

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
OF THE HOMER TOWNSHIP FIRE PROTECTION DISTRICT
FIREFIGHTERS' PENSION FUND
WEDNESDAY, APRIL 19, 2017**

A regular meeting of the Board of Trustees of the Homer Township Fire Protection District Firefighters' Pension Fund was held on Wednesday, April 19, 2017 at 9:00 a.m. in the Station 1 Conference Room, 16050 S. Cedar Road, Lockport, IL 60491 for the purpose of conducting regular business.

CALL TO ORDER: The meeting was called to order by Trustee Locacius at 9:00 a.m.

PRESENT: Trustees Christopher Locacius, Doug Mayer, Troy Essenburg, Tom Sandrzyk, and Jacob Adeszko

ABSENT: None

ALSO PRESENT: Board Attorney Jeffrey Goodloe, Puchalski Goodloe Marzullo, LLP; John Falduto and Tom Sawyer, Sawyer Falduto Asset Management; Michelle Hawkins, AJ Weber, Lora Murphy, Todd Schroeder and Trinetta Gardner, Lauterbach & Amen, LLP (L&A); Ron Svara, District Treasurer

PUBLIC COMMENT: There were no public comments.

APPROVAL OF AMENDMENTS TO THE AGENDA: There were no amendments to the agenda.

APPROVAL OF MINUTES: *Regular Meeting Minutes – January 18, 2017:* The minutes from the regular meeting of January 18, 2017 were reviewed by the Board. A motion was made by Trustee Locacius and seconded by Trustee Adeszko to approve the January 18, 2017 regular meeting minutes as written. Motion carried unanimously by voice vote.

TREASURER'S REPORT: Treasurer Svara reviewed the Treasurer's report with the Board dated March 31, 2017. All questions were answered by Mr. Svara. A motion was made by Trustee Mayer and seconded by Trustee Essenburg to accept the Treasurer's report as presented. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT: *Monthly Financial Report – Lauterbach & Amen:* The Board reviewed the Monthly Financial Report for the three-month period ending March 31, 2017 as prepared by L&A. As of 03/31/17, the net position held in trust for pension benefits is \$11,058,353.10 for a change in position of \$442,378.52. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Mayer and seconded by Trustee Sandrzyk 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 01/01/17 through 03/31/17 for total disbursements of \$16,169.05. A motion was made by Trustee Essenburg and seconded by Trustee Sandrzyk to approve the disbursements shown on the Vendor Checks Report in the amount of \$16,169.05. Motion carried by roll call vote.

AYES: Trustees Locacius, Mayer, Essenburg, Sandrzyk, and Adeszko

NAYS: None

ABSENT: None

Additional Bills, if any: The Board reviewed the following additional bills:

- *Illinois Department of Insurance Compliance Fee:* The Board noted that the Illinois Department of Insurance Compliance fee invoice will be mailed and payment is due by June 30th.

- *Puchalski Goodloe Marzullo*: The Board reviewed the invoice submitted by Puchalski Goodloe Marzullo, LLP for legal services rendered in the amount of \$3,495.66.

A motion was made by Trustee Locacius and seconded by Trustee Adeszko to approve payment of the Illinois Department of Insurance Compliance Fee, upon receipt of the invoice, and the Puchalski Goodloe Marzullo invoice for legal services rendered in the amount of \$3,495.66. Motion carried by roll call vote.

AYES: Trustees Locacius, Mayer, Essenburg, Sandrzyk, and Adeszko

NAYS: None

ABSENT: None

INVESTMENT REPORT: *Quarterly Investment Report – Sawyer Falduto Asset Management*: Sawyer Falduto distributed the Quarterly Investment Report for the period ending March 31, 2017. As of 03/31/2017, the market value of the portfolio is \$11,047,486. The quarter to date investment return net of fees was 3.53%. The current portfolio asset allocation is as follows: 42.1% Fixed Income, 55.5% Equities and 2.4% Cash Equivalent. Current asset allocations within the Equity and Fixed Income funds were reviewed, as well as the Individual Fund Performance. All questions were answered by Sawyer Falduto. A motion was made by Trustee Mayer and seconded by Trustee Locacius to accept the Investment Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy – if needed: The Board discussed adjusting the asset allocation target to reflect the following: 60% Equity with a range of 55-65%, 39% Fixed Income with a range of 35-45% and 1% Cash with a range of 1-100%. A motion was made by Trustee Locacius and seconded by Trustee Sandrzyk to adjust the asset allocation target as stated. Motion carried by roll call vote.

AYES: Trustees Locacius, Mayer, Essenburg, Sandrzyk, and Adeszko

NAYS: None

ABSENT: None

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

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.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: *Application for Membership – Ryan Dunning*: The Board reviewed the Application for Membership submitted by Ryan Dunning. A motion was made by Trustee Locacius and seconded by Trustee Adeszko to accept Ryan Dunning into the Homer Township FPD Firefighters' Pension Fund, effective January 30, 2017, as a Tier II participant. Motion carried by roll call vote.

