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

Members Present
Trustee Matt Campbell, Trustee Jeff Kuchta, Trustee Angelo Gurrieri, Trustee Robert Lang, and Non-voting Downers Grove Finance Director Judy Buttny

Members Absent:
Trustee Scott Cavenaile

Guests
Doug Oest, Asst. Vice President – MarquetteAssociates
Eric Endriukaitis, Acct. – Lauterbach & Amen, LLP
Timothy Bowen, Fire Vice President Inusrance Services – Alliant/Mesirow Insurance Services
Richard Reimer, Attorney - Reimer & Karlson LLC
Deputy Chief Dan Tasso – DGFD

Trustee Campbell called the meeting to order at 1703 hrs. in the training room of the Downers Grove Fire Department Station 2, 5420 Main, Downers Grove, IL.

MINUTES
Trustee Campbell advised that the Feburary 22, 2018 Quarterly Meeting Minutes had some grammatical changes.

MOTION: A motion was made by Trustee Lang and seconded by Trustee Kuchta to accept the minutes as amended.
Motion carried by a vote of 4-0

<u>Agenda Item - 3</u>
Report from Marquette Associates

Handout
Marquette Associates DGFD Pension Fund
First Quarter 2018 - Quarterly Executive Summary Booklet

Mr. Oest began his discussion by calling to the Board's attention that in the front of the report it noted that the 2018 Investment Symposium would be taking place on September 28, 2018. One of the speakers will be Richard Balier who just won the Nobel Prize in Economics. Attendance at the Symposium does count for part of the Board's annual training requirements

Trustee Campbell inquired as to Mr. Oest's opinion regarding "talked about looming recession", mostly in concern not only about the basic fund but also about the anticipated amount of people nearing retirement with 20-25 years served and age eligible to retire. Mr. Ost commented that what they are now doing has been gearing to off set low returns. Lowering actuarial assumptions. And, looking at rebalancing as in 2008 is a strong possibility to weather the risks and lower returns. Mr. Oest also recommended at least 3 months worth of cash on hand, and revisiting this if the balance moves even lower and maybe keeping a little more cash on-hand. This would help in not buying high and selling low if cash was needed. Real Estate investment was also discussed and it was felt it was still okay. Trustee Kuchta requested a review of asset allocations and assumptions at the August meeting.

Mr. Oest explained the past quarter's Marquette Associates' Executive Summary Booklet with an overview of the economic outlook. He continued through the report giving explanation of the various investments and how the DGFD Pension Funds are doing. No recommendations at this time for change in Asset allocations.

Mr. Oest discussed two managers that are not in compliance: Harbor and Templeton. Both of these are on "Alert" for performance reasons. Exhibit II – International Large-Cap Search was then discussed with the subject of replacing Harbor. Five traditional managers were compared.

MOTION: A motion was made by Trustee Kuchta to liquidate the Harbor International funds and proceeds to be invested in Wellington. Seconded by Trustee Campbell.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell Aye
Trustee Kuchta Aye
Trustee Lang Aye
Trustee Gurrieri Aye

MOTION: A motion was made by Trustee Kuchta to accept the 1st Quarter Report from Marquette Associates. Seconded by Trustee Lang.
Motion carried by a vote of 4-0.

Mr. Ost advised that income from taxes would be going into the Cash fund within a short period of time and that the amount of cash in that fund would be in excess of policy and would need to be rebalanced.

MOTION: A motion was made by Trustee Campbell when deposits are received by the Pension Fund, anything in excess of 1.2 million in the Cash Fund, will be rebalanced per policy. Seconded by Trustee Gurrieri.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell Aye
Trustee Kuchta Aye
Trustee Lang Aye
Trustee Gurrieri Aye

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

ATTACHMENT II
Lauterbach & Amend, LLP
Monthly Financial Report
For the Month Ended March 31, 2018

Mr. Endriukaitis, of Lauterbach & Amen presented the Monthly Financial Report ending March 31, 2018 reviewing each report, statement, expenses, contributions and payments. Total cash and investments, $53,881,591. The incrued interest $98,775. As of March 31, 2018, $53,979,930 Net Position.

Page 11-1 and 11-2 of this report contains the three month rolling Quarterly Vendor Check Report with all expense checks noted from 1-01-18 through 3-31-18.

MOTION: A motion was made by Trustee Kuchta to accept the March 31, 2018 Quarterly Report as presented from Lauterbach & Amen. Seconded by Trustee Guirrieri.
Motion carried by a vote of 4-0.

