



North Chicago Firefighters' Pension Fund

Fire Station #1, 1850 Lewis Avenue, North Chicago, IL 60064

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 OF THE NORTH CHICAGO FIREFIGHTERS' PENSION FUND JANUARY 8, 2018

A regular meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Monday, January 8, 2018, at 9:00 a.m., located at Fire Station #1, 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, Dell Urban, Kenneth Robinson, John Umek, and Patrick Michael

ABSENT: None

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

PUBLIC COMMENT: There were no public comments.

APPROVAL OF MEETING MINUTES: *April 3, 2017 Revised Regular Meeting Minutes & October 2, 2017 Regular Meeting Minutes:* The revised minutes from the April 3, 2017 regular meeting and the minutes from the regular meeting of October 2, 2017 were reviewed by the Board. A motion was made by Trustee Robinson and seconded by Trustee Umek to approve the revised minutes from the April 3, 2017 and the October 2, 2017 regular meetings as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting 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 December 31, 2017. The beginning balance of the First Midwest account as of 12/01/2017 was \$292,541.80; receipts totaled \$19,379.88; and disbursements totaled \$107,287.24. The ending balance as of 12/31/2017 was \$204,634.44. A motion was made by Trustee Umek and seconded by Trustee Michael to accept the December 31, 2017 Treasurer's Report as presented. Motion carried unanimously by voice vote.

Confirmation of Tax Levy Amount for Fund – Review of City's Tax Levy Ordinance: Treasurer Robinson apprised the Board that the City passed a final tax levy in the amount of \$913,026. Attorney Clifford informed the Board of potential legal options to pursue securing the City's statutory minimum contribution.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report as of November 30, 2017. As of 11/30/2017, the net position held in trust for pension benefits is \$10,124,374.68 with a change in position of \$842,220.63 for the seven-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 Winston to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the Vendor Checks Report for the period 09/01/2017 through 11/30/2017, for total disbursements in the amount of \$77,316.32. A motion was made by Trustee Robinson and seconded by Trustee Winston to approve the Vendor Checks Report for the period 09/01/2017 through 11/30/2017, in the amount of \$77,316.32. Motion carried by roll call vote.

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

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

INVESTMENT REPORT – TREE CITY INVESTMENTS: *Quarterly Investment Report:* Ms. Digman distributed the Quarterly Investment Report for the period ending December 31, 2017. As of 12/31/2017, the market value of the portfolio is \$9,885,430. The quarter to date investment return net of fees was 3.10% and the year to date (calendar year) investment return (net of fees) was 12.10%. The current portfolio asset allocation is as follows: 42% Fixed Income, 49% Equities and 9% Money Market. Current asset allocations within the Equity and Fixed Income funds were reviewed, as well as the Individual Fund Performance and updates made to the Investment Report. All questions were answered by Ms. Digman. A motion was made by Trustee Robinson and seconded by Trustee Urban to accept the Quarterly Investment Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: The Board discussed the Investment Policy and will update the language to read “City Treasurer” instead of “City Comptroller/Finance Director” in section O. Collateral Requirements. A motion was made by Trustee Robinson and seconded by Trustee Michael to update the Investment Policy with the stated changes. Motion carried unanimously by voice vote.

ATTORNEY’S REPORT: *Legal Update:* Attorney Clifford distributed copies of the first quarter Ottosen Britz Pension Practice *Quarterly Insights* and highlighted items pertaining to Actuarial Assumptions and Methodology and discussed the 2018 Timeline.

Trustee Umek left the meeting at 9:40 a.m.

COMMUNICATIONS OR REPORTS: *2018 Mileage Rate:* The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.545 per mile effective January 1, 2018.

Affidavits of Continued Eligibility: The Board noted that all 2017 Affidavits of Continued Eligibility have been received by L&A. The originals were provided to the Board for their records.

Statements of Economic Interest – Submission of Required Filers to County: The Board noted that the List of Filers must be submitted to the County by the City by February 1, 2018. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2018.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: There were no applications for membership or withdrawals from the Fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approval of Surviving Spouse Benefits – Cleopatra Poindexter:* The Board noted that Mark Miller passed away on 09/16/17. The Board reviewed the surviving spouse benefit calculation for Cleopatra Poindexter with an effective date of 09/17/17 for a monthly benefit of \$4,136.56 with no additional increases. A motion was made by Trustee Urban and seconded by Trustee Robinson to approve the surviving spouse benefit of Cleopatra Poindexter as calculated by L&A. Motion carried by roll call vote.

