

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
NORTH CHICAGO FIREFIGHTERS' PENSION FUND
October 5, 2015**

A regular meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Monday, October 5, 2015, 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: In the absence of President Stickler, Trustee Urban agreed to serve as President Pro Tem and called the meeting to order at 9:01 a.m.

ROLL CALL

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

ABSENT: President Lawrence Stickler

ALSO PRESENT: Board Attorney Carolyn Clifford and Brian O'Connor, Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd.; Carol Digman, Tree City Investments; James Ritchie and Lisa Barnaby, Lauterbach & Amen, LLP (L&A); Kelly Zabinski, Zabinski Consulting Services, Inc.; retired members Douglas J. Henderson and Dave Biggs

PUBLIC COMMENT: There was no public comment.

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

TREASURER'S REPORT: *First Midwest Report(s):* Treasurer Robinson reviewed the 07/31/2015 Treasurer's Report. The beginning balance of the First Midwest account as of 06/30/2015 is \$269,864.35; receipts total \$32,104.24; and total disbursements are \$103,539.92. The ending balance as of 07/31/2015 is \$198,428.67. Treasurer Robinson reported that property taxes are now being received and there is sufficient funds on hand to cover expenses for the next few months. A motion was made by Trustee Umek and seconded by Trustee Winston to accept the 07/31/2015 Treasurer's Report. Motion carried by voice vote.

ACCOUNTANT'S REPORT: *Review and Acceptance of FY 2015 Annual Audit:* Ms. Zabinski presented the 2015 Audit to the Board for review. A motion was made by Trustee Robinson and seconded by Trustee Winston to accept the 4/30/2015 Audit report as presented. Motion carried by unanimous voice vote.

Ms. Zabinski left the meeting at 9:20 a.m.

Illinois Department of Insurance (IDOI) Annual Statement / Execute Certification Form: Mr. Ritchie informed the Board that L&A will file the Certification form with the DOI via certified mail. A motion was made by Trustee Robinson and seconded by Trustee Umek to approve the DOI Annual Statement and execution of the Certification Form. Motion carried by unanimous voice vote.

GASB Reporting Status / Review/Approve Actuarial Valuation: Mr. Ritchie discussed with the Board the Actuarial Valuation as of May 1, 2015, prepared by L&A. A motion was made by Trustee Robinson and seconded by Trustee Umek to accept the Actuarial Valuation for tax levy purposes. Motion carried by unanimous voice vote.

Municipal Compliance Report/Tax Levy Request: Mr. Ritchie presented the Municipal Compliance Report for the fiscal year ending April 30, 2015, to the Board for review. A motion was made by Trustee Robinson and seconded by Trustee Urban to certify the Municipal Compliance Report and request a tax levy in the amount of \$1,179,755 from the City of North Chicago. Motion carried by unanimous voice vote.

Monthly Financial Report: The Board reviewed the Monthly Financial Report for the month ended 08/31/2015. As of 08/31/2015, the net position held in trust for pension benefits is \$9,123,879.13. A motion was made by Trustee Umek and seconded by Trustee Robinson to approve the Monthly Financial Report as presented. Motion carried by roll call vote.

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

PRESENTATION AND APPROVAL OF BILLS: *Vendor Checks Report:* The Board reviewed the Vendor Checks Report for the period 06/01/2015 – 08/31/2015, for disbursements totaling \$33,377.38. A motion was made by Trustee Robinson and seconded by Trustee Umek to approve the Vendor Checks Report as presented. Motion carried by roll call vote.

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

Additional Bills, if any: Trustee Winston presented the Board with an invoice for the 2016 IPPFA membership dues in the amount of \$795. A motion was made by Trustee Robinson and seconded by Trustee Umek to approve payment of the invoice as presented. Motion carried by roll call vote.

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

INVESTMENT REPORT: *Quarterly Investment Report:* Ms. Digman distributed the Quarterly Investment Report for the period ending 09/30/2015. The ending market value of the portfolio as of 09/30/2015 is \$8,784,869. The year-to-date return as of 09/30/2015 is (4.03%). The return for the S&P is (-6.74%); the 10 year treasury return is (-5.07%); and the 5 year treasury return is (-16.97%). The relevant bench mark blended return was down (-4.53%). The asset allocation as of 09/30/2015 is 43.5% stocks, 34.7% bonds and 21.7% money market. A motion was made by Trustee Winston and seconded by Trustee Umek to accept the Quarterly Investment Report as presented. Motion carried by roll call vote.

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

Review/Update 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: *Trustee Training Compliance Memorandum:* Ms. Clifford discussed the 09/25/2015 Trustee Training and Compliance Memorandum with the Board.

Trustee Lawrence Stickler – Review and possible action on non-compliance with training requirements: Ms. Clifford discussed the statutory options available to the Board regarding removing a trustee who is non-compliant with trustee training requirements. A motion was made by Trustee Robinson and seconded by Trustee Winston to remove Lawrence Stickler as a member of the Board of Trustees, for the remainder of his unexpired term, due to trustee training non-compliance. Motion carried by roll call vote.

AYES: Trustees Winston, Urban, Umek and Robinson

NAYS: None

ABSENT: Trustee Stickler

Trustee Robinson directed L&A to begin the election process to elect a retired member to replace Lawrence Stickler (to serve his unexpired term). Retired ballots are to be mailed out on October 6, 2015, and election results are to be finalized by October 31, 2015. A follow-up will be addressed at the next regular meeting.

