

**BOARD OF TRUSTEES
DOWNERS GROVE FIREFIGHTERS PENSION FUND MEETING
Downers Grove Fire Department Station 2, 5420 Main, Training Room
February 22, 2018 – 1700 hrs.**

Members Present

Trustee Matt Campbell, Trustee Scott Cavenaile, Trustee Jeff Kuchta, Trustee Robert Lang, and Non-voting Downers Grove Assistant Finance Director Carol Hogan.

Members Absent:

Trustee Angelo Gurrieri

Guests

Paul Marchese, Asst. Vice President – MarquetteAssociates
Eric Endriukaitis, Acct. – Lauterbach & Amen, LLP
Brian Labardi, Attorney - Reimer & Karlson LLC

Trustee Campbell called the meeting to order at 1700 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 9, 2017 Quarterly Meeting Minutes had some minor grammatical changes made.

MOTION: A motion was made by Trustee Kuchta and seconded by Trustee Cavenaile to approve the Quarterly Meeting Minutes of November 9, 2017 as amended.

Motion carried by a vote of 4-1.

Agenda Item - 3

Report from Marquette Associates

Handout

Marquette Associates DGFDP Pension Fund
December 31, 2017 - Quarterly Executive Summary Booklet

Mr. Marchese reviewed the Annual Consultant Disclosure related to Public Act 100-0542 (located in the 12-31-17 Quarterly Executive Summary Booklet, Exhibit II). This mention was to advise that they are in compliance and they do not receive any compensation.

Mr. Marchese update regarding custom fees discussed at previous meetings. Mr. Warnke was in contact with U.S. Bank in an effort to reduce their fees. It appears U.S. Bank will be reducing their fees about a half a basis point which they place as \$3,000 annual savings.

Mr. Marchese explained the current quarter's Marquette Associates' Executive Summary Booklet with an overview of the economic outlook showing 3rd qtr. uptick to 3.2% with the 2018 outlook for growth at around 3%.

He continued through the report giving explanation of the various investments and how the DGFDP Pension Funds are doing.

Mr. Marchese discussed two managers that are not in compliance: Harbor and Templeton. Both of these are on "Alert" for performance reasons. They will be bringing in a search to replace Harbor at the next meeting. We have noted that they are having personnel turn over as well as other issues. Templeton was placed on "Alert" last year for performance related reasons but have actually outperformed in 2017. We will keep them on "Alert" for now continuing to monitor.

As of December 31, 2017 over \$55,008,000 total assets in the portfolio with slight underweight to fixed income and slight overweight to U.S. Equities.

Mr. Marchese advised that real estate principal YTD was at 7.9% for the first half of the year. Steady as was expected. Principal still in main queue (about \$30 million).

Mr. Marchese is advising no rebalance at this point.

Trustee Kuchta inquired as to Marquette's year end date. Mr. Marchese advised it is as of 12-31 of the year. With the current financials in compliance with asset allocation at 33% in fixed and 2% in cash combined would be about 35% threshold.

MOTION: A motion was made by Trustee Cavenaile to accept the 3rd Quarter Report from Marquette Associates. Seconded by Trustee Kuchta.
Motion carried by a vote of 4-0.

Agenda Item 4 - A

Report from Lauterbach & Amen, LLP

ATTACHMENT I

Lauterbach & Amend, LLP

Monthly Financial Report

For the Month Ended January 31, 20187

Mr. Endriukaitis, of Lauterbach & Amen presented the Monthly Financial Report ending January 31, 2018 reviewing each report, statement, expenses, contributions and payments. Total cash investments, \$56,222,000. The incrued interest \$100,000. As of January 31, 2018, \$56,223,000.

Page 11-1 and 11-2 of this report contains the three month rolling Quarterly Vendor Check Report with all expense checks noted from 10-01-17 through 1-31-18.

MOTION: A motion was made by Trustee Kuchta to accept the July 31, 2017 Quarterly Report as presented from Lauterbach & Amen. Seconded by Trustee Lang.
Motion carried by a vote of 4-0.

