



North Chicago Firefighters' Pension Fund

Fire Station, 1850 Lewis Avenue, North Chicago, IL 60068

Douglas Winston
President

John Umek
Secretary

Dell Urban
Trustee

Kenneth Robinson
Trustee/Treasurer

Patrick Michael
Trustee

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES NORTH CHICAGO FIREFIGHTERS' PENSION FUND July 5, 2016

A regular meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Tuesday, July 5, 2016, 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: Trustee Winston called the meeting to order at 9:00 a.m.

ROLL CALL

PRESENT: Trustees Douglas Winston, John Umek, Dell Urban, Patrick Michael and Kenneth Robinson

ABSENT: None

ALSO PRESENT: Board Attorney Carolyn Clifford, Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd.; Carol Digman, Tree City Investments; James Ritchie, Jessica Fain and Michelle Hawkins, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: The minutes from the regular meeting of April 4, 2016 were reviewed. A motion was made by Trustee Urban and seconded by Trustee Robinson to approve the minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Minutes: There were no closed session minutes for review.

TREASURER'S REPORT: *First Midwest Report(s):* Treasurer Robinson reviewed the Treasurer's Report for the period ending May 31, 2016. The beginning balance of the First Midwest account as of 05/31/2016 is \$26,279.43; receipts totaled \$109,240.34; and total disbursements are \$84,739.65. The ending balance as of 05/31/2016 is \$50,780.12. A motion was made by Trustee Michael and seconded by Trustee Umek to accept the 05/31/2016 Treasurer's Report as presented. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT: *Lauterbach & Amen Monthly Financial Report:* The Board reviewed the Monthly Financial Report as of May 31, 2016. As of 05/31/2016, the net position held in trust for pension benefits is \$8,820,785.76 with a change in position of \$71,572.41 for the one-month period. The Cash Analysis Report, Revenue and Expense Reports, Member Contribution Report and Payroll Journal were reviewed. A motion was made by Trustee Robinson and seconded by Trustee Urban to accept the Treasurer's Report as presented. Motion carried unanimously by voice vote.

2016 Audit Status Update: Mr. Ritchie presented the Board with a draft copy of the April 2016 year-end audit for review and all questions were answered by Mr. Ritchie. An update will be provided at the next regular meeting.

Presentation and Approval of Bills: The Board reviewed the Vendor Checks Report for the period 03/01/2016 through 05/31/2016, for a total disbursement of \$33,995.52. A motion was made by Trustee Robinson and seconded by Trustee Michael to approve the Vendor Checks Report for the period 03/01/2016 through 05/31/2016, in the amount of \$33,995.52. Motion carried by roll call vote.

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

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

IDOI Annual Statement Update: Mr. Ritchie discussed with the Board the status of the Illinois Department of Insurance Annual Statement. Once the Annual Statement is complete, a Certification Form will be sent to the Board for signature and notary stamp before being filed with the Illinois Department of Insurance.

INVESTMENT REPORT: *Tree City Investments:* Ms. Digman distributed the Quarterly Investment Report for the period ending June 30, 2016. As of 06/30/2016, the market value of the portfolio is \$8,780,262. The quarter to date investment return was 1.74%. The current portfolio allocation is: 46% in Fixed Income, 45% in Equities and 8% in Money Market. Current asset allocations within the Equity and Fixed Income funds were reviewed, as well as Individual Fund Performance. All questions were answered by Ms. Digman. A motion was made by Trustee Robinson and seconded by Trustee Urban to accept the Investment Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: The Board determined that there are no changes needed at this time.

ATTORNEY'S REPORT: *Legal Update:* Ms. Clifford discussed the process to manage closed session meeting minutes and recordings. All questions were answered by Ms. Clifford. L&A will keep an inventory of all closed session meeting minutes and distribute the summary semi-annually for the Board to review.

COMMUNICATIONS OR REPORTS: *Affidavits of Continued Eligibility:* L&A informed the Board that Affidavits of Continued Eligibility were mailed to all pensioners with the June payroll with a due date of July 27, 2016.

Active Member File Maintenance Letters: The Board noted that annual letters to all active members requesting updates to their pension files will be prepared by L&A in August for distribution.

