

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES  
NORTH CHICAGO FIREFIGHTERS' PENSION FUND  
January 4, 2016**

A regular meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Monday, January 4, 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:** President Winston called the meeting to order at 9:01 a.m.

**ROLL CALL**

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

**ABSENT:** None

**ALSO PRESENT:** Board Attorney Brian O'Connor, Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd.; Carol Digman, Tree City Investments; Lisa Barnaby, Lauterbach & Amen, LLP (L&A); Douglas Henderson, retired member

**PUBLIC COMMENT:** Douglas Henderson inquired about the Cost of Living (COLA) increases included in the Board Packet. Trustee Robinson discussed the matter with Mr. Henderson and stated he would follow-up and provide Mr. Henderson with answers to his questions.

**APPROVAL OF MEETING MINUTES:** *October 5, 2015 Regular Meeting and October 26, 2015 Special Meeting:* The Board reviewed the minutes from the October 5, 2016 regular meeting and the October 26, 2015 special meeting. A motion was made by Trustee Robinson and seconded by Trustee Umek to approve the minutes as written. Motion carried by voice vote.

*Semi-Annual Review of Closed Meeting Minutes:* There were no closed meeting minutes to review.

**TREASURER'S REPORT:** *Approve Annual Cost of Living Adjustments (COLA's):* The Board reviewed the 2016 COLAs for pensioners as calculated by L&A. A motion was made by Trustee Robinson and seconded by Trustee Urban to approve the statutory COLA's as calculated by L&A (see attached). Motion carried by roll call vote.

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

**NAYS:** None

**ABSENT:** None

*First Midwest Report(s):* Treasurer Robinson reviewed the 11/30/2015 Treasurer's Report. The beginning balance of the First Midwest account as of 10/31/2015 is \$210,933.56; receipts totaled \$43,601.07; and total disbursements are \$147,200.44. The ending balance as of 11/30/2015 is \$107,334.19. A motion was made by Trustee Umek and seconded by Trustee Robinson to accept the 11/30/2015 Treasurer's Report, pending notification of the current account balance, to be provided by Treasurer Robinson. Motion carried by unanimous voice vote.

Treasurer Robinson informed the Board that he will need funds transferred to the First Midwest account to cover expenses for the next few months.

**ACCOUNTANT'S REPORT:** *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the month ended 10/31/2015, prepared by L&A. As of 10/31/2015, the net

position held in trust for pension benefits is \$9,346,928.78. The net change in position for the six month period ended 10/31/2015 is (\$106,784.02). The Board reviewed the Cash Analysis Report, Revenue Report, Expense Report, Payroll Journal and Member Contribution Report. A motion was made by Trustee Urban and seconded by Trustee Robinson to approve the Monthly Financial Report as presented. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

**PRESENTATION AND APPROVAL OF BILLS:** *Vendor Checks Report:* The Board reviewed the Vendor Checks Report for the period 08/01/2015–10/31/2015, for total disbursements in the amount of \$35,117.04. 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, Umek, Urban, Michael and Robinson

NAYS: None

ABSENT: None

*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 09/30/2015. The ending market value of the portfolio as of 09/30/2015 is \$9,082,437. The year-to-date return as of 09/30/2015 is (-.17%). The relevant benchmark blended index was (-3.70%); the return for the S&P was .10%; and the aggregate bond was (-.81%). The asset allocation as of 12/15/2015 is 51% Stock, 33% Bonds/Fixed Income and 16% Cash. A motion was made by Trustee Umek and seconded by Trustee Michael to accept the Quarterly Investment Report as presented. Motion carried by unanimous voice vote.

*Trustee Robinson exited the meeting at 9:16 a.m.*

*Review/Update Investment Policy:* The Board agreed that no changes are currently needed to the Investment Policy.

**ATTORNEY'S REPORT:** *Legal Update:* Mr. O'Connor distributed a document titled "Timeline of Requirements for Article 4 Firefighter Pension Funds" and discussed it with the Board.

*Possible City of North Chicago Email Addresses for Non-Village Employee Trustees:* Mr. O'Connor discussed establishing emails for Trustees to use to conduct Pension Fund business. No action was taken and this matter is tabled to the next regular meeting.

*Trustee Robinson returned at 9:25 a.m.*

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

*New Trustee Training – Patrick Michael:* Trustee Michael will complete his Freedom of Information Act and Open Meetings Act training. Trustee Michael will not complete his Certified Trustee training, pending results of the upcoming retired member election.

**ADMISSIONS/WITHDRAWALS FROM FUND:** *New Hire – David Lou:* The Board reviewed the application of David Lou. Firefighter Lou's date of hire was 12/7/2015, with Tier 2 status. A motion was made by Trustee Urban and seconded by Trustee Umek to approve the application and accept David Lou into the North Chicago Firefighters' Pension Fund as a Tier 2 participant. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

**RETIREMENT/DISABILITY BENEFITS:** *Keith Humphres Benefit Calculation:* The Board reviewed the retirement benefit calculation of Commander Keith Humphres as calculated by L&A. Commander Humphres' effective date of pension is 10/17/2015; 30 years and 1 month of creditable service; applicable salary of \$100,659.00; percentage of salary 75%; original monthly benefit in the amount of \$6,291.19. A motion was made by Trustee Robinson and seconded by Trustee Winston to approve the retirement benefit calculation of Commander Humphres as presented. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

**OLD BUSINESS:** *Disability Application of Mary Villarreal – IME Updates:* Attorney O'Connor informed the Board that two (2) independent medical examinations (IMEs) of Mary Villarreal have been completed. Upon completion of the third IME, a disability hearing date will be scheduled, most likely sometime in mid-February. This matter is tabled to the next regular meeting for follow-up.