NEW BUSINESS

Agenda 7 – B

Options to change

Trustee Campbell inquired if Lauterbach & Amen had mailed out the Actuarial Reports yet and advised that the report will be reviewed at the August meeting. The Board would also like to direct Lauterbach to also do it at 6.75% and be able to review all options. It was felt that other variables have already been looked at (i.e. mortality table – rolling 5 yr basis).

Agenda 7 – A

Fiduciary Liability Insurance **ATTACHMENT III**
Fiduciary Liability Inusrance

Proposal

Mr. Bowen reviewed Alliant / Mesirow Fiduciary Liability Insurance Coverage Summary booklet and the Board's options. Coverage and cost were reviewed fror Chubb, the current insurer, and also Euclid and Ullico as a comparison. Mr. Bowen presented a comparison of the two best quotes which were Euclid and Chubb.

Trustee Campbell inquired about the "duty to defend" option. Euclid does provide the option for the Board to choose their own council. Chubb does not and never will. Meaning that if the Board had a claim Chubb as the insurer would assign council and an attorney but Euclid would give them the option.

Mr. Bowen reviewed all of the comparables including overpayment of benefits and cyber liabilities advising of which policy has or does not have the various benefits.

MOTION: A motion was made by Trustee Campbell to purchase a Fiduciary Liability Insurance Coverage from Chubb with the annual premium amount of $8,723.00. seconded by Trustee Kuchta.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell Aye
Trustee Kuchta Aye
Trustee Lang Aye
Trustee Gurrieri Aye

TRESURER'S REPORT

Agenda Item 5 - A
Payment of Bills

Ms. Buttny advised that her request for payment is slightly different due approvals given through February 1, 2018 and she has bills through April 30, 2018. Ms. Buttny asked for a motion to approve invoices from her report as presented from February 28 through April 30, 2018 in the amount of $135,636.60.

MOTION: A motion was made by Trustee Lang for the approval of the presented Treasurer's report to pay bills presented from February 1, 2018 through April 30, 2018.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell Aye
Trustee Kuchta Aye
Trustee Lang Aye
Trustee Gurrieri Aye

Ms. Buttny advised that she had received an invoice from the Illinois State Treasurer in the amount of $8,000.00 for a compliance fee.

MOTION: A motion was made by Trustee Campbell to approve to pay an invoice from the Illinois State Treasurer in the amount of $8,000.00 for the 2019 compliance fee and seconded by Trustee Kuchta.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell Aye
Trustee Kuchta Aye
Trustee Lang Aye
Trustee Gurrieri Aye

Agenda item 5 – B
New Employees/ Retirees/ Issuance of Refunds

There has been the termination of a Probationary Firefighter/Paramedic by the Village of Downers Grove but no request has been received from this former employee for reimbursement of his dues. Atty. Reimer advised that it is the former employee's obligation to contact the Board for a refund.

Trustee Campbell advised there were no new employees this quarter.

Trustee Campbell advised there are three retirees this quarter; Greg Winklemann, Steve Carlsen and Earl Moy.

Greg Winkelman: His retirement date is June 9, 2018 with the effective date of pension will be June 10, 2018. His birthdate is August 22, 1961. His hire date was March 1, 1993. He will be 56 years of age with 25years, 3 months of service. Applicable base salary has been confirmed as $99,556.00 as a firefighter/paramedic. His percentage will be 63.13% of his salary. The amount of the pension granted to the member is $5,237.06.

MOTION: A motion was made by Trustee Campbell to grant a regular retirement pension to Greg Winkelman. Seconded by Trustee Lang.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell Aye
Trustee Kuchta Aye
Trustee Lang Aye
Trustee Gurrieri Aye

MOTION: A motion was made by Trustee Campbell to grant a regular retirment pension to Michael Collins. His birthday is February 10, 1966. He entered the department on April 19, 1993. His retirement date is May 22, 2018 with his effective date of pension being May 23, 2018. He will be 52 years old. He will have 25 years and 1 month of service. Applicable base salary has been confirmed as $93, 919.00 as a firefighter. He will receive 62.71% of his base salary. Original monthly pension granted to the member is $4,907.92. Seconded by Trustee Lang.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell Aye
Trustee Kuchta Aye
Trustee Lang Aye
Trustee Gurrieri Aye