IDOI Security Administrator Form: The Board discussed the new Security Authorization Form that was issued by the Illinois Department of Insurance. The form needs to be completed and mailed to the DOI by August 1, 2016. A motion was made by Trustee Winston and seconded by Trustee Umek to maintain Trustee Robinson as the Security Administrator for the North Chicago Firefighters' Pension Fund. Motion carried unanimously by voice vote.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:

Application for Membership – Sonny Scardina: The Board reviewed the Application for Membership from Sonny Scardina. Mr. Scardina was hired on April 18, 2016 as a Tier II participant with no prior creditable service.

Application for Membership – Jamie White: The Board reviewed the Application for Membership from Jamie White. Ms. White was hired on March 21, 2016 as a Tier II participant with no prior creditable service.

Application for Membership – Eddie Arias: The Board reviewed the Application for Membership from Eddie Arias. Mr. Arias was hired on June 13, 2016 as a Tier II participant with no prior creditable service.

A motion was made by Trustee Urban and seconded by Trustee Winston to accept the Applications for Membership of Sonny Scardina, Jamie White and Eddie Arias, effective on their respective dates of hire and as Tier II participants. Motion carried unanimously by voice vote.

Withdrawal from Fund – Sarah Sundquist: The Board acknowledged that Ms. Sundquist's last day worked with the North Chicago Fire Department was April 28, 2016. The Board tabled this matter until the next regular meeting.

Approval of Reciprocity as Paid in Full – Doug Lindstrom: L&A informed the Board that the reciprocity request of Doug Lindstrom has been completed and payment has been received in full. A motion was made by Trustee Robinson and seconded by Trustee Winston to accept the payment and recognize the purchase as paid in full. Motion carried unanimously by voice vote.

Approval of Reciprocity as Paid in Full – Carl Szentendrei: L&A informed the Board that the reciprocity request of Carl Szentendrei has been completed and payment has been received in full in the amount of \$1,875.66. A motion was made by Trustee Robinson and seconded by Trustee Michael to accept the payment of \$1,875.66 and recognize the purchase as paid in full. Motion carried unanimously by voice vote.

Reciprocity – Scott Nemeth: The Board discussed the reciprocity request of Scott Nemeth. The Board will be requesting all of the salary information necessary to complete the request. An update will be provided at the next regular meeting.

Deceased Pensioner – Bruno Bobrowski: The Board acknowledged that pensioner Bruno Bobrowski passed away on May 25, 2016 with no surviving spouse. A motion was made by Trustee Urban and seconded by Trustee Robinson to verify the death of pensioner Bruno Bobrowski and confirm that all pension benefits have ceased. L&A informed the Board that the over-payment of \$684.89 has been returned from the Estate. Motion carried unanimously by voice vote.

RETIREMENT/DISABILITY BENEFITS: *Status of Disability Application – Mary Villarreal:* Ms. Clifford discussed with the Board available dates to schedule Mary Villarreal's disability hearing. Ms. Clifford will contact Ms. Villarreal's counsel to schedule the disability hearing.

OLD BUSINESS: *Status of Creditable Service – Christopher Shearer:* Ms. Clifford informed the Board that they received payroll records to indicate that Mr. Shearer had reached his 20 years of creditable service. Mr. Shearer's last day worked with the North Chicago Fire Department was September 7, 2014.

NEW BUSINESS: *IDOI Compliance Audit:* Mr. Robinson discussed with the Board that the Illinois Department of Insurance will be conducting a compliance audit. L&A has been asked to provide any requested documentation. An update will be provided at the next meeting.

Review Preliminary Actuarial Valuation – Lauterbach & Amen: Jessica Fain from L&A presented the Board with a preliminary copy of the actuarial valuation and the GASB 67 & 68 report for review. All questions were answered by Ms. Fain. A final copy of the actuarial valuation will be presented to the Board for review and acceptance at the next regular meeting.

TRUSTEE TRAINING UPDATES: The Board reviewed the upcoming Trustee Training opportunities and was reminded to send any training certificates to L&A for recordkeeping.

A motion was made by Trustee Robinson and seconded by Trustee Winston to approve expenses for all Trustees to attend the IPPFA MidAmerican Pension Conference. Motion carried by roll call vote.

AYES: Trustees Winston, Umek, Urban, Michael and Robinson

NAYS: None

ABSENT: None

CLOSED SESSION: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Robinson and seconded by Trustee Michael to adjourn the meeting at 10:55 a.m. Motion carried by unanimous voice vote.

The next regularly scheduled Board meeting is on Tuesday, October 3, 2016 at 9:00 a.m.

Respectfully Submitted,

John Umek, Pension Board Secretary

Date approved: _____

Minutes prepared by Michelle Hawkins, Pension Services Administrator