

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
NORTH CHICAGO FIREFIGHTERS' PENSION FUND
July 6, 2015**

A regular meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Monday, July 6, 2015, at 9:00 am, located at 1850 Lewis Avenue, North Chicago, IL 60064, pursuant to notice, for the purpose of conducting regular business.

CALL TO ORDER: President Lawrence Stickler called the meeting to order at 9:02 am.

ROLL CALL

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

ABSENT: None

ALSO PRESENT: Board Attorney Carolyn Clifford of Ottosen Britz; Carol Digman of Tree City Investments; Todd Schroeder, Becky Davis and Lisa Barnaby of Lauterbach & Amen, LLP (L&A); and retired Lieutenant David Biggs

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *April 6, 2015 Regular Meeting:* The Board reviewed the minutes from the April 6, 2015 regular meeting. A motion was made by Trustee Robinson and seconded by Trustee Urban to approve the April 6, 2015 minutes as written. Motion carried by voice vote, Trustee Stickler abstained.

Semi-Annual Review of Closed Meeting Minutes: The Board conducted a review of the closed session minutes and agreed that there are no closed session minutes to be considered for release.

TREASURER'S REPORT: *First Midwest Report(s):* Treasurer Robinson reviewed the 04/30/2015 Treasurer's Report. The balance at First Midwest as of 03/30/2015 was \$184,180.94; receipts totaled \$16,542.29 and total disbursements were \$116,551.37. The ending balance as of 04/30/2015 is \$84,171.86. A motion was made by Trustee Urban and seconded by Trustee Umek to accept the 04/30/2015 Treasurer's Report. Motion carried by voice vote, Trustee Stickler abstained.

Treasurer Robinson reported that property taxes are now being received and there are sufficient funds on hand to cover expenses for the next few months.

Update on City's Tax Levy Amount: Treasurer Robinson reported that there is no update at this time and that work will start on the levy in September or October. A follow-up will be made at the next regular board meeting.

ACCOUNTANT'S REPORT: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the month ended 05/31/2015. As of 05/31/2015, the net position held in trust for pension benefits is \$9,409,353.65. A motion was made by Trustee Robinson and seconded by Trustee Winston to accept the Monthly Financial Report as presented. Motion carried by voice vote, Trustee Stickler abstained.

Audit Report Status: Trustee Robinson reported that the audit is still in process with Zabinski Consulting and he will contact Ms. Zabinski to obtain an update on the audit. A follow-up will be discussed at the next meeting.

GASB Reporting Status / Department of Insurance (DOI) Annual Statement: Mr. Schroeder discussed GASB 67/68 reporting requirements with the Board and stated that the GASB 67/68 Report will be completed shortly, and will be provided to Zabinski Consulting for financial statement reporting. The Board was informed that the DOI Annual Statement is still in process. A follow-up will be discussed at the next regular meeting.

Review Actuarial Valuation / Tax Levy Recommendation: Mr. Schroeder distributed the draft Actuarial Valuation as of May 1, 2015. Based on the draft asset figures, the current recommended tax levy amount will be approximately \$1,179,822. The Actuarial Valuation will be finalized upon receipt of the audited financials from Zabinski Consulting. The Municipal Compliance Report and recommended tax levy amount will be discussed at the next regular meeting.

PRESENTATION AND APPROVAL OF BILLS: *Vendor Checks Report:* The Board reviewed the Vendor Checks Report for the period 03/01/2015 – 05/31/2015, for disbursements totaling \$26,547.77. A motion was made by Trustee Robinson and seconded by Trustee Winston to approve the Vendor Checks Report as presented. Motion carried by roll call vote.

AYES: Trustees Winston, Urban, Umek and Robinson

NAYS: None

ABSENT: None

ABSTAIN: Trustee Stickler

Additional Bills, if any: There were no additional bills.

INVESTMENT REPORT: *Quarterly Investment Report:* Ms. Digman distributed the Quarterly Investment Report for the period ending 06/30/2015. The beginning balance of the portfolio as of 01/01/2015 was \$9,205,054, and the ending market value of the portfolio as of 06/30/2015 is \$9,239,318. The total return for the period of 01/01/2015 through 06/30/2015 was .82%, or \$75,849. The current asset allocation of the portfolio as of 06/30/2015 is 47.7% stocks, 28.5% bonds and money market, 23.8%. Ms. Digman indicated that she is continuing to reduce the equity exposure to 45% per statute. A motion was made by Trustee Robinson and seconded by Trustee Urban to accept the Quarterly Investment Report as presented. Motion carried by voice vote, Trustee Stickler abstained.

