



WESTCHESTER FIREFIGHTERS' PENSION FUND

10240 Roosevelt Road, Westchester, Illinois | 708-345-2873

Scot Stauber
President

Matthew LeMay
Secretary

Bill Ernst
Trustee

Tom Sullivan
Trustee

Mike Gerace
Trustee

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE WESTCHESTER FIREFIGHTERS' PENSION FUND MONDAY, MAY 7, 2018 – 4:00 P.M.

A regular meeting of the Board of Trustees of the Westchester Firefighters' Pension Fund was held on **Monday, May 7, 2018 at 4:00 p.m.** at the Westchester Fire Department, 10240 Roosevelt Road, Westchester, Illinois for the purpose of conducting regular business, pursuant to notice.

CALL TO ORDER: Trustee Stauber called the meeting to order at 4:07 p.m.

ROLL CALL:

PRESENT: Trustees Scot Stauber, Matt LeMay, Mike Gerace, Bill Ernst and Tom Sullivan

ABSENT: None

ALSO PRESENT: Barb Brandt, Village Treasurer; Tom McShane, Graystone Consulting (*arrived at 4:15 p.m.*); Jerry Marzullo, Puchalski Goodloe Marzullo, LLC (PGM); Jim Ritchie and Allie Rysell, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

REVIEW AND APPROVAL OF MEETING MINUTES: *Regular Meeting – February 6, 2018:* The Board reviewed the meeting minutes of the February 6, 2018 regular meeting. A motion was made by Trustee Ernst and seconded by Trustee Sullivan to approve the minutes of the February 6, 2018 regular meeting as written. Motion carried unanimously by voice vote.

TREASURER'S REPORT – BARB BRANDT: *Village Financial Report:* Ms. Brandt reviewed the Village Financial Report with the Board. As of April 30, 2018, the balance of the Money Market Account is \$404,601.01 and the balance of the BMO Harris Bank NOW Account is \$23,536.06. Ms. Brandt noted that additional cash reserves will not be needed for monthly pension payments for the quarter. All questions were answered by Ms. Brandt.

Review/Approve – Disbursement Log: The Board reviewed the Disbursement Log for the period 12/31/17 through 04/09/18 showing total disbursements in the amount of \$67,134.19.

A motion was made by Trustee Sullivan and seconded by Trustee Stauber to accept the Village Financial Report and to approve the Disbursement Log as presented. Motion carried by roll call vote.

AYES: Trustees Stauber, LeMay, Gerace, Sullivan and Ernst

NAYS: None

ABSENT: None

Mr. McShane arrived at 4:15 p.m.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* L&A presented the Monthly Financial Report for the period ending February 28, 2018. As of 02/28/18, the net position held in trust for pension benefits is \$23,425,012.70 with a positive change in position for the ten-

month period of \$1,190,181.42. The Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal were reviewed with the Board. A motion was made by Trustee Sullivan and seconded by Trustee LeMay to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period 12/01/17 through 02/28/18 showing total disbursements in the amount of \$103,661.65. A motion was made by Trustee Ernst and seconded by Trustee Stauber to approve the disbursements shown on the Vendor Check Report in the amount of \$103,661.65. Motion carried by roll call vote.

AYES: Trustees Stauber, LeMay, Gerace, Sullivan and Ernst
NAYS: None
ABSENT: None

Approval of Trustee Training Registration Fees and Reimbursable Expenses: There were none at this time.

Additional Bills, if any – Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued and payment is due by July 2nd. A motion was made by Trustee Stauber and seconded by Trustee LeMay and to approve payment of the IDOI Compliance Fee upon receipt of the invoice, in an amount not to exceed \$5,000. Motion carried by roll call vote.

AYES: Trustees Stauber, LeMay, Gerace, Sullivan and Ernst
NAYS: None
ABSENT: None

ATTORNEY'S REPORT – PUCHALSKI GOODLOE MARZULLO, LLC: *Discussion/Possible Action – Pension Fund Administrative Rules and Regulations:* Attorney Marzullo will send draft copies of the revised Administrative Rules and Regulations for review. The Board will review the Administrative Rules and Regulations at the next regular meeting.

Discussion/Possible Action – Jeff O'Connor Subpoena: Attorney Marzullo provided a status update on the response for the subpoena request regarding pensioner Jeff O'Connor. All questions were answered by Attorney Marzullo. No further action is needed at this time.

Legal Updates: Attorney Marzullo discussed recent case law and legislation pertaining to Article 3 and 4 Pension Funds. Further cases and legislation will be watched closely and the Board will be updated. A motion was made by Trustee Stauber and seconded by Trustee LeMay to approve the Attorney's Report as presented. Motion carried unanimously by voice vote.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board noted that the Statements of Economic Interest have been submitted by all Trustees prior to the May 1st due date.

Annual Affidavits of Continued Eligibility: The Board noted that L&A will mail the 2018 Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. A status update will be presented at the next regular meeting.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: There were none at this time.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: There were none at this time.

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Investment Report:* Mr. McShane presented the Quarterly Investment Report for the period ending March 31, 2018. As of 03/31/18, the market

value of the portfolio is \$22,959,056, with an investment return for the first quarter of (0.74%). The investment return for the fiscal year-to-date is 8.09%. The portfolio composition is 65.54% in Equities and 34.46% in Fixed Income. Current asset allocations within the Equity and Fixed Income funds were reviewed as well as individual fund performance. All questions were answered by Mr. McShane.

