

BOARD OF TRUSTEES
DOWNERS GROVE FIREFIGHTERS PENSION FUND MEETING
Downers Grove Fire Department Station 2, 5420 Main, Training Room
May, 09 2019 – 1700 hrs.

Members Present

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

Members Absent:

Trustee Angelo Guerrier – Resigned from Board
Trustee Robert Lang – Retired from Board

Guests

Doug Oest - MarquetteAssociates
Eric Endriukaitis – Lauterbach & Amen, LLP
Jessica Fain - - Lauterbach & Amen, LLP
Richard Reimer, Attorney - Reimer & Karlson LLC

Trustee Campbell called the meeting to order at 1701 hrs. in the training room of the Downers Grove Fire Department Station 2, 5420 Main, Downers Grove, IL.

MINUTES

Trustee Campbell advised that the February 20, 2019 Quarterly Meeting Minutes had some grammatical changes.

MOTION: A motion was made by Trustee Cavenaile and seconded by Trustee Moy to accept the minutes as amended.

Motion carried by a vote of 4-0

Trustee Campbell presented the Special Meeting Minutes of February 14, 2019 for acceptance. As the minutes were done verbatim by a court reporter. No motion was needed.

Agenda Item - 3

Report from Marquette Associates

Handout

Marquette Associates DGFD Pension Fund
First Quarter 2019 - Quarterly Executive Summary Booklet

Mr. Oest presented the Marquette Associates report of the First Quarter 2019 investments. Should take Templeton off Alert and place on compliance due to a good benchmark achieved. No need to rebalance at this time with the current progress in investments.

MOTION: A motion was made by Trustee Campbell to accept the Marquette Associates 1st Quarter Report. Seconded by Trustee Kuchta.

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 March 31, 2019

Eric Endriukaitis reviewed the 1st Quarter Report by Lauterbach & Amen. This report also shows that the liability insurance premium was paid and therefore the Fund is in compliance.

MOTION: A motion was made by Trustee Kuchta to accept the Lauterbach & Amen 1st Quarter Report. Seconded by Trustee Moy.

Motion carried by a vote of 4-0.

Agenda Item 4 - b

Actuarial Valuations

Ms. Fain reviewed the Actuarial report she presented and advised that there is a new Actuarial Standard of Practice stating that more commentary and explanations should be added to the Actuarial reports. She went over the tax levy from last year, what did the Fund assets look like along with the percentage of funded amounts, and what they looked like this year. Last year's recommended tax levy was approximately 3.6 mil and this year a high increase of over 400,000 making this year's tax levy a little over 4 mil. She also pointed out the funded percentage is what is actually in the bank account on December 31 vs. what the Actuary says you should have.

December 31, 2018 was not a good day to report what was in the Fund's bank account. Therefore, the funded percentage, or the market value which has no smoothing, of what is in the bank indicated a pretty big drop from 57% down to 51%. If the Fund's assets had been reported at the end of March, when the Market rallied up, the funded percentage would have been flat. Due to the obligation to report the December 31 amounts it showed the downturn. Further into the report was why there was an increase of \$400,000 in the recommended contribution. There was an expected increase of \$126,397 Every year the tax levy is designed to increase about 3.5%. Of the \$400,000

increase, the \$126,397 was the normal expected for the way it is designed and budgeted increase. There are other reasons for the increase: salary increases; demographic changes which was the key item in the change with 7 new hires; the 6 retirements caused no increase; but the major reason for the increase was mortality. Anticipation was that 2-3 people would pass away with only 1 individual who actually passed leaving a surviving spouse. Therefore, there was another full year of paying benefit payments to more members.

Asset returns are showing a 7% return assumption with a goal of averaging over the long-term. 2018 dragged down the current assets. Because of 2018 returns we see an increase of tax levy of \$88,588. More money was needed to make up the earnings investment that was anticipated but did not occur. In fact, the amount is always behind due to the late request for the amount of funds needed and that amount being received a year late. A one year lag.

These are the year end financials which are not yet audited. Because of this, the change of tax levy will not be recommended until next meeting.

Trustee Campbell has instructed Ms. Fain to keep the current actuarial assumption in so it will be presented at the next quarterly meeting when the audit numbers come in.

TREASURER'S REPORT

Agenda Item 5 - A

Payment of Bills

Finance Director Buttny advised that vendor checks from January through April 2019 in the amount of \$171,407.22.