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

OLD BUSINESS: *IDOI Compliance Audit Update:* Trustee Robinson updated the Board on the status of the IDOI Compliance Audit. An update will be provided at the next regular meeting. If the audit results are received prior to the next quarterly meeting in April, the Board will hold a special meeting for review and response.

Reciprocity – Scott Nemeth: The Board noted that the balance due from Scott Nemeth to the North Chicago Firefighters' Pension Fund has been received in full. A motion was made by Trustee Urban and seconded by Trustee Michael to accept this payment and recognize the purchase as paid in full. Motion carried by roll call vote.

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

Status of Review of Investment Reporting in Accounting Records and Audits: This item was previously discussed under the Investment Report.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2018 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Urban and seconded by Trustee Robinson to approve the 2018 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

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

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Winston is expiring April 2018. Trustee Winston expressed his wish to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions. The Board also noted that the appointed Trustee positions held by Trustee Urban and Trustee Robinson are expiring in April 2018. The Board will contact the City and seek reappointment of Trustee Urban and Trustee Robinson to the Board.

Annual Services Certifications from Illinois Finance Entities: The Board noted that First Midwest Bank will need to complete and submit the Illinois Finance Entities form by 02/28/2018.

DOI Actuarial Valuation for 2017: The Board reviewed the Illinois Department of Insurance Valuation for 2017 and noted that the IDOI statutory recommended amount was \$1,648,999.

Trustee Umek joined the meeting at 10:00 a.m.

Review and Possible Action on Intercept Process: The Board discussed the Intercept Process and discussed sending a letter to the City of North Chicago requesting the additional funds needed to reach the statutory minimum funding. A motion was made by Trustee Winston and seconded by Trustee Michael to direct the Board Attorney to begin the process of preparing the notifications. Motion carried unanimously by voice vote.

Carol Digman left the meeting at 10:18 a.m.

Review of Tree City's Investment Agreement: The Board discussed the current Investment Agreement with Tree City and sending Requests for Proposals for all service providers. A motion was made by Trustee Robinson and seconded by Trustee Umek to begin the RFP process for Accounting and Actuarial Services. Motion carried unanimously by voice vote.

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

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Robinson and seconded by Trustee Urban to adjourn the meeting at 10:36 a.m. Motion carried unanimously by voice vote.

The next regularly scheduled Board meeting is on Monday, April 2, 2018 at 9:00 a.m.

Respectfully Submitted,



John Umek, Pension Board Secretary

Date approved by the Board:

4/2/18

Minutes prepared by Michelle Hawkins, Pension Services Administrator



North Chicago Firefighters' Pension Fund

Fire Station #1, 1850 Lewis Avenue, North Chicago, IL 60064

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 OF THE NORTH CHICAGO FIREFIGHTERS' PENSION FUND APRIL 2, 2018

A regular meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Monday, April 2, 2018, at 9:00 a.m., located at Fire Station #1, 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 8:55 a.m.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Board Attorney Carolyn Clifford, Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd.; Carol Digman, Tree City Investments; Michelle Hawkins, James Ritchie, Sam Meyer, and AJ Weber, Lauterbach & Amen, LLP (L&A); David Biggs and Douglas Henderson, Retired Members; Mayor Leon Rockingham Jr., City of North Chicago

PUBLIC COMMENT: There were no public comments.

APPROVAL OF MEETING MINUTES: *January 8, 2018 Regular Meeting Minutes:* The minutes from the January 8, 2018 regular meeting were reviewed by the Board. A motion was made by Trustee Robinson and seconded by Trustee Umek to approve the minutes from the January 8, 2018 as written. Motion carried unanimously by voice vote.

March 8, 2018 Special Meeting Minutes: The minutes from the March 8, 2018 special meeting minutes were reviewed by the Board. A motion was made by Trustee Robinson and seconded by Trustee Urban to approve the minutes from the March 8, 2018 special meeting as written. Motion carried unanimously by voice vote with Trustee Michael abstaining due to his absence from the aforementioned meeting. Motion carried unanimously by voice vote.

