

**BOARD OF TRUSTEES
DOWNERS GROVE FIREFIGHTERS PENSION FUND MEETING
Downers Grove Fire Department Station 2, 5420 Main, Training Room
August 4, 2016, 1630 hrs.**

Members Present

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

Members Absent:

Trustee Robert Lang

Guests

D. Warnke, Financial Consultant – MarquetteAssociates
J. Weber, Acct. - Lauterbach & Amen, LLP
Eric Endriukaitis, Acct. – Lauterbach & Amen, LLP
Tim Bowen, Senior VP – Mesirow Financial
Brian J. Labardi, Attorney - Reimer & Karlson LLC
Gerry Bonsonto, Firefighter/Paramedic – VDGFD/

Trustee Campbell called the meeting to order at 1634 hrs. in the Training Room of the Downers Grove Fire Department Station 2, 5420 Main, Downers Grove, IL.

MINUTES

Trustee Campbell advised that for the May 12, 2016 Quarterly Meeting Minutes and June 17, 2016 some grammatical changes were made. Also, an inaccurate percentage for Retired Lt. Drobney pension distribution and inaccurate balance which were corrected.

MOTION: A motion was made by Trustee Campbell and seconded by Trustee Cavenaile to approve the May 12, 2016 Quarterly Meeting Minutes and June 17, 2016 as amended.

Motion carried by a vote of 4-0.

Agenda Item - 3

Report from MarquetteAssociates

Handout

MarquetteAssociates DGF Pension Fund
June 30, 2016 Quarterly Executive Summary Booklet

D. Warnke reviewed MarquetteAssociates' Executive Summary Booklet of the various funds managed for the Pension Fund. He also reviewed and answered questions regarding the various investment managers and gave insight into the thinking regarding investments in the various markets.

Mr. Warnke reviewed DGFDP Pension Fund asset allocation as of June 2016, approximately \$47.1 million in total. From an asset allocation stand point is all very close to targets. After last meeting a property tax receipt that was received. Approximately \$975,000 was rebalanced back into the fund: \$200,000 to C.S. McKee Fixed Income, \$350,000 into Harbor and balance to Franklin SCV. It was a timely rebalance as we were above the million dollar threshold.

Mr. Warnke reviewed market performance for the past few months and the effect on the various Pension Fund investments.

Mr. Warnke advised that in general international's performance (in particular because of the Alert status) and advised they were under performing this quarter. As Harbor International is still on Alert, Marquette will keep a watch on them for the next two to three quarters before a decision is made.

D. Warnke reviewed investment manager Franklin Templeton advising they had a small lag in the quarter. He will follow up in the fourth quarter of 2016 when they hit the 3 year mark and a decision can be made if they need to be placed on Alert or replaced.

Trustee Kuchta queried what the latest watch date Harbor should have. Mr. Warnke advised he would keep them on Alert but would like to give them at least two more quarters before a decision is made.

Mr. Warnke advised that real estate principal YTD was 4.1%. Steady as was expected with no red flags at this time. Principal slightly lowered their property allocation given office has been a good place to be and more sensitive to down turns.

Trustee Carroll inquired if the Pension Fund had any money at this time to go into real estate. Mr. Warnke advised not at this time.

Trustee Kuchta referenced his request at the last quarterly meeting regarding an annual update on overall projections for asset classes and how it looks compared to our current allocations to make sure we are in line with our assumptions. Trustee Kuchta advised that it is try and return the assumption back down to 7%.

Trustee Campbell queried if there is currently an expected rate of return. Mr. Warnke sent out a memo about a month after the last meeting. The number was roughly 6.5 or 6.6. Trustee Campbell requested that the memo again be sent to the Pension Board members.

MOTION: A motion was made by Trustee Campbell that any cash balance that anything in excess of \$1.2 million in the Pension Fund, will be rebalanced per policy. Seconded by Trustee Kuchta.

Roll call was taken:

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

Agenda Item 4 - A

Report from Lauterbach & Amen, LLP

ATTACHMENT I
Monthly Financial Report
For the Month Ended June 30, 2016

Mr. Weber of Lauterbach & Amen presented the Monthly Financial Report ending June 30, 2016 reviewing each statement regarding expenses, contributions and payments. Page 11-1 of this report contains the three month rolling Vendor Checks Report with all expense checks noted from February 1 through April 30, 2016.

