



WEST CHICAGO FIRE PROTECTION DISTRICT

# Pension Board

200 Fremont Street, West Chicago, Illinois 60185 (630) 231-2123 Fax (630) 231-2122

Minutes of the Regular Meeting  
of the West Chicago Fire Protection Districts'  
Pension Fund Board held on January 21, 2019  
at 200 Fremont St, West Chicago, IL

**Call meeting to order:** The meeting was called to order at 9:00 a.m. by President Andy Maxwell.

**Roll call** showed Trustee Charles Bratcher, Trustee Bob Hodge, Trustee Andy Maxwell and Trustee Pat Murphy present. *Trustee Justin Ukleja was absent at roll call and joined meeting at 9:02 a.m.* Also present was Ed Lavin from Sawyer Falduto Asset Management, LLC, Attorney Carolyn Welch Clifford from Ottosen Britz Kelly Cooper Gilbert & DiNolfo, Ltd., Accountant Ed McCormick from Mueller CPA, Sean Hickey from Lauterbach & Amen, and Administrative Assistant Joy Edminson.

**Public Comments:** None

## Minutes:

**A. Minutes of the Regular Meeting held on October 15, 2018** were reviewed.

Trustee Murphy made a motion to accept minutes as written; the motion was seconded by Trustee Bratcher. Upon a voice vote, the motion passed.

**B. Minutes of the Special Meeting held on November 1, 2018** were reviewed.

Trustee Bratcher made a motion to accept minutes as written; the motion was seconded by Trustee ~~Bratcher~~ **Murphy**. Upon a voice vote, the motion passed.

*Trustee Ukleja joined the meeting at 9:02 a.m.*

## Accounting/Investment Reports:

**A. Accounting Report:** Accountant Ed McCormick from Mueller CPA presented the accounting report for the seven (7) months ending December 31, 2018 FYE May 31, 2019. For the period of June 1, 2018 through December 31, 2018, the Total Income was \$(1,108,365.05); Total Expenses were \$951,707.39; Total Net Income (Loss) was (2,060,072.44); and Net Assets at the end of the period were \$31,521,364.51. No questions on report.

A motion to approve the Accounting Report as presented was made by Trustee Hodge and seconded by Trustee Bratcher. Upon a voice vote, the motion passed.

**B. Investment Report:** Ed Lavin from Falduto Sawyer Asset Management LLC presented the quarterly Investment Report as of December 31, 2018. Lavin's report included the following:

**1. Quarterly Report:**

- Investment Policy Guidelines:
  - Performance Measurements
  - Portfolio Allocations
  - Fixed Income Allocation
  - Equity Diversification
  - Illinois State Statutes
- Cash Flow and Performance Review: (Quarter 4)
  - Cash Flow:
    - Beginning Market Value \$34,881,345
    - Ending Market Value \$31,466,519
    - Investment Return (\$3,250,924)
  - Performance Review
  - Investment Performance Summary
  - Portfolio Value vs. Cumulative Net Investment Graph
- Quarterly Update – December 31, 2018:
  - Key Points
  - Equity Markets Corrected Broadly on Fears over Global Growth
  - Looking Forward
  - Bond Yields
- Portfolio Statement as of 12/31/2018
  - Allocations and Investments Held
  - Ending Market Value \$31,466,518.87
- Equity Portfolio:
  - AQR Large Cap Defensive
  - MFS International Growth
  - Morningstar Category Rankings
  - Portfolio Snapshot – December 31, 2018
  - Mutual Fund Performance and Fund Characteristics
- Fixed Income Portfolio
  - Fixed Income Allocations
  - Portfolio Statistics
  - Maturity Distribution
  - Quality Distribution
- Transaction Ledger Report

A motion to approve the Investment Report as presented, was made by Trustee Bratcher and seconded by Trustee Hodge. Upon a voice vote, the motion passed.

**C. Review and possible action on Investment Policy:** None

**D. Approve/Ratify payment of bills:**

The Vendor Check Report compiled by Lauterbach & Amen shows payments of \$81,579.96 for October 21, 2018 through January 18, 2019. The amount includes monthly direct deposits to the IRS for withholding and to the WCFPD for insurance.

Motion to ratify the payment of bills paid by Lauterbach & Amen on behalf of the Pension Fund for total of \$81,579.96 from October 21, 2018 – January 18, 2019 was made by Trustee Hodge and seconded by Trustee Murphy. The motion passed by the following roll call vote:

Trustee Hodge - Aye      Trustee Murphy - Aye      Trustee Maxwell - Aye  
Trustee Bratcher - Aye      Trustee Ukleja - Aye

**Communications and special reports:**

- A. Death Audit Service:** Attorney Clifford explained the Death Audit Service, which is a free service by Lauterbach and Amen and IPPFA that will keep track of pensioner deaths on a daily basis. Clifford has requested some changes in the agreement from Lauterbach & Amen that will protect personal information. Item will be revisited at the next meeting.