TREASURER'S REPORT: *First Midwest Report(s):* Treasurer Robinson reviewed the Treasurer's Report for the period ending February 28, 2018. The beginning balance of the First Midwest account as of 02/01/2018 was \$103,727.44; receipts totaled \$119,336.63; and disbursements totaled \$120,295.53. The ending balance as of 02/28/2018 was \$102,768.54. A motion was made by Trustee Robinson and seconded by Trustee Michael to accept the February 28, 2018 Treasurer's Report as presented. Motion carried unanimously by voice vote.

Preparation for DOI Annual Statement, Audit and Actuarial Processes: L&A discussed the preparation for the DOI Annual Statement and presented the Zabinski Consulting engagement letter for completion of the 2018 annual audit. Further discussion will be held at the next scheduled meeting.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report as of February 28, 2018. As of 02/28/2018, the net position held in trust for pension benefits is \$9,875,653.78 with a change in position of \$593,499.73 for the ten-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 Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills, Additional Bills, if any: Illinois Department of Insurance Compliance Fee
The Board reviewed the Vendor Checks Report for the period 12/01/2017 through 02/28/2018, for total

disbursements in the amount of \$71,289.90. A motion was made by Trustee Robinson and seconded by Trustee Michael to approve the Vendor Checks Report for the period 12/01/2017 through 02/28/2018, in the amount of \$71,289.90 and to approve payment of the Illinois Department Compliance Fee, upon receipt of the invoice in an amount not to exceed \$2,400. Motion carried by roll call vote.

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

INVESTMENT REPORT – TREE CITY INVESTMENTS: *Quarterly Investment Report:* Ms. Digman distributed the Quarterly Investment Report for the period ending March 14, 2018. As of 03/14/2018, the market value of the portfolio is \$9,895,960. The quarter to date investment return net of fees was 1.12%. The current portfolio asset allocation is as follows: 41% Fixed Income, 53% Equities and 6% Money Market. Current asset allocations within the Equity and Fixed Income funds were reviewed, as well as the Individual Fund Performance and the Variable Annuities that matured. All questions were answered by Ms. Digman.

The Board discussed the Variable Annuities that have matured. The Board also noted that because the Fund has less than \$10 million, the amount invested in equities would need to be reduced to 45% before the end of the Fund's fiscal year on April 30th. A motion was made by Trustee Robinson and seconded by Trustee Urban to reinvest the proceeds from the Variable Annuities into Corporate Bonds based on the recommendation of Tree City Investments. Motion carried by roll call vote.

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

Review/Update Investment Policy: The Board discussed the Investment Policy and determined no changes are needed at this time.

ATTORNEY'S REPORT: *Legal Update:* Attorney Clifford distributed copies of the second quarter Ottosen Britz *Pension Practice Quarterly Insights* and highlighted items pertaining to disability benefit calculations. Attorney Clifford noted that the Rules & Regulations will be updated to clarify a disability pension effective date.

COMMUNICATIONS OR REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A will mail Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. A status update will be provided at the next scheduled meeting.

Statements of Economic Interest: The Board was reminded that the Statements of Economic Interest are due by May 1st.

Status of Reappointments of Appointed Member Positions: The Board noted that Trustees Robinson and Urban were reappointed to the Board for three-year terms, expiring April 30, 2021.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Contribution Refund – Tony Deram:* The Board reviewed the contribution refund request submitted by Tony Deram. A motion was made by Trustee Urban and seconded by Trustee Michael to approve Tony Deram's contribution refund in the amount of \$2,932.38 paid directly to himself. Motion carried by roll call vote.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Review/Approve – Underpayment of Benefits – David Biggs:* Mr. Biggs addressed the Board with questions regarding his underpaid benefits. The Board reviewed the recalculated regular retirement benefit calculation for David Biggs prepared by L&A. Lieutenant Biggs had an entry date of 11/01/1977, retirement date of 05/31/2013, effective date of pension of

06/01/2013, 62 years of age at date of retirement, 35 years and 7 months of creditable service, applicable salary of \$72,256.11, applicable pension percentage of 75%, amount of originally granted monthly pension of \$4,516.01 and amount of originally granted annual pension of \$54,192.12. A motion was made by Trustee Robinson and seconded by Trustee Urban to approve David Biggs's recalculated regular retirement benefit as calculated by L&A and to approve a retro payment due to Mr. Biggs in the amount of \$2,857.71. Motion carried by roll call vote.

