

BOARD OF TRUSTEES
DOWNERS GROVE FIREFIGHTERS PENSION FUND MEETING
Downers Grove Fire Department Station 2, 5420 Main, Training Room
February 9, 2017, 1630 hrs.

Members Present

Trustee Matt Campbell, Trustee Scott Cavenaile, Trustee Jeff Kuchta, Trustee Robert Lang, Trustee Thomas Carroll and Non-voting Downers Grove Finance Director Judy Buttny

Members Absent:

None

Guests

D. Warnke, Financial Consultant – MarquetteAssociates
Jessica Fain, Actuary. - Lauterbach & Amen, LLP
Eric Endriukaitis, Acct. – Lauterbach & Amen, LLP
Tim Bowen – Mesirow Financial
Brian J. Labardi, Attorney - Reimer & Karlson LLC

Trustee Campbell called the meeting to order at 1702 hrs. in the training room of the Downers Grove Fire Department Station 2, 5420 Main, Downers Grove, IL.

MINUTES

Trustee Campbell advised that the November 16, 2016 Quarterly Meeting Minutes and the Special Meeting Minutes of January 19, 2017 some minor grammatical changes were made.

MOTION: A motion was made by Trustee Lang and seconded by Trustee Cavenaile to approve the Quaterly Meeting Minutes of November 16, 2016 and the special meeting minutes of January 19, 2017 as amended.

Motion carried by a vote of 5-0.

Agenda Item - 3

Report from MarquetteAssociates

Handout

MarquetteAssociates DGFDF Pension Fund
December 31, 2016 Fourth Quarter - Quarterly Executive Summary Booklet

D. Warnke gave an explanation of the current quarter's MarquetteAssociates' Executive Summary Booklet with an overview of the various funds managed for the Pension Fund. He also answered questions regarding the various investment managers and gave insight into the thinking regarding investments in the various markets.

Mr. Warnke reviewed the current market and how it is affecting the DGFD Pension Funds and will continue to effect the various Pension Fund investments. He continued through the report giving explanation of the various investments and how the DGFD Pension Funds are doing.

Mr. Warnke talked about doing some comparisons to see what other options there are for Harbor logging numbers to show them vs. peers to help see what other options are out there to make some changes. Harbor is on notice – meaning Fund is looking to replace them.

Trustee Kuchta suggested looking at CS McKee with regard to splitting assets with another fund. Further discussion ensued.

Mr. Warnke gave an overview of Templeton and its underperformance. They are recommending putting them on alert.

Mr. Warnke advised that real estate principal YTD was 8.8% for the year. Steady as was expected with no red flags at this time. Principal slightly lowered their property allocation given it has been a good place to be and more sensitive to down turns.

MOTION: A motion was made by Trustee Campbell to raise the \$1.2 million based on MarquetteAssociates recommendation. Seconded by Trustee Kuchta.

Roll call was taken:

Trustee Campbell	Aye	
Trustee Cavenaile	Aye	
Trustee Kuchta	Aye	
Trustee Lang		Aye

Agenda Item 4 - A

Report from Lauterbach & Amen, LLP

ATTACHMENT II
Lauterbach & Amend, LLP
Monthly Financial Report
For the Month Ended December 31, 2016

Mr. Endriukaitis of Lauterbach & Amen presented the Monthly Financial Report ending December 31, 2016 reviewing each statement regarding Statement of Net Position, expenses, contributions and payments. Page 11-1 and 11-2 of this report contains the three month rolling Quarterly Vendor Check Report with all expense checks noted from October 31, 2016 through December 31, 2016.

Agenda Item 4 - B
Report from Lauterbach & Amen, LLP

ATTACHMENT III
Lauterbach & Amend, LLP
Actuarial Assumption Summary
Utilizing Data as of December 31, 2016
Actuarial Valuation Date January 2, 2017
For the Contribution Year 1/1/17 to 12/31/17

Ms. Jessica Fain presented the actuarial assumption summary report. She advised that the presented report showed last year's assumption and also the assumptions Lauterbach plans to use for the upcoming report. The assumptions that they do research on are the ones they are responsible for and take ownership of which will be any kind of demographic assumption. She gave a description of facts used to compile the assumption. All of the facts in this report are the same as last year with the exception of mortality. In 2017, they again scrutinized the mortality table for a new study on how they might improve mortality predictions in the future.

Ms. Fain presented an option of a 3 year plan that could be followed for the new contribution schedule to ease the burden of the payment(transition funding)If the board decides to lower the interest rate assumption. This will be at a higher cost due to lack of investment return on the lesser payments. This report will be provided by Lauterbach free of charge due to the assumption change to the levy report. This report can be placed as a formal funding document GASB purposes. This plan will be compliant with all State standards to achieve the necessary results. This would work for this Fund due to positive cash flow and, this scenario relies on good government. The Fund has a 5 year history of receiving 102% and with the same outlook for future.

Ms. Fain advised that a draft proposal will be presented at the next meeting for 6.75, 7, and 7.25 all for one year. And, 7 over the proposed 3 year plan with cost of doing it over 3 years.

MOTION: A motion was made by Trustee Kuchta to accept the December 31, 2016 Monthly Reports as presented from Lauterbach & Amen. Seconded by Trustee Lang.
Motion carried by a vote of 5-0.

OLD BUSINESS
Agenda item 6 – D

Fiduciary Liability Policy

Tim Bowen from Mesirov, reviewed that the Fund previously had a Traveler’s liability policy. In 2016 Mr. Bowen presented 5 alternatives to Traveler’s and the Board decided to go with Chubb and whose premium is coming due in April. Chubb is willing to quote the program exactly as the one expiring. No changes in coverage with all policy provisions exactly the same. No additional excludions. No reductions in coverage. Limit is the same with a zero dollar deductible.

