



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, AUGUST 20, 2018 – 5:00 P.M.

A regular meeting of the Board of Trustees of the Westchester Firefighters' Pension Fund was held on **Monday, August 20, 2018 at 5:00 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 5:05 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 (*arrived at 5:12 p.m.*); Tom McShane and Patrick Donnelly, Graystone Consulting; Jerry Marzullo, Puchalski Goodloe Marzullo, LLC (PGM); Jessica Fain and Allie Rysell, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *Regular Meeting – May 7, 2018:* The Board reviewed the meeting minutes from the May 7, 2018 regular meeting. A motion was made by Trustee Ernst and seconded by Trustee LeMay to approve the minutes from the May 7, 2018 regular meeting as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the closed session minutes with Attorney Marzullo. A motion was made by Trustee Stauber and seconded by Trustee LeMay to keep the closed session meeting minutes closed. Motion carried unanimously by voice vote.

Ms. Brandt arrived at 5:12 p.m.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* L&A presented the Monthly Financial Report for the period ending June 30, 2018. As of 06/30/18, the net position held in trust for pension benefits is \$23,335,427.08 with a negative change in position for the two-month period of (\$48,428.96). The Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal were reviewed with the Board.

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period 04/01/18 through 06/30/18 showing total disbursements in the amount of \$70,775.93.

A motion was made by Trustee Ernst and seconded by Trustee Stauber to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$70,775.93. 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: Trustee Sullivan informed the Board that he is interested in attending the 2018 IPFA Fall Pension Seminar to obtain 8-hours of continuing education. A motion was made by Trustee Stauber and seconded by Trustee LeMay to approve the payment of the registration fee for Trustee Sullivan to attend the 2018 IPFA Fall Pension Seminar. Motion carried by roll call vote.

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

Additional Bills, if any: There were none at this time.

TREASURER'S REPORT – BARB BRANDT: *Village Financial Report:* Ms. Brandt reviewed the Village Financial Report with the Board. As of July 31, 2018, the balance of the Money Market Account is \$297,579.16 and the balance of the BMO Harris Bank NOW Account is \$12,515.51. Ms. Brandt informed the Board that the balance in the Money Market Account does not reflect the July 2018 federal withholdings, which were not deducted due to a clerical error by the Village. This discrepancy has been rectified and the July 2018 federal withholdings will be reflected on a future statement. 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 showing total disbursements in the amount of \$31,713.24.

A motion was made by Trustee Stauber and seconded by Trustee LeMay 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

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP (CONTINUED): *Status Update – Fiscal Year-End Reports:* L&A provided a status update concerning the Audit Report and IDOI Annual Statement. L&A reviewed the updated interrogatories required by the IDOI effective June 1, 2018. The final report will be sent to the Board for review upon completion. Ms. Brandt stated that she will notify L&A once the auditors are engaged with the Village. Further discussion will be held at the next regular meeting.

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

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. All questions were answered by Attorney Marzullo.

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Investment Report:* Mr. McShane presented the Quarterly Investment Report for the period ending June 30, 2018. As of 06/30/18, the market value of the portfolio is \$23,192,419, with an investment return for the quarter of 0.96%. The portfolio

composition is 65.64% in Equities and 34.36% 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 the Graystone Consulting Fee Agreement with the Board and noted that he will be lowering the quarterly fee from 24 basis points to 21 basis points. All questions were answered by Mr. McShane and Attorney Marzullo. A motion was made by Trustee Sullivan and seconded by Trustee Ernst to approve the amended Graystone Consulting Fee Agreement, noting that the new quarterly fee will decrease to 21 basis points. Motion carried unanimously by voice vote.

Mr. McShane informed the Board that Graystone Consulting has the capability of automatically deducting the quarterly fee instead of issuing invoices to the Pension Fund. All questions were answered by Mr. McShane and Ms. Brandt. A motion was made by Trustee Stauber and seconded by Trustee LeMay to authorize Graystone Consulting to automatically deduct all future quarterly fees for the Westchester Firefighters' Pension Fund. Motion carried unanimously by voice vote.

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 that was approved by the Board at the last regular meeting and noted that a copy has been filed with the IDOI for their records.

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

COMMUNICATIONS AND REPORTS: *Annual Affidavits of Continued Eligibility:* The Board noted that L&A mailed the 2018 Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. To date, three pensioners remain outstanding. The Board directed L&A to send second request affidavits to the outstanding pensioners via certified mail with a return date of September 20th. Status updates will be provided to the Board as they become available. Further discussion will be held at the next regular meeting.

Active Member File Maintenance: The Board noted that L&A will prepare Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents as required by the IDOI.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Application for Retirement Benefits – Sean G. Casey:* The Board reviewed the retirement benefit calculation for Sean G. Casey, as prepared by L&A. Captain Casey had an entry date of 05/20/85, retirement date of 06/17/18, effective date of pension of 06/18/18, 55 years old at the date of retirement, 33 years of creditable service, applicable salary of \$120,616.60, applicable pension percentage of 75%, amount of originally granted annual pension of \$90,462.48 and amount of originally granted monthly pension of \$7,538.54. A motion was made by Trustee Stauber and seconded by Trustee LeMay to approve the regular retirement benefits for Sean G. Casey with an entry date of 05/20/85, retirement date of 06/17/18 and an originally granted monthly pension benefit of \$7,538.54. Motion carried by roll call vote.

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

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.

Appointed Member Term Expiration: The Board noted that Trustee Sullivan's appointed term expired April 30, 2018 and reappointment has been requested. Further discussion will be held at the next regular meeting.

NEW BUSINESS: *Board Officer Elections – President and Secretary:* The Board discussed maintaining Scot Stauber as President and Matt LeMay as Secretary.

FOIA Officer and OMA Designee: The Board discussed maintaining Scot Stauber as the primary FOIA Officer and OMA Designee and the Village Clerk as the secondary FOIA Officer and OMA Designee.

A motion was made by Trustee LeMay and seconded by Trustee Gerace to maintain the existing slate of Board Officers and FOIA Officer and Designee positions as stated. Motion carried unanimously by voice vote.

Review Preliminary Actuarial Valuation: Ms. Fain distributed copies of the L&A preliminary Actuarial Valuation and reviewed the recommended contribution, actuarial liability and assumptions used to prepare the draft report. Ms. Fain reviewed the assumed rate of return study with the Board. All questions were answered by Ms. Fain. The Board will review the expected rate of return study at their May 2019 meeting. Ms. Fain noted that the final report will be available for Board approval at the next meeting.

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

ADJOURNMENT: A motion was made by Trustee Stauber and seconded by Trustee LeMay to adjourn the meeting at 6:34 p.m. Motion carried unanimously by voice vote.

The next regular meeting of the Westchester Firefighters' Pension Fund is scheduled for **Monday, November 12, 2018 at 4:00 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