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

Review/Approve – Underpayment of Benefits – Otis Moore: The Board reviewed the recalculated regular retirement benefit calculation for Otis Moore prepared by L&A. Commander Moore had an entry date of 06/23/1987, retirement date of 11/30/2011, effective date of pension of 12/01/2011, 58 years of age at date of retirement, 24 years and 5 months of creditable service, applicable salary of \$91,171.00, applicable pension percentage of 61.04%, amount of originally granted monthly pension of \$4,637.69 and amount of originally granted annual pension of \$55,652.28. A motion was made by Trustee Urban and seconded by Trustee Michael to approve Otis Moore's recalculated regular retirement benefit as calculated by L&A and to approve a retro payment due to Mr. Moore in the amount of \$9,128.54. Motion carried by roll call vote.

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

OLD BUSINESS: *Review and Possible Action on Intercept Process:* Attorney Clifford discussed the State Comptroller Intercept Process and Claim Amount Options. Mayor Rockingham addressed the Board regarding the funding of the North Chicago Firefighters' Pension Fund. A motion was made by Trustee Robinson and seconded by Trustee Michael to submit a claim to the State Comptroller to intercept City contributions in the amount of \$863,677. Motion carried by roll call vote.

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

NEW BUSINESS: *Discussion/Possible Action – Request for Proposals for Accounting Service and Actuarial Services:* The Board discussed proposals for Accounting and Actuarial Services. Attorney Clifford will prepare an RFP for Accounting and Actuarial Services. Further discussion will be held at the next scheduled meeting.

Mayor Rockingham left the meeting at 9:59 a.m.

Certify Board Election Results – Active Member Position: L&A conducted an election for one of the Active Member positions on the North Chicago Firefighters' Pension Fund Board of Trustees. Doug Winston ran unopposed and was reelected by acclamation for a three-year term expiring April 30, 2021. A motion was made by Trustee Urban and seconded by Trustee Robinson to certify the Active Member election results as presented. Motion carried unanimously by voice vote.

Board Officer Elections – President: The Board discussed Board Officer elections. A motion was made by Trustee Urban and seconded by Trustee Robinson to elect Trustee Winston as President of the North Chicago Firefighters' Board of Trustees. Motion carried by voice vote with Trustee Winston abstaining.

Board Officer Elections – Secretary: A motion was made by Trustee Urban and seconded by Trustee Winston to elect Trustee Umek as Secretary of the North Chicago Firefighters' Board of Trustees. Motion carried unanimously by voice vote.

FOIA Officer & OMA Designee: The Board discussed maintaining Trustee Winston as the OMA Designee and designating Trustee Umek as the FOIA Officer. A motion was made by Trustee Urban and seconded by Trustee

Robinson to designate the FOIA Officer and OMA Designee as stated. Motion carried unanimously by voice vote.

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

Discussion/Possible Action – Request for Proposals for Accounting and Actuarial Services(continued): AJ Weber from L&A presented the Board with a proposal for Accounting and Actuarial Services and addressed all questions. Further discussion will be held at the next scheduled meeting.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Urban and seconded by Trustee Umek to adjourn the meeting at 10:14 a.m. Motion carried unanimously by voice vote.

The next regularly scheduled Board meeting is on Monday, July 2, 2018 at 9:00 a.m.

Respectfully Submitted,



John Umek, Pension Board Secretary

Date approved by the Board: July 2, 2018

Minutes prepared by Michelle Hawkins, Pension Services Administrator



North Chicago Firefighters' Pension Fund

Fire Station #1, 1850 Lewis Avenue, North Chicago, IL 60064

Douglas Winston
President

John Umek
Secretary

Dell Urban
Trustee

Kenneth Robinson
Trustee/Treasurer

Patrick Michael
Trustee

MINUTES OF A SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE NORTH CHICAGO FIREFIGHTERS' PENSION FUND MAY 15, 2018

A special meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Tuesday, May 15, 2018, at 10:00 a.m., located at Fire Station #1, 1850 Lewis Avenue, North Chicago, IL 60064, pursuant to notice, for the purpose of conducting business.

