

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
OF THE HOMER TOWNSHIP FPD FIREFIGHTERS' PENSION FUND
JANUARY 16, 2019**

A regular meeting of the Board of Trustees of the Homer Township FPD Firefighters' Pension Fund was held on Wednesday, January 16, 2019 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 Mayer at 9:00 a.m.

ROLL CALL:

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

ABSENT: Trustee Jacob Adeszko

ALSO PRESENT: Attorney Jeffrey Goodloe, Puchalski Goodloe Marzullo, LLP (PGM); Dave Harrington and John Falduto, Sawyer Falduto Asset Management, LLC; Michelle Rice, Lauterbach & Amen, LLP (L&A); District Administrator Carrie Wojcik and Division Chief Dave Bricker, Homer Township FPD

PUBLIC COMMENT: There were no public comments.

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

APPROVAL OF MEETING MINUTES: *October 17, 2018 Regular Meeting:* The minutes from the regular meeting of October 17, 2018 were reviewed by the Board. A motion was made by Trustee Essenburg and seconded by Trustee Sandrzyk to approve the October 17, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board discussed the closed session meeting minutes. A motion was made by Trustee Mayer and seconded by Trustee Essenburg to not release the closed session meeting minutes at this time due to pending matters. Motion carried unanimously by voice vote.

TREASURER/ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the twelve-month period ending December 31, 2018 as prepared by L&A. As of 12/31/2018, the net position held in trust for pension benefits is \$13,458,223.26 for a change in position of \$545,317.51. 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 Locacius to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills & Additional Bills: The Board reviewed the Vendor Check Report for the period 10/01/2018 through 12/31/2018 for total disbursements of \$25,451.58 and the following additional bills:

- Puchalski Goodloe Marzullo invoice #0010800 in the amount of \$8,216 for legal services rendered
- ExamWorks invoice #280-1683082 in the amount of \$7,675 for the independent medical evaluation for Thomas Stoiber
- ExamWorks invoice #280-1694752 in the amount of \$2,450 for the independent medical evaluation for Thomas Stoiber

A motion was made by Trustee Sandrzyk and seconded by Trustee Mayer to approve the disbursements shown on the Vendor Check Report in the amount of \$25,451.58 and the additional bills as presented. Motion carried by roll call vote.

AYES: Trustees Mayer, Essenburg, Sandrzyk, and Locacius
NAYS: None
ABSENT: Trustee Adeszko

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto reviewed the Quarterly Investment Performance Report for the period ending December 31, 2018. As of 12/31/2018, the market value of the portfolio was \$13,168,551. The quarter to date investment return net of fees was (8.01%). The current portfolio asset allocation is as follows: 42.9% Fixed Income, 57% Equities and 0.1% Cash Equivalent. Current asset allocations within the Equity and Fixed Income funds were reviewed, as well as the Individual Fund Performance. Mr. Harrington noted that AQR Large Cap Defensive Style I and MFS International Growth I were added to the portfolio. All questions were answered by Mr. Falduto and Mr. Harrington. A motion was made by Trustee Mayer and seconded by Trustee Sandrzyk to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

Sawyer Falduto discussed with the Board introducing corporate bonds into the portfolio. A motion was made by Trustee Mayer and seconded by Trustee Essenburg to approve reallocation of assets to corporate bonds within the current range of Investment Policy guidelines. Motion carried by roll call vote.

AYES: Trustees Mayer, Essenburg, Sandrzyk, and Locacius
NAYS: None
ABSENT: Trustee Adeszko

Review/Update Investment Policy – if needed: Sawyer Falduto will have an updated Investment Policy for the Board's review at the next regular meeting.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers must be submitted to the County by the District by February 1, 2019. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2019.

2019 IRS Mileage Rate: The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.58 per mile effective January 1, 2019.

Review/Approve – Death Audit Service Authorization: The Board tabled this item for discussion at the next regular meeting.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Status of Disability Application – Thomas Stoiber:* Attorney Goodloe apprised the Board that all medical records have been received for Thomas Stoiber and three psychiatric IME's have been scheduled. Once all IME reports have been received, a hearing date will be scheduled. Updates will be provided to the Board as they become available.

OLD BUSINESS: *Disability Appeal Update – Gregory Prawdzik:* Attorney Goodloe informed the Board that a petition for rehearing was filed October 30, 2018 with the Appellate Court, but no response has been received. Further discussion will be held at the next regular meeting.

NEW BUSINESS: *Discussion/Possible Action – Auditing Services:* The Board noted that requests for proposals for auditing services have been sent due to L&A's acquisition of the Pension Fund's current Auditing Firm, with a due date of March 1, 2019. Updates will be provided to the Board as they become available.

Approve Annual Cost of Living Adjustments (COLAs) for Pensioners: The Board reviewed the 2019 Cost of Living Adjustments and noted no pensioners are eligible to receive a Cost of Living Adjustment at this time.

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Adeszko is expiring in April 2019. L&A will conduct an election on behalf of the Pension Fund for one of the active member Trustee positions.

IDOI Annual Statement: The Board noted that completion of the IDOI Annual Statement is currently in process. Updates will be provided to the Board as they become available.

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 – PUCHALSKI GOODLOE MARZULLO, LLP: *Legal Update:* Attorney Goodloe apprised the Board of recent court cases and legislation pertaining to Article 3 & 4 Pension Funds.

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

ADJOURNMENT: A motion was made by Trustee Essenburg and seconded by Trustee Sandrzyk to adjourn the meeting at 9:41 a.m. Motion carried unanimously by voice vote.

The next regular meeting will be held on Wednesday, April 17, 2019 at 9:00 a.m.

Respectfully submitted,



Board Secretary, Jacob Adeszko

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