

BOARD OF TRUSTEES
DOWNERS GROVE FIREFIGHTERS PENSION FUND MEETING
Downers Grove Fire Department Station 2, 5420 Main, Training Room
February 27, 2020 – 1700 hrs.

Members Present

Trustee Matt Campbell, Trustee Scott Cavenaile, Trustee Retired FF Earl Moy, Trustee Ellen Ludwig and Non-voting Downers Grove Finance Director Judy Buttny

Members Absent:

Trustee Jeff Kuchta

Guests

Paul Marchese - MarquetteAssociates
Eric Endriukaitis – Lauterbach & Amen, LLP
Richard Reimer, Attorney - Reimer & Karlson LLC
Deputy Chief Dan Tasso
Lieutenant Mike Cipra
FF/PM Joseph Rehak

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 approval was needed for the November 5, 2019 Quarterly Meeting Minutes and the January 7, 2020 Special Meeting minutes. Minutes were reviewed and amended.

MOTION: A motion was made by Trustee Campbell and seconded by Trustee Ludwig to accept the November 5, 2019 Quarterly Meeting Minutes and the January 7, 2020 Special Meeting Minutes as amended.

Motion carried by a vote of 4-0

It was noted by Trustee Campbell that Trustee Moy questioned and would check to ensure that the quarterly meeting minutes from August 22, 2019 and the October 18, 2019 had indeed been accepted and approved or if that needed to be added to the May 27, 2020 meeting for approval.

Agenda Item - 3

Report from Marquette Associates

Handout

Marquette Associates DGFDP Pension Fund
Fourth Quarter 2019 - Quarterly Executive Summary Booklet

Mr. Marchese presented the MarquetteAssociates report of the Fourth Quarter 2019 investments. He reviewed Exhibit 4 - the Pension Consolidation Act Legislation update. The Exhibit showed how the consolidation transition board would be moving forward over the next year or two.

Exhibit 5 – Legislation for the Illinois Sustaining Act detail indicating that the Pension Fund will have to change their Investment Policy Statement to incorporate what the State is requiring from investment boards going forward. Language for the change is included in this exhibit.

Exhibit 7 – Memo on CS McKee update with CS McKee selling their business to North Star Investments. Counsel will be looking for a new contract with this new entity to be in compliance with the State Statuette.

(Review Pages 18 and 19)

Atty. Reimer advised for May 21 Quarterly Meeting Agenda – Adoption of Amended Investment Policy It was decided to table for the next quarterly meeting.

Mr. Marchese reviewed market performance of the Fund in 2019 showing returns of the Funds upwards of 18%, reviewing 2020 current market.

Mr. Marchese made a recommendation to place CS McKee on Alert due to Ownership Changes.

MOTION: A motion was made by Trustee Campbell to have MarquetteAssociates notify CS McKee that they are on Alert status. Seconded by Trustee Cavenaile.
Motion carried by a vote of 4-0.

Mr. Marchese advised that MarquetteAssociates is not advocating for rebalance of investments at this time due to current world events.

Trustee Campbell questioned if once (the new State Consolidation group) audit assets the Fund will not be able to change their investment policy. Atty. Reimer advised once the Fund receives notice from the new investment board confirming the Pension Fund assests, the DGFDP Pension Board cannot change any investment. Trustee Campbell questioned if it then takes the Fund out of policy? Mr. Marchese advised that the Fund policy will no longer be effective once they (the new investment board) sends the letter to the DGFDP Pension Fund. Atty. Reimer advised that the current DGFDP Pension Fund Board loses any authority, as well as liability, for investment decisions. Pension Fund Policy will no longer be valid when the State sends their letter. Trustee Campbell inquired about timeline between audit and transfer. Atty. Reimer advised that anticipated transfer of assets would probably not be until at least 2021. They will soon be hiring an executive director to organize this.

Mr. Marchese reviewed Exhibit 3 – Asset Allocation Assumptions – broad assumptions for the portfolio were included. Marquette is predicting out 10 years a 6% return in the future with the volatility of 9.83%. Achieving 7% due to current environment and 35% fixed income mandate. Once consolidation occurs there could be a change in the mandates.

Village Finance Director Judy Buttney advised the DGFDP Pension Fund Trustees that Lauterbach & Amen had asked if the DGFDP Pension Fund wanted to review the investment return assumption. Discussion regarding if they wanted to stick with the current assumption or, because of probable 18 months before consolidation, look at assumption. The current assumption is 7%. Due to upcoming consolidation it was thought it might not be worth even changing.

MOTION: A motion was made by Trustee Campbell to accept the Marquette & Association 4th Quarter Report. Seconded by Trustee Moy.
Motion carried by a vote of 4-0.