CALL TO ORDER: Trustee Winston called the meeting to order at 10:00 a.m.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Board Attorney Carolyn Clifford and Michael Weinstein, Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd.; Todd Schroeder, Michelle Hawkins and James Ritchie, Lauterbach & Amen, LLP (L&A); Chief of Staff Deb Waszak and Mayor Leon Rockingham, City of North Chicago; Carlos Perezaguirre, Wilton Hill, Corey Whipple, Adam Chiapetta, Joseph Knesley, and Trevor Stein, North Chicago Fire Department

PUBLIC COMMENT: Mayor Rockingham addressed the Board regarding the notice the City had received from the Pension Board regarding the employer contribution deficiencies for fiscal years 2016 and 2017, and the intercept process the Pension Board had initiated with the State Comptroller. Several active members were in attendance and voiced their concerns regarding potential layoffs as a result of the intercept process. All questions were answered by the Mayor, the Chief of Staff, and Attorney Clifford.

DISCUSSION/POSSIBLE ACTION OF INTERCEPT PROCESS: Attorney Clifford addressed the Board regarding the intercept process and the settlement agreement presented by the attorney for the City of North Chicago. A motion was made by Trustee Urban and seconded by Trustee Umek to accept the \$150,000 settlement offer from the City of North Chicago for the employer contribution deficiencies for fiscal years 2016 and 2017. Motion carried by roll call.

AYES: Trustees Urban, Winston, and Umek

NAYS: Trustees Michael and Robinson

ABSENT: None

DISCUSSION/POSSIBLE ACTION OF REFUND INTEREST RATE – JOHN PETERSON: The Board discussed the creditable service transfer request submitted by John Peterson. A motion was made by Trustee Winston and seconded by Trustee Urban to directed L&A to assess 6% interest on the repayment schedule. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

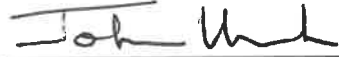
RETIREMENT APPLICATION – CHRISTOPHER SHEARER: Trustee Umek noted that Christopher Shearer has been provided a retirement application but no response has been received. Further updates will be provided to the Board as they become available.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Urban and seconded by Trustee Robinson to adjourn the meeting at 11:04 a.m. Motion carried unanimously by voice vote.

The next regularly scheduled Board meeting is on Monday, July 2, 2018 at 9:00 a.m.

Respectfully Submitted,



John Umek, Pension Board Secretary

Date approved by the Board: July 2, 2018

Minutes prepared by Michelle Hawkins, Pension Services Administrator, Lauterbach & Amen, LLP



North Chicago Firefighters' Pension Fund

Fire Station, 1850 Lewis Avenue, North Chicago, IL 60064

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 OF THE NORTH CHICAGO FIREFIGHTERS' PENSION FUND JULY 10, 2017

A regular meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Monday, July 10, 2017, at 9:00 a.m., located at Fire Station #1, 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 9:03 a.m.

ROLL CALL:

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

ABSENT: Trustee John Umek

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

PUBLIC COMMENT: There were no public comments.

APPROVAL OF MEETING MINUTES: *Regular Meeting Minutes – April 3, 2017:* The minutes from the regular meeting of April 3, 2017 were reviewed by the Board. A motion was made by Trustee Robinson and seconded by Trustee Urban to approve the April 3, 2017 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board determined there are 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, 2017. The beginning balance of the First Midwest account as of 05/01/2017 is \$50,910.67; receipts totaled \$128,705.92; and disbursements totaled \$118,637.58. The ending balance as of 05/31/2017 is \$60,979.01. A motion was made by Trustee Urban and seconded by Trustee Michael to accept the May 31, 2017 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, 2017. As of 05/31/2017, the net position held in trust for pension benefits is \$9,203,848.89 with a change in position of (\$63,987.80) 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 Winston to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the Vendor Checks Report for the period 03/01/2017 through 05/31/2017, for total disbursements in the amount of \$72,315.12. A motion was made by Trustee Robinson and seconded by Trustee Michael to approve the Vendor Checks Report for the period 03/01/2017 through 05/31/2017, in the amount of \$72,315.12. Motion carried by roll call vote.