Page 5 of the report shows pricing comparison from last year.

The Board carries 1 million in liability, with no deductible. The premium went up by \$40. 2016 cost was \$7900 with 2017 cost at \$7940. No changes in the coverage.

A questions was raised if the policy he is quoting provides payment for overpayment of benefits. Mr. Bowen replied that it does not.

Unico and Euclid were quoted last year which are A rated firms with comparable coverage. Euclid does offer a provision in their policy for overpayment of benefits, generally with a \$50,000 sublimit.

MOTION: A motion was made by Trustee Carroll to renew the policy with Chubb. Seconded by Trustee Campbell.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Cavenaile	Aye
Trustee Kuchta	Aye
Trustee Carroll	Aye
Trustee Lang	Aye

on the following:

- Schultz IME status has been rescheduled. He was in the hospital.
- Lambert IME – working on appointment. He tried to schedule appointment but the doctor’s office advised that they have no records for him and he should not come. Atty.’s office is working out for finding out where the records are and setting up an appointmlent for him. (Dr. Murzin’s office)

Agenda item 5 - A

J. Buttny presented bills to approve for the month of January 2017 in the amount of \$39,478.54. Payroll related and fees to Lauterbauch.

MOTION: A motion was made by Trustee Cavenaile to pay the January 2017 listed bills in the amount of \$39,478.54. Seconded by Trustee Kuchta.

Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Cavenaile	Aye
Trustee Kuchta	Aye
Trustee Carroll	Aye
Lang	Aye

Agenda item 5 – B

New Employees/ Retirees / Issueance of refund - One new employee, Deputy Chief Scott Spinazola with a hire date of 11-14-16, with a birthdate of 5-31-1964 has submitted paperwork requesting acceptance into the DGF Pension Fund. He will be a Tier 1 employee as he was previously employed by Lisle-Woodridge FPD and in their pension.

MOTION: A motion was made by Trustee Carroll to accept Scott Spinazola into the DGFD Pension Fund. Seconded by Trustee Lang.

Motion carried by a vote of 5-0.

Agenda item 5 – C

COLA Increases – A report was presented indicting the annual 3% amount of increases in the COLA. The expected increases are \$6,711.38/mos.

MOTION: A motion was made by Trustee Cavenaile to accept the COLA report as presented. Seconded by Trustee Kuchta.

Trustee Lang abstained

Motion carried by a vote of 4-0.

Agenda item 6 – B

Lambert, Schultz IME – Trustee Campbell advised that they have received J. Schultz IME has been completed and he is still disabled.

Lambert to be tabled until the May meeting pending receipt of IME report.

MOTION: A motion was made by Trustee Cavenaile to continue the disability benefits for John Schultz subject to subsequent annual evaluation in accordance with the pension code based on Dr. Stanley’s report. Seconded by Trustee Lange.
Motion carried by a vote of 5-0.

Agenda item 6 – E

Board Elections – Trustee Campbell to conduct internal elections for Trustee Cavenaile’s position with the results of the election at the May meeting.

OLD BUSINESS

Agenda item 6 – A

Executive Closed Session

MOTION: A motion was made by Trustee Campbell at 6:58 p.m. to adjourn into Executive session, under Section 2C-11 of the Open Meetings Act, to discuss pending litigation in the matter of Reiter vs. Board of Trustees, Case #15 CH 1796 presently pending in the Circuit Court of DuPage County. Seconded by Trustee Cavenaile.

Roll call was taken:

Trustee Campbell	Aye
Trustee Cavenaile	Aye
Trustee Carroll	Aye
Trustee Kuchta	Aye
Trustee Lang	Aye

MOTION: A motion was made at 7:19 p.m. by Trustee Campbell to end closed session and return to regular meeting. Seconded by Trustee Cavenaile.

Roll call was taken:

Trustee Campbell	Aye
Trustee Cavenaile	Aye
Trustee Carroll	Aye
Trustee Kuchta	Aye

MOTION: A motion was made at 7:20 p.m. by Trustee Lang to return to open to the regular meeting. Seconded by Trustee Campbell.

Roll call was taken:

Trustee Campbell	Aye
Trustee Cavenaile	Aye
Trustee Carroll	Aye
Trustee Kuchta	Aye

MOTION: A motion was made by Trustee Campbell to approve the attorney from Henshaw to send correspondence to Mrs. Reiter's attorney rejecting the counter settlement offer and renewing the original offer of settlement. Seconded by Trustee Kuchta.

Roll call was taken:

Trustee Campbell	Aye
Trustee Cavenaile	Aye
Trustee Carroll	Aye
Trustee Kuchta	Aye
Trustee Lang	Aye

Trustee Campbell will advise the attorney from Henshaw of the Board's decision.

NEW BUSINESS

Trustee Lang advised that Brian Troy would like to know if the Board could give him a letter stating that he when he turns age 60 on his birthday that his pension will increase by x amount of dollars.

Trustee Campbell advised that Lauterbach & Amen will provide this letter. He requested that Trustee Lang contact Mr. Troy and advise him of this information.

PUBLIC COMMENT

None

ADJOURN

MOTION: Trustee Kuchta made a motion to adjourn.
Trustee Lang seconded the motion.
Motion carried 5-0.

The meeting adjourned at 1922 hrs.
Respectfully submitted.

Firefighter/Paramedic Scott Cavenaile, Secretary

SC:pp All Files/Pension/2017 – 2-09-17 Quarterly Meeting Minutes (3)