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

ATTACHMENT
Lauterbach & Amend, LLP
Monthly Financial Report
For the Month Ended January 31, 2020

Eric Endriukaitis, of Lauterbach & Amenn, reviewed the Monthly Lfinancial Report for month ended January 31, 2020. He advised that net position held in trust for the Pension Benefits is \$61,044,703.01.

MOTION: A motion was made by Trustee Campbell to accept the Lauterbach & Amen Monthly financial Report for month ended January 31, 2020. Seconded by Trustee Cavenaile.
Motion carried by a vote of 4-0.

Finance Director Buttney requested that the DGFDP Pension Fund Board approve the Vendor Check Report in the amount of \$164,559.58

MOTION: A motion was made by Trustee Campbell to approve the Vendor Check Report of November 1, 2019 through January 31, 2020 in the amount of \$164,559.58. Seconded by Trustee Moy.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Cavenaile	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

TREASURER'S REPORT

Agenda Item 5 - A

Payment of Bills

Finance Director Buttny advised she had an invoice for the IPPFA for \$795.00 for 2020 dues. There is also 3 legal fee invoices from Reimer & Dobrovlny PC totaling \$1,122.40: November 2019 for \$788.70, December 2019 for \$135.25, and January 2020 for \$198.45. The total for all four of these invoices is \$1,917.40. Ms. Buttny requested to make a motion to approve these invoices.

MOTION: A motion was made by Trustee Campbell to pay the Reimer & Dobrovlny PC in the amount of \$1,122.40. Seconded by Trustee Cavenaile.

Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

Trustee Campbell reviewed the reason for being involved with the IPPFA is that they currently lobby on behalf of the Board at State government level as well as provide continuing education training. Trustee Campbell pointed out that the Board has now reduced their training requirement by half, and questioned does the Board still want to spend \$795.00 for their service.

MOTION: A motion was made by Trustee Moy to pay the IPPFA due for the Board in the amount of \$795.00. Seconded by Trustee Campbell.

Motion carried by a vote of 3-1.

Roll call was taken:

Trustee Campbell	Aye
Trustee Cavenaile	No
Trustee Moy	Aye
Trustee Ludwig	Aye

Agenda Item 5 – B

New Employee’s / Retirees / Issuance of a refund

Lieutenant Cal Brainard submitted his Application for Retirement to the Board . His packet is to be signed and given to Mr. Endriukaitis of Lauterbach & Amen, LLP tonight.

Lietuenant Calvin Brainard joined the fire department on May 19, 1996. His retirement date is March 31, 2020. Effective pension date April 1, 2020. At the time his age will be 65 years, and he served 23 years 10 months. His current applicable salary is \$113,719. 00 of which he is entitled to 59.58%. The amount of the original monthly pension granted is \$5,646.46.

MOTION: A motion was made by Trustee Campbell to accept Lt. Cal Brianard’s benefit application. Seconded by Trustee Cavenaile.

Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Moy	Aye
Trustee Cavenille	Aye
Trustee Ludwig	Aye

Agenda Item 5 – B-2

Scott Magee Reciprocity

Mr. Endriukaitis advised that FF/PM Scott Magee has paid his reciprocity. Lauterbach & Amen will be sending FF/PM Magee a letter of acceptance of his service purchase.

MOTION: A motion was made by Trustee Campbell that FF/PM Scott Magee’s reciprocity service purchase has been completed and the Village of Downers Grove will hold the additional 1% as required. Seconded by Trustee Cavenaile.

Motion carried by a vote of 4-0.

Agenda Item 5 – B-3

Howard Hoffman Reciprocity

Mr. Endriukaitis advised that former employee of the DGF D Howard Hoffman originally submitted a reciprocity request to Lauterbach & Amen in 2015. He now wants updated figures. Lauterbach is requesting confirmation from the Village stating that they have not withheld the 1% from his check for informational purposes only to complete the updated figures for him.

Agenda Item 5 – B-4
Gerald Bonsonto Reciprocity

Lauterbach & Amen is corresponding with the actuary and hopes to have a dollar amount by the DGFDP Pension Board May quarterly meeting.

Trustee Campbell queried if when he and Ms. Buttney complete the form for FF/PM Bonsonto's calculation is the Pension Board looking to keep the GASB liability whole which assumes actuary rates would be used or the expected GASB discount rate. It was noted that the form mentions to talk with the Board Attorney regarding this form.

Atty. Reimer advised that they should apply the rate to the start date.