AYES: Trustees Winston, Urban, Robinson, and Michael

NAYS: None

ABSENT: Trustee Umek

INVESTMENT REPORT: *Tree City Investments:* Ms. Digman distributed the Quarterly Investment Report for the period ending June 30, 2017. As of 06/30/2017, the market value of the portfolio is \$9,214,036. The quarter to date (calendar year) investment return (net of fees) was 4.71%. The current portfolio asset allocation is as follows: 38.00% Fixed Income, 52.00% Equities and 10.00% Money Market. Current asset allocations within the Equity and Fixed Income funds were reviewed, as well as the Individual Fund Performance. All questions were answered by Ms. Digman. A motion was made by Trustee Robinson and seconded by Trustee Winston to accept the Investment Report as presented. Motion carried unanimously by voice vote.

Status of Tree City Investments Agreement: The Board tabled this item for discussion at the next regular meeting.

Review/Update Investment Policy: The Board tabled this item for discussion at the next regular meeting.

ATTORNEY'S REPORT: *Code of Conduct – Certification of Fund Service Providers:* Attorney Clifford provided the Board with a memorandum regarding the Code of Conduct for Fund Service Providers. Copies will be distributed to all Fund Service Providers for review and signature before the next regular meeting.

Legal Update: Attorney Clifford distributed copies of the third quarter Ottosen Britz *Pension Practice Quarterly Insights* and highlighted items pertaining to the Tax Levy letter, and also discussed the presentations she has given at recent conferences.

COMMUNICATIONS OR REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the June payroll cycle and a due date of July 31st. A status update will be provided at the next scheduled 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 FUND: *Application for Membership – Trevor Stein:* The Board reviewed the Application for Membership submitted by Trevor Stein. A motion was made by Trustee Urban and seconded by Trustee Michael to accept Trevor Stein into the North Chicago Firefighters' Pension Fund, effective 05/22/17, as a Tier II participant. Motion carried unanimously by voice vote.

Application for Membership – Brian Sheehan: The Application for Membership of Brian Sheehan will be tabled for discussion until the next scheduled meeting, upon receipt of all necessary documentation.

Contribution Refund – Sonny Scardina: The Board reviewed the contribution refund for Sonny Scardina in the amount of \$4,642.67. A motion was made by Trustee Robinson and seconded by Trustee Michael to approve the contribution refund for Sonny Scardina in the amount of \$4,642.67 paid directly to himself. Motion carried by roll call vote.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: There were no applications for retirement or disability benefits at this time.

OLD BUSINESS: *IDOI Compliance Audit Update:* Trustee Robinson updated the Board on the status of the IDOI Compliance Audit. An update will be provided at the next regular meeting. If the audit results are received prior to the next quarterly meeting in October, the Board will hold a special meeting for review and response.

IDOI Annual Statement: The Board discussed the Illinois Department of Insurance Annual Statement. A motion was made by Trustee Robinson and seconded by Trustee Winston to approve the Illinois Department of Insurance Annual Statement subject to any necessary revisions. Motion carried unanimously by voice vote.

NEW BUSINESS: *Review and Possible Approval of Revised Audit Engagement Letter – Zabinski Consulting:* The Board reviewed the revisions made to the Audit Engagement Letter with Zabinski Consulting. A motion was made

by Trustee Robinson and seconded by Trustee Winston to approve the Audit Engagement Letter with Zabinski Consulting as amended. Motion carried unanimously by voice vote.

Review Preliminary Actuarial Valuation: Jessica Fain presented the preliminary Actuarial Valuation prepared by L&A. The recommended City contribution is \$1,468,963, which is an increase of \$96,042 over last year. The return on market value of investments for the fiscal year ending April 30th was 9.6%, net of administrative expenses, while the five-year smoothed return on actuarial value of assets was 5.1%, net of administrative expenses. The statutory minimum contribution is \$1,235,772. Once the audit is completed, the final report will be reviewed by the Board at the next regularly scheduled meeting in order to make the official tax levy recommendation to the City Council.

Douglas Henderson left the meeting at 10:04 a.m.

Military Service Purchase – James Axtt: The Board noted that L&A mailed correspondence to James Axtt regarding his request to calculate the amount of money due to the North Chicago Firefighters' Pension Fund to purchase 24 months of military service time, but no response has been received to date. Further discussion will be held at the next scheduled meeting.