**Applicants for admissions, withdrawals and/or benefits from fund:** None

**Unfinished Business:**

- A. Update on IDOI Report FYE May 31, 2018:** Ed McCormick reported that the Department of Insurance has accepted the Annual Statement FYE May 31, 2018.
- B. Update on Annual Audit FYE May 31, 2018:** Sean Hickey from Lauterbach & Amen presented the final Annual Audit FYE May 31, 2018. Hickey highlighted the following from the report:
1. Independent Auditors' Report
  2. Statement of Net Position
  3. Statement of Changes in Net Positions
    - Change in Net Position \$1,904,536
    - End of Year Net Position \$33,561,817
  4. Notes to the Financial Statements
  5. Required Supplementary Information:
    - Schedule of Employer Contributions
    - Schedule of Changes in the Employer's Net Pension Liability (2018)
      - 81.75% Funded
      - Net Investment Income \$2,482,983

Motion to approve the Annual Financial Report FYE May 31, 2018 by Lauterbach & Amen was made by Trustee Hodge and seconded by Trustee Murphy. The motion passed by the following roll call vote:

Trustee Hodge - Aye      Trustee Murphy - Aye      Trustee Maxwell - Aye  
Trustee Bratcher - Aye      Trustee Ukleja - Aye

**C. Update on Benefit Discrepancies – Matejka/Westrom:** Carolyn Clifford reported that all discrepancies have been corrected and settled.

**D. Approve/Ratify Retiree Benefit Raises for 2019:** The Board was presented the Annual Benefit Increases Report as of January 1, 2019 as prepared by Lauterbach & Amen. The total monthly benefit payout as of January 1, 2019 is \$134,122.10.

Motion to approve the 2019 Retiree Benefit Raises as presented was made by Trustee Ukleja and seconded by Trustee Bratcher. The motion passed by the following roll call vote:

Trustee Ukleja - Aye  
Trustee Hodge - Aye

Trustee Bratcher - Aye  
Trustee Murphy - Aye

Trustee Maxwell - Aye

**E. Update on IRS Letter/Bill on 2017 Taxes:** Ed McCormick reported that the IRS should have everything they need to correct the error. McCormick doesn't know when or if the IRS will contact the Pension Fund to confirm it has been corrected.

There was also discussion on the 1099-R for 2018. Sean Hickey will contact Tish Daddino at Lauterbach & Amen to be sure that only one 1099-R for the full year's benefit will be distributed to the pensioners.

**F. Update on Tax Levy Recommendation to the District:** Discussion on the District 2019 Levy (Ordinance No. 2018-O-05) approving \$815,000.00 (Pension Fund Levy) and \$85,636.00 (Pension Fund Levy amount due to H.B.599)

## **New Business:**

### **A. Annual Servicer Certifications:**

1. **BMO Harris Bank Predatory:** The 2019 BMO Harris Bank Predatory Lending Certification has been received. Since BMO Harris Bank is not an Illinois finance entity, the certificate does not need to be filed with the DOI.

**B. April Election:** The April member election will be for 3 years from April 2019 – April 2022. Nomination sheets will be posted by February 8, 2019 and the election will take place on Friday, April 12<sup>th</sup> from 8:00 am – 4:00 pm.

**C. Pension Funding Report:** Attorney Clifford presented the Pension Funding Report by Ottosen Britz. The report breaks down the following for year 2016, 2017 and 2018

1. Employer Contributions
2. Fund's Actuary's Recommended Contribution
3. Fund's Actuary's Statutory Minimum
4. DOI Statutory Minimum

**D. List of Required Filers to County for Statements of Economic Interest:** The WCFPD Chief submits the required filers list to the County for the District and Pension Fund Trustees.

## Trustee Training:

### A. Upcoming training opportunities:

- NIAFPD January 24-27, 2019 at Hilton Chicago, Oak Brook Hills, 26<sup>th</sup> Annual Conference – Trustee Bratcher and Murphy will be attending
- IPFA 2019 Spring Seminar is May 3, 2019 in Addison.
- IPFA 2019 Fall Seminar is November 1<sup>st</sup>, 2019 in Addison

B. **Updates on State and National pension issues:** Attorney Clifford provided the Quarterly Insights for fire pension trustees regarding re-entry into active service, re-employment and double dipping. Clifford also provided the IAFFD Fire Call Pension Pointers article discussing salary spikes and giving a warning that fiduciaries for firefighter pensions should be aware of the latest movements on this issue.

**Closed Executive Session:** None

**Possible Action on Closed Session:** No Actions taken.

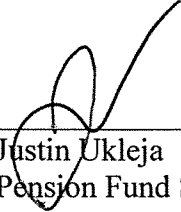
## Adjournment:

Trustee Murphy made a motion to adjourn, seconded by Trustee Bratcher. Upon a voice vote, the motion passed. Meeting Adjourned at 10:08 a.m.

## Next regular meeting:

The next regular meeting will be held on Monday, April 15, 2019 at 9:00 a.m. at Station #6, 200 Fremont Street, West Chicago, IL.

Respectfully submitted;

  
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Justin Ukleja  
Pension Fund Secretary

4/15/19  
\_\_\_\_\_  
Date Approved by Board

*Minutes prepared by Joy Edminson*