MOTION: A motion was made by Trustee Kuchta to pay the Quarterly Vendor listed bills (Pages 11-1 and 11-2 – October 1, 2017 through January 31, 2018) in the amount of \$95,997.44 and seconded by Trustee Lang.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Cavenaile	Aye
Trustee Kuchta	Aye
Trustee Lang	Aye
Trustee Gurrieri	Aye

OLD BUSINESS

Agenda Item 6 - A

Renewal of Lauterbach & Amen, LLP

Mr. Endriukaitis advised that the acturary was added to the agreement letter while the balance of the services are the same. The increase in fees is approximately 3%. The fee is fixed for actuary for two years. While the contract is for three years, the actuary is for 2 years.

MOTION: A motion was made by Trustee Lang for the Lauterbach & Amen agreement for 3 years. Seconded by Trustee Kuchta.
Motion carried by a vote of 4-0.

Roll call was taken:

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

Agenda item 5 – A

Payment of Bills

Village Asst. Finance Director Carol Hogan advised that she had two additional invoices to add to the list Lauterbach & Amen presented: 2018 – IPPFA membership dues for \$795.00 and a new Reimer bill for \$87.50.

MOTION: A motion was made by Trustee Campbell to pay the bills listed in the Lauterbach & Amen report along with the two bills presented in the Treasurer’s Report.. Seconded by Trustee Kuchta.

Motion carried by a vote of 4-0.

Roll call was taken:

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

Agenda item 5 – B

New Employees/ Retirees

New employee Matthew Reibel – started on 12-04-17 with no prior fire service and therefore will be a Tier II employee and has requested to be in the Pension Fund.

MOTION: A motion was made by Trustee Lang to admit Matthew Reiber as of 12-04-17 as a Tier II employee into the DGFD Pension Fund. Seconded by Trustee Kuchta.

Motion carried by a vote of 4-0.

(RETURN TO OLD BUSINESS)

Agenda Item 6 - B

Lambert and Schultz Annual Exam

Retirees Lamber and Schultz are due for their annual exams. They have been going to IMSBE in the past. Discussion regarding using IMSBE because of the cost but that as an impartial third doctor the report is valued.

MOTION: A motion was made by Trustee Campbell to approve sending retirees Lamber and Schultz for their IMEs thru IMSBE. Seconded by Trustee Lang.

Motion carried by a vote of 4-0.

Agenda Item 6 - C

COLA Adjustments

Lauterbach & Amen provided a list of the COLA adjustments (at 60 years old by statuette).

MOTION: A motion was made by Trustee Kuchta to approve the COLA adjustments for Tier I employees as presented by Lauterbach & Amen. Seconded by Trustee Campbell.

Motion carried by a vote of 4-0.

NEW BUSINESS

Agenda 7 – A

Election of Officers

Trustee Campbell advised that his term would be up in April as Pension Board President. Pension Board Secretary Cavenaile will notify the membership and ask for nominees due within two weeks. An election will then take place and be completed by the next meeting.

Atty. Labardi advised that nominations should be requested, and if no one is nominated the rules and regulations will probably say that you can say the person is elected by acclamation.

New application for Pension

The Pension Board has received a new application for pension from Mike Dravo. He has applied and returned his medical authorization forms. We are now waiting for records. Attorney is handling this matter. Mr. Dravo will need to see the IMEs and then a special meeting will be called to handle the matter.

MOTION: A motion was made by Trustee Campbell to approve sending Mike Dravo is IMSBE upon receipt of all the records. Seconded by Trustee Kuchta.

Motion carried by a vote of 4-0.

PUBLIC COMMENT

Guest Mike Cipra questioned what percent funded is this pension. Trustee Campbell advised that the percent funded will be given in the Actuarial Report from last year with a draft of the current year due at the May 2018 meeting. Trustee Campbell commented that it was improving. Last year's report was pulled up and it was noted that it was at 56%.

Atty. Labardi went over his law firm's monthly newsletter. He noted that listed was the new DOI assumptions. Even though the Pension Board uses figures provided by Laughterbach & Amen the DOI will still send theirs. The new actuary assumptions basically dropping everyone a quarter of a percentage point for their assumed rate of investment return. For the first time they are also taking into account the Pension Fund's funded ratio. DOI might be trying to introduce consolidation plans.

ADJOURN

MOTION: Trustee Campbell made a motion to adjourn.
Trustee Lang seconded the motion.

Motion carried 4-0.

The meeting adjourned at 1744 hrs.

Respectfully submitted.

Firefighter/Paramedic Scott Cavenaile, Secretary

SC:pp All Files/Pension/2018 – 2-22-18 Quarterly Meeting Minutes