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

The Board discussed attendance at the IPPFA MidAmerican Conference. A motion was made by Trustee Robinson and seconded by Trustee Michael to approve expenses in an amount not to exceed \$1,500 per Trustee to attend the IPPFA MidAmerican Conference in St. Louis. Motion carried by roll call vote.

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

CLOSED SESSION: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Robinson and seconded by Trustee Urban to adjourn the meeting at 10:32 a.m. Motion carried unanimously by voice vote.

The next regularly scheduled Board meeting is on Monday, October 2, 2017 at 9:00 a.m.

Respectfully Submitted,

_____ Date approved by the Board: _____
John Umek, Pension Board Secretary

Minutes prepared by Michelle Hawkins, Pension Services Administrator



North Chicago Firefighters' Pension Fund

Fire Station #1, 1850 Lewis Avenue, North Chicago, IL 60064

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 OF THE NORTH CHICAGO FIREFIGHTERS' PENSION FUND OCTOBER 1, 2018

A regular meeting of the Board of Trustees of the North Chicago Firefighters' Pension Fund was held on Monday, October 1, 2018, at 9:00 a.m., located at Fire Station #1, 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, Dell Urban, Kenneth Robinson, John Umek, and Patrick Michael (*arrived at 9:10 a.m.*)

ABSENT: None

ALSO PRESENT: Board Attorney Carolyn Clifford, Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd.; Carol Digman, Tree City Investments; Michelle Hawkins, Kelley Failing, Todd Schroeder, and James Ritchie, Lauterbach & Amen, LLP (L&A); Kelly Zabinski, Zabinski Consulting; Larry Hightower, City of North Chicago; Christopher Shearer and Doug Henderson, Pension Members

PUBLIC COMMENT: There were no public comments.

APPROVAL OF MEETING MINUTES: *July 2, 2018 Regular Meeting Minutes:* The minutes from the July 2, 2018 regular meeting were reviewed by the Board. A motion was made by Trustee Robinson and seconded by Trustee Umek to approve the minutes from the July 2, 2018 regular meeting as written. Motion carried unanimously by voice vote.

Trustee Patrick Michael joined the meeting at 9:10 a.m.

TREASURER'S REPORT: *Review and Possible Action – April 30, 2018 Audit:* Kelly Zabinski presented the April 30, 2018 annual audit to the Board for review. A motion was made by Trustee Robinson and seconded by Trustee Michael to accept the audit as prepared with revision on page 9 to reflect collateral cash. Motion carried unanimously by voice vote.

Kelly Zabinski left the meeting at 9:14 a.m.

First Midwest Report(s): Treasurer Robinson reviewed the Treasurer's Report for the period ending August 31, 2018. The beginning balance of the First Midwest account as of 08/01/2018 was \$448,228.49; receipts totaled \$36,549.55; and disbursements totaled \$122,434.47. The ending balance as of 08/31/2018 was \$362,343.57. A motion was made by Trustee Michael and seconded by Trustee Umek to accept the August 31, 2018 Treasurer's Report as presented. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report as of August 31, 2018. As of 08/31/2018, the net position held in trust for pension benefits is \$10,336,678.39 with a change in position of \$919,896.38 for the four-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 Michael to accept the Accountant's Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bill: The Board reviewed the Vendor Check Report for the period 06/01/2018 through 08/31/2018, for total disbursements in the amount of \$70,222.58. A motion was made by Trustee

Robinson and seconded by Trustee Michael to approve the Vendor Check Report for the period 06/01/2018 through 08/31/2018, in the amount of \$70,222.58. Motion carried by roll call vote.

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

Additional Bills, if any – Approval of Travel and Per Diem for IPPFA MidAmerican Conference: A motion was made by Trustee Robinson and seconded by Trustee Umek to approve per diems in the total amount of \$1,000 for each Trustee attending the 2018 MidAmerican Pension Conference. Motion carried by roll call vote.

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

IDOI Annual Statement: The Board noted that the draft IDOI Annual Statement was sent to the Board for review. A motion was made by Trustee Umek and seconded by Trustee Urban to approve Trustee Robinson as the authorized signatory for the IDOI Annual Statement. Motion carried unanimously by voice vote.