OLD BUSINESS

Agenda Item 6 - A
Schultz Beneficiary Trust

Atty. Reimer advised Atty. Tom Maziar is now representing Rebecca Schultz. Atty Maziar asked if the Pension Board would accept a Uniform Transfer to Minor. Atty Reimer advised that it does not ensure the Pension Board that the money goes to the care and maintenance of the dependent children. There is no accountability. Atty. Reimer advised Atty. Maziar that the Pension Board specifically voted on a Trust. Atty. Maziar advised they may get a Court Order over this matter. Atty. Reimer advised that if they do get a Court Order in a Guardianship Estate then the Court Order would need to be obeyed which also lends to accountability to the Court Order. Under Guardianship Estate any payments would have to be approved by the Court. Atty. Maziar advised he is now working on the Trust documents and will get them to Atty. Reimer. Atty. Maziar would like a status. Atty. Reimer asked if the Board wants to hold a special meeting or make a motion to authorize payment of the retro payments to the dependent children benefits to the Trust could be made now. Atty. Reimer can advise when he receives the Trust documents in order and will then notify Lauterbach & Amen to release the monies.

MOTION: A motion was made by Trustee Campbell that once the Trusts are established for the Schultz dependent children that the Pension Board authorizes Lauterbach & Amen to disburse the dependent childrens' benefits to the Trusts pending attorney approval authorizing that the Trust is a valid Trust. Seconded by Trustee Cavelnaile.

Motion carried by a vote of 4-0

Roll call was taken:

Trustee Campbell	Aye
Trustee Cavenaille	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

Agenda Item 6 - B

Scheduling of 2020 Meetings

- May 21, 2020 at 5:00 p.m.
- August 13, 2020 at 5:00 p.m.
- November 5, 2020 at 5:00 p.m.

NEW BUSINESS

Agenda Item 7 - A

Election of Officers

Trustee Campbell advised that Trustee Cavenaile's 3 year term is expiring. He will not be running again for this position.

Trustee Campbell will be sending out to the membership word of the opening on the Board via e-mail with electronic voting to fill this position.

Agenda Item 7 -b

Approval of Annual COLA increases

Mr. Endriukaitis presented a report showing the Statutory Requirements for COLA increases. The DOI requires that this be voted on every year.

MOTION: A motion was made by Trustee Campbell to approve Statutory Requirements for a cost of living increase. Seconded by Trustee Ludwig.

Motion carried by a vote of 4-0

Agenda Item 7 -c

Schedule of Annual Physicals for Disabled Members

Atty. Reimer advised that Mr. Dravo's decision order was February 9, 2019 for a non-duty disability. Discussion was held and on advice from Atty. Reimer that statute was unclear. Mr. Dravo would be turning 50 within 6 months and has complied with the statute by being evaluated in 2019.

Atty. Reimer advised Mr. Lambert's report would be available by next meeting.

MOTION: A motion was made by Trustee Campbell to schedule annual physicals for disabled members who are under the age of 50. Seconded by Trustee Ludwig.

Motion carried by a vote of 4-0

Roll call was taken:

Trustee Campbell	Aye
Trustee Cavenaille	Aye
Trustee Moy	Aye
Trustee Ludwig	Aye

Agenda Item 7 -d

Daly QILDRO

Atty. Lambardi is dealing with the divorce attorney Ms. Keane. Mr. Daly is not currently eligible for anything at the current time.

MOTION: A motion was made by Trustee Campbell to authorize approval of the Amended QILDRO. Seconded by Trustee Moy.

Motion carried by a vote of 4-0

Agenda Item 7 -e

Discussion of Actuarial Assumptions

This was done earlier in the meeting. The Board agreed that they are fine with the actuarial assumptions as is.

There was discussion regarding the QILDRO order from Lt. Brainard. Trustee Campbell asked if they did not receive the calculation order document by the time Lt. Brainard retires on March 31, 2020 will be start to distribute the funds based on the order and then approve it at the next meeting.

Atty. Reimer advised that the calculation order, if it shows a percentage, the Fund is not required to pay upon a calculation that shows a percentage. The Fund does not have to pay that until they receive a QILDRO Calculation order and by law payment does not need to be made any earlier than 30 days. Therefore, the Fund will need to comply with the Court order before the next meeting if the calculation order is received. If he retires in March, receives payment in April, but the Board does not meet until May. The May check can follow that order. Atty. Reimer advised that once the QILDRO calculation order is received it should be submitted to Atty. Lambardi for compliance.

PUBLIC COMMENT

None

ADJOURN

MOTION: Trustee Campbell made a motion to adjourn.
Trustee Cavenaile seconded the motion.
Motion carried 4-0.

The meeting adjourned at 1823 hrs.

Respectfully submitted.

Firefighter/Paramedic Scott Cavenaile, Secretary

SC:pp All Files/Pension/2019 – 5-09-19 Quarterly Meeting Minutes