AYES: Trustees Locacius, Mayer, Essenburg, Sandrzyk, and Adeszko

NAYS: None

ABSENT: None

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS APPLICATIONS: *Status of Disability Appeal – Gregory Prawdzik*: Attorney Goodloe discussed with the Board the status of Gregory Prawdzik's Appeal. Attorney Goodloe will file an appearance on behalf of the Pension Board. An update will be provided at the next meeting.

OLD BUSINESS: *Discussion of Proposals for Auditing Services*: The Board discussed the Audit proposals submitted by Karrison, LC; Miriani & Associates, LTD; Reilly, Penner, Benton, LLP; and Sikich. A motion was made by Trustee Locacius and seconded by Trustee Mayer to hire Miriani &

Associates, LTD for auditing services for fiscal year December 2017 at the cost of \$3,500. Motion carried by roll call vote.

AYES: Trustees Locacius, Mayer, Essenburg, Sandrzyk, and Adeszko

NAYS: None

ABSENT: None

NEW BUSINESS: *2016 Audit Presentation:* Lauterbach & Amen distributed copies of the 2016 audit for the Board to review. A motion was made by Trustee Locacius and seconded by Trustee Essenburg accept the 2016 Audit as presented by L&A. Motion carried unanimously by voice vote.

IDOI Annual Statement: The Board noted that the IDOI Annual Statement has been completed and submitted to the DOI, along with the executed Certification Form, prior to the June 30, 2017 deadline. A motion was made by Trustee Locacius and seconded by Trustee Mayer to approve the IDOI Annual Statement as presented. Motion carried unanimously by voice vote.

Preliminary Actuarial Valuation: The Board reviewed the preliminary Actuarial Valuation prepared by L&A. The final report will be reviewed by the Board at the next regularly scheduled meeting.

Break in Service – Joseph Jaskowiak: The Board discussed the break in service for Joseph Jaskowiak. A motion was made by Trustee Adeszko and seconded by Trustee Essenburg to set a deadline of June 1, 2017 for Joseph Jaskowiak to have all necessary documentation submitted before the repayment amount will be calculated with interest, and directed L&A to send Mr. Jaskowiak a letter through certified mail informing him of the deadline. Motion carried unanimously by voice vote.

Fiduciary Liability Insurance Extension: The Board noted that the fiduciary liability insurance with Hudson Insurance Company will be extended from June 7, 2017 through August 1, 2017 at an additional cost of \$492. A motion was made by Trustee Mayer and seconded by Trustee Adeszko to approve the extension of the fiduciary liability insurance with Hudson Insurance Company at the cost of \$492. Motion carried by roll call vote.

AYES: Trustees Locacius, Mayer, Essenburg, Sandrzyk, and Adeszko

NAYS: None

ABSENT: None

Securities Monitoring Agreement: The Board reviewed the Securities Monitoring Agreement with Shepherd Finkelman Miller & Shah, LLP. A motion was made by Trustee Mayer and seconded by Trustee Sandrzyk to approve the Securities Monitoring Agreement with Shepherd Finkelman Miller & Shah, LLP with the amendment that the President and Attorney are updated. Motion carried unanimously by voice vote.

Appointed Trustee Position – Christopher Locacius: The Board noted that Trustee Locacius was reappointed by the District for a three-year term expiring April 30, 2020.

Board Officer Elections – President: The Board discussed Board Officer Elections. A motion was made by Trustee Essenburg and seconded by Trustee Locacius to elect Doug Mayer as President. Motion carried unanimously by voice vote.

Board Officer Elections – Secretary: The Board discussed the Board Officer Elections. A motion was made by Trustee Essenburg and seconded by Trustee Sandrzyk to elect Jacob Adeszko as Secretary. Motion carried unanimously by voice vote.

FOIA Officer: The Board discussed maintaining the Homer Township FPD Finance Director, Sue Huiner and Trustee Mayer as the FOIA Officers. A motion was made by Trustee Locacius and seconded by Trustee Adeszko to designate the FOIA Officers as stated. Motion carried unanimously by voice vote.

OMA Designee: The Board discussed maintaining Trustee Adeszko as the OMA Designee. A motion was made by Trustee Locacius and seconded by Trustee Essenburg to designate the 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 certificates of completion to L&A for recordkeeping.

ATTORNEY'S REPORT: Attorney Goodloe apprised the Board on recent Court cases as they pertain to Article 4 pension funds and discussed the current independent medical examination process.

CLOSED SESSION: There was no closed session needed at this time.

ADJOURNMENT: A motion was made by Trustee Mayer and seconded by Trustee Essenburg to adjourn the meeting at 10:25 a.m.. Motion carried unanimously by voice vote.

The next regular meeting will be held on Wednesday, July 19, 2017 at 9:00 a.m.

Respectfully submitted,



Board Secretary

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