Amended Board Rules/Forms: Ms. Clifford presented the final Board Rules/Forms as amended in January, 2015, to the Board for review. A motion was made by Trustee Robinson and seconded by Trustee Umek to approve the final Board Rules/Forms as presented. Motion carried by roll call vote.

AYES: Trustees Winston, Urban, Umek and Robinson

NAYS: None

ABSENT: Trustee Stickler

Legal Update: Ms. Clifford distributed *Quarterly Insights for Pension Trustees* (Fourth Quarter 2015) and discussed her recommendation for Trustees to begin using official (non-personal) email for all pension fund emails. Ms. Clifford recommended the Board inquire with the City of North Chicago as to whether or not the City would be willing to allow non-employee board members to be assigned a North Chicago email address, or alternatively, recommended that the pension fund set up its own email account. A follow-up will be discussed at the next regular meeting.

COMMUNICATIONS OR REPORTS: *Trustee Training:* Trustees Urban, Winston, Umek and Robinson will be attending the 2015 MidAmerican Pension Conference on October 6-9, 2015 and will provide L&A with their certifications of completion upon receipt.

Annual Active Member File Maintenance Letters: The Board was informed that Annual Active Member File Maintenance Letters were distributed to active members in August, 2015 and documents are being recorded as they are received.

Annual Affidavits of Continued Eligibility: L&A reported that all Affidavits of Continued Eligibility have been received. The original Affidavits were given to Secretary Winston for the Pension Fund's files.

ADMISSIONS/WITHDRAWALS FROM FUND: *Jason Laniosz Contribution Refund.* The Board reviewed the contribution refund request of Jason Laniosz. A motion was made by Trustee Robinson and seconded by Trustee Umek to approve the Contribution Refund in the amount of \$24,874.93 to Jason Laniosz. Motion carried by roll call vote.

AYES: Trustees Urban, Umek, Winston and Robinson

NAYS: None

ABSENT: Trustee Stickler

New Hires: The Board reviewed the application of Todd Lucassen and Juan Lopez. A motion was made by Trustee Robinson and seconded by Trustee Umek to accept Todd Lucassen, date of hire: 07/27/2015, Tier 2, and Juan Lopez, date of hire: 05/18/2015, Tier 2, into the North Chicago Firefighters' Pension Fund. Motion carried by roll call vote.

AYES: Trustees Winston, Urban, Umek and Robinson

NAYS: None

ABSENT: Trustee Stickler

Disability Application of Mary Villarreal – status and intervention Petition from City: Attorney Clifford informed the Board that she is awaiting any possible objections to the City's Petition to Intervene and she requested the Board set up a special meeting in November to take action on the Petition to Intervene and to select independent medical physicians. Mr. Ritchie informed the Board that Ms. Villarreal reached out to L&A with an interest in making contributions to the Fund for the period of time after which she was removed from the City's payroll. Attorney Clifford advised the Board that it should not accept contributions from Ms. Villarreal after she has been removed from payroll, as any disability benefit she receives will be calculated to the date she was removed from payroll, with any worker's comp TTD benefits offset therefrom. A follow-up on this matter will be discussed at the next regular meeting.

Surviving Spouse Benefits Status – Gina Jacobs: Ms. Clifford and L&A informed the Board that no response has been received from Ms. Jacobs. A follow-up will be discussed at the next regular meeting.

Christopher Shearer Creditable Service Update: Ms. Clifford informed the Board that, according to calculations prepared by L&A, Mr. Shearer has 19 years, 11 months and 26 days of creditable service. Ms. Clifford will prepare a letter to Mr. Shearer for the Board's review documenting Mr. Shearer's creditable service. A follow-up will be discussed at the next regular meeting.

Ian Kennedy (Zion Fire) Reciprocity: There has been no reply from Mr. Kennedy regarding his interest in reciprocity.

Carl Szentendrei (Gurnee Fire) Reciprocity: There has been no reply from Mr. Szentendrei regarding his interest in reciprocity.

Chief Urban will send Ian Kennedy and Carl Szentendrei additional correspondence regarding this matter. A follow-up will be discussed at the next regular meeting.

NEW BUSINESS: *Board Officer Elections for President and Secretary:* A motion was made by Trustee Robinson and seconded by Trustee Winston to nominate Trustee Winston as President and Trustee Umek as Secretary. Motion carried by roll call vote.

AYES: Trustees Urban, Umek, Robinson and Winston

NAYS: None

ABSENT: Trustee Stickler

Establish 2016 Board Meeting Dates: The Board discussed scheduling of the 2016 regular board meeting dates. A motion was made by Trustee Robinson and seconded by Trustee Umek to schedule the 2016 regular meetings as follows:

Monday, January 4, 2016

Monday, April 4, 2016

Tuesday, July 5, 2016

Monday, October 3, 2016

All meetings will be held at 9:00 a.m.,
located at 1850 Lewis Avenue, North Chicago, IL

Motion carried by unanimous voice vote.

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 10:37 a.m. Motion carried by voice vote.

The next scheduled Board meeting is on Monday, January 4, 2016 at 9:00 a.m.

Respectfully Submitted,

_____ Date approved: _____
John Umek, Pension Board Secretary

Minutes prepared by Lisa Barnaby, Pension Services Administrator