MOTION: A motion was made by Trustee Campbell to grant a regular retirement pension to Steven Carlsen. His birthday is February 23, 1966. He entered the department on March 1, 1993. His retirement date is June 14, 2018 with his effective date of pension being June 15, 2018. He will be 52 years old. He will have 25 years and 3 months of service. Applicable base salary has been confirmed as $99,556.00 as a firefighter/paramedic. He will receive 63.13% of his base salary. Original monthly pension granted to the member is $5,237.06. Seconded by Trustee Gurrieri.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell Aye
Trustee Kuchta Aye
Trustee Lang Aye

Trustee Gurrieri Aye

MOTION: A motion was made by Trustee Campbell to grant a regular retirement pension to Earl Moy. His birthday is January 8, 1966. He joined the department on April 26, 1993. His retirement date is July 12, 2018 with his effective date of pension being July 13, 2018. He will be 52 years old. He will have 27 years and 0 months of service. Applicable base salary has been confirmed as $93,919.00 as a firefighter. He will receive _____67.5%_____ of his base salary. Original monthly pension granted to the member is $5,175.79. Seconded by Trustee Lang.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell Aye
Trustee Kuchta Aye
Trustee Lang Aye
Trustee Gurrieri Aye

MOTION: A motion was made by Trustee Kuchta to amend the Earl Moy regular retirement motion to reflect the correct amount of monthly pension to be paid by the Downers Grove Pension Fund to $5,175.79. Seconded by Trusteee Gurrieri.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell Aye
Trustee Kuchta Aye
Trustee Lang Aye
Trustee Gurrieri Aye

OLD BUSINESS

Agenda Item 6 - A
Lambert and Schultz Annual Exam

Atty. Reimer advised that the annual report from Dr. Mosien regarding Retiree Lambert dated April 4, 2018, certifies that he remains disabled.

MOTION: A motion was made by Trustee Campbell to continue Retiree Lambert's disability benefits subject to further annual exams until he attains age 50.
Seconded by Trustee Kuchta.
Motion carried by a vote of 4-0.

Atty. Reimer advised that retiree John Schultz did not show up for his exam with Dr. Moisen on April 13, 2018. Notification of the appointment was sent by confirmation priority signature notification to the address on file: 712 Eastside Drive, Geneva, IL. but he did not claim it. There is a fee from Dr. Mosien for the missed appointment. We cannot reschedule until the fee is paid.

The 2014 Rules & Regulations specifically address this issue. Under Annual Exams, Section 901, subsection B: Unless good cause (i.e. a bona fied medical emergency is shown by the disabled firefighter, all fees and costs associated with the scheduling or cancellation of the appointment of the physician selected by the Pension Board, will be paid by the disabled firefighter. If the disabled firefighter does not make timely payments to the Pension Board the amount owed may be deducted from future monies paid by the Pension Fund.

Trustee Campbell confirmed that Mr. Schultz's address on file is 712 Eastside Drive, Geneva, IL. 60134.

MOTION: A motion was made by Trustee Campbell to approve payment of an invoice from Midwest Enviornmental Medicine for $375.00 for disability reevaluation for Edward Lambert with Dr. Moisen. Seconded by Trustee Lang.
Motion carried by a vote of 4-0.

Roll call was taken:

Trustee Campbell Aye
Trustee Kuchta Aye
Trustee Lang Aye
Trustee Gurrieri Aye

Agenda Item 6 - D
Dravo Disability

Atty. Reimer gave a status report of the current events with this matter. Advised that the reports were sent to INSPE and they are in the process of selecting doctors now.

Agenda 6 – C
Election of Officers

Trustee Cavenaile notified the membership regarding an election that must take place as Trustee Campbell had reached the end of his term and asked for nominees. An election toke place and with no challengers, Matt Campbell was again elected to Trustee.

MOTION: A motion was made by Trustee Kuchta to certify by acclamation Matt Campbell was elected as a Trustee to the Pension Board for a 3 year term. Seconded by Trustee Gurrieri.
Motion carried by a vote of 4-0.

NEW BUSINESS

Agenda 7 – A
Fiduciary Liability Insurance

Paperwork is just about done and will be filed shortly.

Agenda 7 – B
Annual DOI Report

Trustee Campbell advised this will be reviwed in August.

Agenda 7 – C
Statement of Economic Interest

Trustee Campbell inquiredis everyone had filed there statement of Economic Interest as required. The Village Attorney has requested that the statement and receipt be submitted to her so it can be kept on file at the Village.

PUBLIC COMMENT
None

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

The meeting adjourned at 1905 hrs.
Respectfully submitted.

_____
Firefighter/Paramedic Scott Cavenaile, Secretary

SC:pp All Files/Pension/2018 – 5-22-18 Quarterly Meeting Minutes