INVESTMENT REPORT – TREE CITY INVESTMENTS: *Quarterly Investment Report:* Ms. Digman distributed the Quarterly Investment Report for the period ending September 22, 2018. As of 09/22/2018, the market value of the portfolio is \$9,995,404. The quarter to date investment return net of fees was 4.9%, compared to the blended benchmark return at 0.012%. The current portfolio asset allocation is as follows: 43% Fixed Income, 54% Equities and 5% Money Market. Current asset allocations within the Equity and Fixed Income funds were reviewed and the 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 Quarterly Investment Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: The Board discussed the Investment Policy and no changes are needed at this time.

ATTORNEY'S REPORT: *Legal Update:* Attorney Clifford distributed copies of the *Client Alert* prepared by Ottosen Britz and highlighted pertaining to annual training requirements for Trustees.

COMMUNICATIONS OR REPORTS: *Affidavits of Continued Eligibility:* The Board noted that all 2018 Affidavits of Continued Eligibility have been received by L&A. The originals were presented to the Board for their records.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Contribution Refund – Nicolas A. Dina:* The Board reviewed the contribution refund request submitted by Nicolas A. Dina. A motion was made by Trustee Robinson and seconded by Trustee Umek to approve Nicolas A. Dina's contribution refund in the amount of \$5,858.46 paid directly to himself. Motion carried by roll call vote.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefit – Christopher D. Shearer:* The Board reviewed the regular retirement benefit calculation for Christopher D. Shearer prepared by L&A. Firefighter Shearer had an entry date of 08/08/1994, retirement date of 09/07/2014, effective date of pension of 10/06/2018, 50 years of age at date of retirement, 20 years of creditable service, applicable salary of \$72,957, applicable pension percentage of 50%, amount of originally granted monthly pension of \$3,039.88, and amount of originally granted annual pension of \$36,478.56. A motion was made by Trustee Urban and seconded by Trustee Robinson to approve Christopher D. Shearer's regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

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

OLD BUSINESS: *Update on City's Funding and Transition Plan and Review and Possible Action on Intercept Process:* Attorney Clifford apprised the Board on the status of the City's funding and transition plan. The Board is awaiting a determination from the City of North Chicago regarding settlement of the fiscal year end 2018 deficiencies, and the Board noted that it would accept the additional contribution in installments. The proposed transition plan payment that the City is considering would be \$1,150,000 for fiscal year end 2019 as calculated by the actuary in the transition plan. Attorney Clifford noted that any final agreement reached with the City would include the caveat that the Board will reserve its right to intercept if the City fails to comply with the transition plan.

NEW BUSINESS: *Review/Approve – Actuarial Valuation:* The Board reviewed the finalized Actuarial Valuation prepared by L&A. Based on data and assumptions, the recommended contribution amount is \$1,780,450 which is a \$311,675 increase from the prior year contribution. The statutory minimum contribution requirement is \$1,530,152. A motion was made by Trustee Robinson and seconded by Trustee Michael to accept the Actuarial Valuation as prepared. Motion carried unanimously by voice vote.

Review/Approve – Tax Levy Request: The Board discussed requesting a tax levy in the amount of \$1,780,450. A motion was made by Trustee Michael and seconded by Trustee Robinson to request a tax levy in the amount of \$1,780,450 from the City of North Chicago, based on the recommended amount stated in the Actuarial Valuation prepared by L&A. Motion carried unanimously by voice vote.

Review/Adopt – Municipal Compliance Report: The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Trustee Robinson and seconded by Trustee Michael to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried unanimously by voice vote.

2019 Board Meeting Dates: The Board discussed establishing the 2019 Board meeting dates as January 7, April 1, July 1 and October 7, 2019 at 9:00 a.m. located in the Fire Station #1 Kitchen at 1850 Lewis Avenue, North Chicago, Illinois. A motion was made by Trustee Michael and seconded by Trustee Urban to establish the 2019 Board meeting dates as discussed. Motion carried unanimously by voice vote.

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

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Urban and seconded by Trustee Michael to adjourn the meeting at 10:52 a.m. Motion carried unanimously by voice vote.

The next regularly scheduled Board meeting is on Monday, January 7, 2019 at 9:00 a.m.

Respectfully Submitted,

_____ Date approved by the Board: _____
John Umek, Pension Board Secretary