Review Investment Policy: The Board agreed that no changes to the Investment Policy are currently necessary. A follow-up will be discussed at the next regular meeting.

ATTORNEY'S REPORT: *Annual Independent Medical Examinations:* The Board noted that there were no disabled members under 50 that require an annual medical exam at this time.

Amended Board Rules/Forms: Ms. Clifford informed the Board that she is currently in the process of finalizing the Board Rules/Forms and this matter will be discussed at the next regular meeting.

Memo on Email and Public Record Issues: Ms. Clifford discussed managing email as a public record. Ms. Clifford suggested the Board consider inquiring with the City regarding the possibility of establishing a North Chicago email address(es) for non-employee(s) to utilize while serving as a Pension Board Trustee.

Legal Update: Ms. Clifford discussed recent court cases and Pension Board Trustee fiduciary responsibility regarding investment management.

COMMUNICATIONS OR REPORTS: *Trustee Training Summary:* The Board discussed outstanding trustee training. Trustee Stickler stated he will complete training and provide certification of completion of the same.

FOIA Officer/OMA Designee Training: Trustee Winston stated that he will complete his FOIA/OMA Designee training.

Active Member Records/File Maintenance Letters: The Board was informed that L&A will prepare the active member letters for distribution in September 2015.

Annual Affidavits of Continued Eligibility: The Board reviewed the Affidavits of Continued Eligibility which L&A mailed to pensioners on 6/30/2015. The Board was informed that the due date for all replies is 07/31/15. A follow up report on the results will be given at the next meeting.

ADMISSIONS/WITHDRAWALS FROM FUND: *Death of Surviving Spouse Idalen Mruk:* The Board acknowledged the death of surviving spouse Idalen Mruk on 04/13/2015. All surviving spouse benefits have ceased. The death certificate was placed on file with the Fund for its records.

Death of Pensioner Mark A. Jacobs: The Board acknowledged the death of pensioner Mark A. Jacobs on 06/03/2015. The Board noted that Pension Jacobs died while in the middle of a divorce proceeding with his wife, Gina Jacobs. A motion was made by Trustee Robinson and seconded by Trustee Winston to direct L&A to prepare a letter to Ms. Jacobs (pending Board attorney approval) requesting Ms. Jacobs provide an Order evidencing dismissal of the divorce action, as a prerequisite to the approval of surviving spouse pension benefits. Motion carried by roll call vote.

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

Death of Pensioner Roger Belski: The Board acknowledged the death of pensioner Roger Belski on 06/03/2015. Mr. Belski had no surviving spouse and all pension benefits have ceased.

OLD BUSINESS: *Update on Christopher Shearer:* The Board discussed this matter; no reply has been received from Mr. Shearer regarding his retirement paperwork. Trustee Urban will engage a discussion regarding his suspension days with the Village's Human Resources director to further investigate this matter. A follow-up will be discussed at the next regular meeting.

Update on Ian Kennedy (Zion Fire) Reciprocity: L&A reported that there has been no reply from Mr. Kennedy regarding his interest in reciprocity. The Board directed L&A to prepare and send an updated letter to Mr. Kennedy, as interest has accrued since the last letter that was sent on 01/09/2015. This this matter will be will be discussed at the next regular meeting.

Update on Carl Szentendrei (Gurnee Fire) Reciprocity: The Board discussed this matter and instructed L&A to send a final letter to Mr. Szentendrei providing his final options should he pursue reciprocity. A follow-up will be discussed at the next regular meeting.

NEW BUSINESS: *Disability Application of Mary Villarreal:* The Board discussed the disability application of FF Mary Villarreal, which is in process. Attorney Clifford reported that she had sent Villarreal's attorney the Board's application for disability benefits, as well as the Board's authorization for release of medical records, which will be needed to secure the background medical records. Attorney Clifford also prepared the subpoenas to be issued to the City of North Chicago and the North Chicago Fire Department, as well as the worker's compensation carrier, to obtain those records. A special meeting may need to be scheduled. Follow-up on this matter will be discussed at the next regular meeting.

Board Officer Elections for President and Secretary: The Board discussed the Board Officer elections for the positions of President and Secretary. A motion was made by Trustee Robinson and seconded by Trustee Umek to table Board officer elections to the next regular meeting. Motion carried by voice vote, Trustee Stickler abstained.

CLOSED SESSION: 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 11:02 am. Motion carried by voice vote, Trustee Stickler abstained.

The next scheduled Board meeting is on Monday, October 5, 2015 at 9:00 am

Respectfully Submitted,

_____ Date approved: _____
Douglas Winston, Pension Board Secretary

Minutes prepared by Lisa Barnaby, Pension Services Administrator