signature will be obtained as soon as possible, and then the form will be sent to the DOI.

The Board reviewed the L&A engagement letter, which was revised to include actuarial services. A motion was made by Trustee Urban and seconded by Trustee Umek to approve the L&A engagement letter including actuarial services, as presented.

AYES: Trustees Winston, Urban and Umek

NAYS: None

ABSENT: Trustees Stickler and Robinson

Mr. Ritchie joined the meeting at 9:27 a.m.

Mr. Robinson joined the meeting at 9:30 a.m.

Mr. Ritchie distributed the 04/30/2014 L&A actuarial valuation and the Municipal Compliance Report, and reviewed them with the Board. Attorney Clifford presented and reviewed the tax levy recommendation letter with the Board. Attorney Clifford noted that a chart included with the letter reveals the Fund's rising liabilities while the Fund's assets remain flat,

and actually losing ground, because the minimum contributions are not being paid by the City. A presentation to the City was discussed to bring attention to the unfunded liabilities to the Pension Funds and the required GASB reporting. A motion was made by Trustee Umek and seconded by Trustee Urban to accept the L&A Actuarial Valuation, the Municipal Compliance Report, and make the tax levy recommendation to the City in the amount of \$1,174,104.

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

The Board reviewed the monthly financial report presented in the Board meeting packet. For the four months ended August 31, 2014, the net position held in trust for pension benefits was \$9,542,827.61. A motion was made by Trustee Robinson and seconded by Trustee Urban 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 Urban to approve the disbursements for June, July and August 2014, totaling \$24,123.81.

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

TREASURER'S REPORT

Treasurer Robinson reviewed the 08/31/14 Treasurer's report. The report stated the First Midwest Bank account balance on 07/31/2014 was \$159,477.17. Receipts totaled \$31,363.76; total disbursements were \$107,049.87. The ending balance in the account on 08/31/2014 was \$83,791.06. A motion was made by Trustee Umek and seconded by Trustee Winston to accept the 08/31/2014 Treasurer's report. Motion carried by unanimous voice vote.

Treasurer Robinson reported that the amount levied for the Fund in the City's tax levy ordinance for the 2013 - 2014 was \$613,435.25.

INVESTMENT REPORT

Ms. Digman distributed the investment performance report for 08/31/2014 and reviewed it with the Board. The portfolio performance was 3.23% for the quarter and 11.17% for the trailing 12 months. The ending market value was \$9,446,708. Ms. Digman stated that the quarterly return for the benchmark was 3.38%. Asset allocations were reported to be 62% equities, 21% money market and 17% bonds. Trustee Robinson stated that the Fund will not need to withdraw any cash from investments for cash flow purposes for approximately two months. Trustee Robinson also observed that since the Fund is below \$10 million, equities will need to be sold and reinvested in fixed income to bring the Fund below the statutory limitation of 45% in equities before the end of the fiscal year. A motion was made by Trustee Robinson and seconded by Trustee Umek to accept the investment report. Motion carried by unanimous voice vote.

ATTORNEY'S REPORT

Attorney Clifford distributed and reviewed recent information of actuarial studies and funding policies with the Board.

ADMISSIONS/WITHDRAWALS FROM FUND, PENDING RETIREMENTS/DISABILITIES

The Board discussed the termination of employment for Firefighter Fred Turner; his date of hire was 11/04/2013 and his last day worked was 09/10/2014. Mr. Turner requested that his contributions be refunded, and L&A mailed him the paperwork on 09/11/2014. Follow up regarding the receipt of his completed paperwork will be addressed at the next meeting.

The Board discussed Firefighter Christopher Shearer. FF Shearer's date of hire was 08/08/1994 and has completed 20 years with the Fund. Retirement paperwork was given to FF Shearer for his completion, as soon as possible. FF Shearer will be 50 years old in October of 2018. Follow up regarding the receipt of his completed paperwork will be addressed at the next meeting.

The Board discussed Firefighter Brett Clark. FF Clark's date of hire was 12/05/2011 and his last day worked was 09/19/2014. FF Clark has been hired by Mundelein Fire and has not submitted a request regarding his creditable service time or contributions with North Chicago Fire. Follow up regarding his decision will be addressed at the next meeting.

INFORMATIONAL ITEMS AND UNFINISHED BUSINESS

- Trustee Training Summary: the summary was reviewed; Trustees will submit their training certificates upon receipt.
- Annual Affidavits of Continued Eligibility: Ms. Davis reported that there is only one affidavit still outstanding. The Trustees agreed to assist Ms. Davis with contacting the member to insure completion of the last affidavit. A follow up report will be discussed at the next meeting.
- Review and update membership records: L&A prepared the active member letters for distribution. Pension file updates will be submitted for recordkeeping.
- Update on combined creditable service request from Chuck Kriens (Lake Forest Fire): L&A reported that Mr. Kriens' reciprocity is in process, and that he is making payments as directed.
- Update on combined creditable service request from Ian Kennedy (Zion Fire): L&A reported that a letter outlining the cost of his reciprocity request was sent to Mr. Kennedy on 09/17/2014. Further update regarding his re-payment to the Fund will be addressed at the next meeting.
- Update on T. Szostak and D. Reinhardt contributions: Mr. Ritchie reported that L&A has been provided updated information to correct Mr. Szostak's and Mr. Reinhardt's contributions with the Fund on the DOI annual statement.

NEW BUSINESS

The Board discussed recent FOIA requests that were completed in a timely manner.

The Board discussed the review and update of the rules and forms, and agreed that no changes are needed at this time. Attorney Clifford stated that there may be a need for some updates next year to add a policy on correcting benefit mistakes.

The Board discussed and reviewed the contractual agreements with custodians and advisors, and agreed that there are no changes needed at this time. Attorney Clifford stated that the attorney retainer agreement will be presented to the Board for its consideration for approval at the next meeting.

The Board discussed the establishment of the 2015 Board meeting dates. A motion was made by Trustee Robinson and seconded by Trustee Urban to approve the following 2015 regular Board meeting dates: January 5th, April 6th, July 6th and October 5th. Meetings are to be held at 9:00 a.m. and in the same location. Motion carried by unanimous voice vote.

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

ADJOURNMENT

A motion was made by Trustee Robinson and seconded by Trustee Urban to adjourn the meeting at 10:39 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