MOTION: A motion was made by Trustee Campbell to approve the Vendor Check Report of January 1, 2019 through April 30, 2019 in the amount of \$171,407.22. Seconded by Trustee Kuchta.

Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Caveniale	Aye

Finance Director Buttny advised she had 3 individual invoices: 2 legal invoices, one for the month of January 2019 in the amount of \$2,251.92 and February 2019 for \$3,361.05 and the Department of Insurance in the amount of \$8,000 for a total of \$13,612.97.

MOTION: A motion was made by Trustee Campbell to pay the additional invoices and the Department of Insurance invoice in the total amount of \$13,612.97. Seconded by Trustee Kuchta.

Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell	Aye
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Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Caveniale	Aye

Agenda Item 5 – B

Retirement

Lieutenant John Stoeber joined the fire department on March 1, 1991. His retirement date is May 6, 2019. Effective pension date May 7, 2019. He is 56 years of age, 28 years 2 months of service. His salary was \$113,719. at the time of his retirement of which he is entitled to 70.42%. The amount of the original monthly pension granted is \$6,673.10.

MOTION: A motion was made by Trustee Campbell to accept Lt. John Stoeber's. Seconded by Trustee Moy.

Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Moy	Aye
Trustee Cavenaile	Aye
Trustee Kuchta	Aye

Daly QILDRO

Atty. Reimer advised that they are waiting for the QILDRO calculation order.

Ben Brown Reciprocity

Finance Director Buttny advised that FF/PM Benjamin Brown has paid his reciprocity in the amount of \$170.17. Lauterbach & Amen will report this to the DOI as well as sending FF/PM Brown a letter of acceptance of this payment.

MOTION: A motion was made by Trustee Campbell to accept a reciprocity payment from FF/PM Benjamin Brown in the amount of \$170.17 and recognize that this is now paid in full. Seconded by Trustee Cavenaile.

Motion carried by a vote of 4-0.

OLD BUSINESS

Agenda Item 6 - A

Schultz Annual Exam

Atty. Reimer advised that an appointment was made and the prepayment for the annual exam was made and Mr. Schultz did not show up for his annual INSPE doctor appointment. Atty. Reimer was informed that Mr. Schultz had medically been unable to attend the appointment. Atty. Reimer lead a discussion as to the Rules and Regulations and how to proceed to stay in compliance with them in relation to Mr. Schultz.

MOTION: A motion was made by Trustee Campbell for the Board to accept in lieu of annual exam performance by a physician selected by the Board to accept a narrative report from one of Mr. Schultz's doctors. Seconded by Trustee Cavenaile.

Motion carried by a vote of 4-0

Agenda Item 6 - B

Dravo Disability

Trustee Campbell advised that Mr. Dravo was granted a non-duty disability. At his hearing a writ of disability order was completed. Minutes have been submitted. There was a slight lag in his receiving his benefits which he notified the Board of but all is good now.

Agenda Item 6 - C

Retiree Election Results

MOTION: A motion was made by Trustee Campbell to certify Earl J Moy has by acclamation been elected to a Pension Board Trustee replacing Trustee Lang as conducted by Lauterbach & Amen. Seconded by Trustee Kuchta.

Motion carried by a vote of 4-0.

NEW BUSINESS

Agenda Item 7 - A

Election of Officers

Will be conducted during the August Pension Board Meeting.

Agenda Item 7 -b

DOI Report

Lauterbach & Amen advised that the DOI is now requiring all spousal information for retirees. Lauterbach & Amen will need Board authority to send out an insert explaining what is being requested to each retiree in their May payroll with their direct deposit or check.

Trustee Campbell advised that the Board Instructs Lauterbach & Amen to send out the insert as required.

Agenda Item 7 -c

Resignation of Angelo Guerrieri

Trustee Campbell advised that Trustee Guerrieri advised himself and Trustee Cavenaile of his resignation from the Board. The Village is aware of the resignation and will replace him with another resident.

MOTION: A motion was made by Trustee Campbell to accept the resignation of Trustee Guerrieri a of May 1, 2019. Seconded by Trustee Kuchta.

Motion carried by a vote of 4-0.

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 1815 hrs.
Respectfully submitted.

Firefighter/Paramedic Scott Cavenaile, Secretary

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