Mr. McShane reviewed his consulting fee with the Board and noted that he will be lowering his fee from 24 basis points to 21 basis points. All questions were answered by Mr. McShane.

Purchase/Sale of Investment Securities: Mr. McShane informed the Board that he has no recommended changes to the portfolio's asset allocation at this time.

Review/Update Investment Policy: Mr. McShane reviewed the Investment Policy with the Board and determined no changes are needed at this time. The Board signed a copy of the Investment Policy with the updated review date and directed Graystone Consulting to submit the signed Investment Policy to the IDOI website.

A motion was made by Trustee Sullivan and seconded by Trustee Ernst to accept the Quarterly Investment Report as presented. Motion carried unanimously by voice vote.

OLD BUSINESS: *Trustee Training Updates:* The Board reviewed the Trustee Training Summary and upcoming opportunities for continuing education. Trustees were reminded to send all certificates of completion to L&A for recordkeeping.

Discussion/Possible Approval – Refund of Excess Contributions – Paul J. Groom and Jason E. Sudaz: The Board noted that former Firefighters Paul J. Groom and Jason E. Sudaz were issued refunds due to the incorrect contribution withholding on their vacation time. The total amount refunded to Firefighter Groom was \$928.19 and the total amount refunded to Firefighter Sudaz was \$776.70. L&A verified that these refund amounts were reflected on the December 2017 Contribution Report, as submitted by the Village. No further Board action is needed.

Creditable Service Purchase – Paul J. Groom: The Board noted that former Firefighter Paul J. Groom has completed his creditable service purchase. The total amount paid to the Westchester Firefighters' Pension Fund was \$9,244.66.

Creditable Service Purchase – Jason E. Sudaz: The Board noted that former Firefighter Jason E. Sudaz has completed his creditable service purchase. The total amount paid to the Westchester Firefighters' Pension Fund was \$6,082.06.

A motion was made by Trustee Stauber and seconded by Trustee LeMay to accept payment from Paul J. Groom and Nicholas F. Lezza, to recognize that their creditable service purchases have been paid in full, and to recognize their status as deferred pensioners of the Westchester Firefighters' Pension Fund. Motion carried by roll call vote.

AYES:	Trustees Stauber, LeMay, Gerace, Sullivan and Ernst
NAYS:	None
ABSENT:	None

Creditable Service Purchase – Nicholas F. Lezza: The Board noted that Nicholas F. Lezza's creditable service purchase was accepted and approved at the last regular meeting. L&A provided a letter to the Board to be included in his member file for recordkeeping, recognizing that his payment has been made in full.

NEW BUSINESS: *Status Update – Fiscal-Year End Reports:* Mr. Ritchie provided a brief status update on the April 30, 2018 Audit Report. Further discussion will be held at the next regular meeting.

Mr. Ritchie requested the Board provide a list of the active member salaries for preparation of the April 30, 2018 Actuarial Valuation and Department of Insurance Annual Statement. The Board will submit a list of the active member salaries to L&A as requested. Further discussion will be held at the next regular meeting.

Certify 2018 Board Election Results – Retired Member Position: L&A conducted an election for the Retired Member position on the Westchester Firefighters' Pension Fund Board of Trustees. Mike Gerace ran unopposed and was reelected by acclamation for a three-year term expiring April 30, 2021. A motion was made by Trustee Sullivan and seconded by Trustee Stauber to certify the Retired Member election results by acclamation. Motion carried unanimously by voice vote.

Appointed Member Term Expiration: The Board will contact the Village and seek reappointment of Trustee Sullivan to the Board. Further discussion will be held at the next regular meeting.

Discussion/Possible Action – Lauterbach & Amen Engagement Letter: The Board reviewed the L&A Engagement Letter for the years ended April 30, 2019, 2020 and 2021. A motion was made by Trustee Sullivan and seconded by Trustee LeMay to engage L&A for services for three years in the annual amounts as follows: \$26,585 for the fiscal year ending 04/30/19; \$27,385 for the fiscal year ending 04/30/20; and \$28,205 for the fiscal year ending 04/30/21 as presented. Motion carried by roll call vote.

AYES:	Trustees Stauber, LeMay, Gerace, Sullivan and Ernst
NAYS:	None
ABSENT:	None

CLOSED SESSION, IF NEEDED: Closed session was not needed.

The Board determined that the August 20th regular meeting will be held at 5:00 p.m. The Board will prepare a Public Notice to note this change.

ADJOURNMENT: A motion was made by Trustee Stauber and seconded by Trustee Sullivan to adjourn the meeting at 5:09 p.m. Motion carried unanimously by voice vote.

The next regular meeting of the Westchester Firefighters' Pension Fund is scheduled for **Monday, August 20, 2018 at 5:00 p.m.** at the Westchester Fire Department, 10240 Roosevelt Road, Westchester, Illinois.



Scot Stauber, Board President

Minutes prepared by Allie Rysell, Pension Services Administrator, Lauterbach & Amen, LLP