The Board discussed three (3) checks received from Ms. Villarreal, seeking to make contributions to the Pension Fund. Per Attorney Clifford's prior counsel, it was recommended that the Board not accept contribution payments from Ms. Villarreal, as she has been removed from the payroll. The Board noted that the following payments received from Ms. Villarreal, were not accepted, and the checks were returned to Ms. Villarreal as follows:

Check #	Amount	Disposition
6156	\$538.54	L&A returned check #6156 to Ms. Villarreal on 12/15/2015
6133	\$269.27	Trustee Umek returned checks 6133 and 6143 to Ms. Villarreal on 1/4/2016
6143	\$538.54	

*Surviving Spouse Gina Jacobs – Approve Benefit Calculations (Monthly and Retro):* The Board acknowledged the death of pensioner Mark Jacobs on 6/3/2015. The Board reviewed the surviving spouse benefit calculations (monthly and retro) for Gina Jacobs, prepared by L&A. A motion was made by Trustee Robinson and seconded by Trustee Winston to approve the surviving spouse benefit calculation for Gina Jacobs, effective 6/4/2015, for a monthly benefit in the amount of \$3,213.23. Motion carried by roll call vote.

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

The Board review the surviving spouse retro benefit calculation for Gina Jacobs, prepared by L&A and provided in the Board Packet. The retro amount due Gina Jacobs for the period 6/4/2015 – 10/31/2015, is \$15,744.83. A motion was made by Trustee Robinson and seconded by Trustee Winston to approve the retro benefit calculation for Gina Jacobs as presented. Motion carried by roll call vote.

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

*Reciprocity Update – Carl Szentendrei (Gurnee Fire):* The Board noted that balance due from Mr. Szentendrei to the North Chicago Firefighters' Pension Fund to combine service under reciprocity was \$1,875.66 and that payment has been received in full for this amount. A motion was made by Trustee Robinson and seconded by Trustee Urban to accept the \$1,875.66 payment and recognize that the reciprocity purchase is paid in full. Motion carried by roll call vote.

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

*Christopher Shearer Creditable Service Update:* The Board discussed this matter and agreed to remove this item from the agenda.

*2016 Retired Special Election Results (Trustee Stickler unexpired term):* The Board reviewed the special election results for the unexpired term of former Trustee Lawrence Stickler, expiring 4/30/2016. 16 ballots received were opened and tallied at Lauterbach & Amen on October 30, 2015, with the following results:

Patrick Michael – 9 votes;  
Douglas Henderson – 5 votes;  
David Biggs – 2 votes.

A motion was made by Trustee Urban and seconded by Trustee Robinson to certify the election of Patrick Michael as retired member representative of the North Chicago Firefighters' Pension Board, for the unexpired term of Lawrence Stickler, expiring April 30, 2016. Motion carried by roll call vote.

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

**NEW BUSINESS:** *Trustee Term Expiration / Reappointments / Election Process:* The Board noted that Trustee Michael's retired position on the Pension Board is expiring April 30, 2016. Trustee Michael stated that he is interested in serving a 3-year term. The Board directed Lauterbach & Amen to conduct the election as follows: nominations be sent by 2/15/2016, with a due/return date of 2/29/2016; and ballots be sent out by 3/7/2016, with a due/return date of 3/24/2016. A motion was made by Trustee Robinson and seconded by Trustee Michael directing L&A to conduct the retired member election as stated above. Motion carried by unanimous voice vote.

*Statements of Economic Interests – Submission of required filers to County:* All trustees were reminded to complete the filing of their Statements of Economic Interest to the County by May 1<sup>st</sup>.

*January 2016 Proposal for Attorney Services – Ottosen Britz Cooper Gilbert & DiNolfo, Ltd.:* The Board reviewed the 2016 retainer proposal as presented by Ottosen Britz, et al. The Board requested Mr. O'Connor provide information concerning the details of the retainer proposal letter and the proposed retainer fee amounts. This matter was tabled to a future meeting, pending receipt of the requested information from Mr. O'Connor.

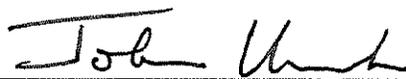
Prior to adjournment of the meeting, Trustee Robinson informed the Board that funds were needed in the amount of \$600,000, to cover expenses through May, 2016. The Board noted that Trustee Robinson has authority to request funds from investments in this manner, and therefore the Board took no action on this matter.

**CLOSED SESSION:** There was no need for closed session.

**ADJOURNMENT:** A motion was made by Trustee Winston and seconded by Trustee Robinson to adjourn the meeting at 10:19 a.m. Motion carried by unanimous voice vote.

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

Respectfully Submitted,



John Umek, Pension Board Secretary

Date approved: 4-6-16

*Minutes prepared by Lisa Barnaby, Pension Services Administrator*