Mr. Weber reviewed the House Bill 5088 – Municipal Compliance Report for FY ending 12-31-15. Trustee Campbell asked about the reported assumptions shown on page 2 specifically the 7.25 return and if this is used universally by Lauterbach in their assumption tables. Mr. Weber advised it was based on client request. Trustee Campbell asked when the DGFDP Pension Board decides to do their actuarial table for the next calendar year in what quarter do we need to advise Lauterbach know we want to see these options?

Mr. Weber advised that it should be no later than February to make the change. He offered to place that request with Todd now to do a table. Trustee Kuchta listed some of the information they would like included in this table to include the DOI of 6.75.

The signed (page 3) report is due in December 2016 and could be signed and given to Atty. Labardi to be filed with the Village.

Atty. Labardi inquired if the Pension Board had done a levy request yet this year. Trustee Campbell advised that it would be something they would do today. Atty. Labardi advised that typically the attorney will submit both at the same time.

MOTION: A motion was made by Trustee Campbell to accept the Municipal Compliance Report as presented from Lauterbach & Amen. Seconded by Trustee Kuchta.

Roll call was taken:

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

MOTION: A motion was made by Trustee Campbell to accept the final actuary report and make a recommendation to the Village of \$3,060,616. Seconded by Trustee Kuchta.

Roll call was taken:

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

All reports to be sent to the Village by Atty. Labardi and a copy to the Pension Board.

Mr. Weber advised he is still working with FF/PM Matthew Hills buy back due his combined creditable service and will have the information available by the next meeting.

MOTION: A motion was made by Trustee Campbell to accept the monthly financial statement as presented. Seconded by Trustee Cavenaile.
Motion carried by a vote of 4-0.

ATTACHMENT II

Lauterbach & Amen, LLP Monthly Financial Report
June 30, 2016
Vendor Checks Report – Page 11-1

Agenda item 5 - A

There was a discussion regarding various bills presented. As all April 2016 bills were approved at the previous meeting, J. Buttny requested approval for the May and June 2016 expenditures totaling \$35,752.28 encompassing the line items in the Vendor Checks Report – Page 11-1.

MOTION: A motion was made by Trustee Campbell was to pay the currently listed bills in the amount of \$35,752.28 and seconded by Trustee Carroll.
Motion carried by a vote of 4-0.

Roll call was taken:

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

Agenda item 5 – B

Trustee Campbell advised that there was one person who submitted an application for deferred retirement. Figures for this application were unavailable at this time. Trustee Campbell advised that because the application was for deferred retirement the Pension Board could wait until the next meeting for the figures.

Trustee Campbell queried Atty. Labardi that because the employee put an effective date on the application does he need to supply the Board with anything when he reaches that effective date? He did put that effective date on his application. Atty. Labardi advised that it should be adequate.

Atty. Labardi will email copies of blank decisions and orders for the Board to provide whatever information which could be used for the approval process at the next meeting. This document will be voted on, signed and therefore documented twice. The employee does not need to do anything further.

Mr. Weber advised that Lauterbach has set up a queue in their program to capture and act on the deferred date.

ATTACHMENT III
Fire Pension Board
2017 Budget

Agenda item 5 - C

J. Buttney presented the 2017 Budget. Discussion regarding thoughts on how many retirements will occur during 2017 to prepare for an appropriate amount for this. This number is based on approximate number of people (considering eligibility, age and length of service) that might apply for pension and try to prepare so that they do not have to go back to Council asking for a Budget amendment.

MOTION: A motion was made by Trustee Kuchta to accept the proposed Fire Pension Board 2017 Budget at 4,156,035. Seconded by Trustee Campbell.

Roll call was taken:

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

Agenda item 6 - A

Atty. Labardi advised that he had no new information regarding this matter and therefore the Board did not need to adjourn to a Closed Meeting.

Trustee Campbell advised that there was a scheduled Status Call. No information has been received regarding this Status Call.

Agenda item 6 - B

Atty. Labardi regarding Disability Retired FF/PM Lambert's is required to have an IME (anyone disabled and under 50 must have an annual physical). Dr. Mousin only does evals on people he has seen previously and has records on. Reimer does not have any medical records to send him but is requesting this from the Board. Atty. Labardi will send this information to Dr. Mousin. Alternatively we could go back to INSBE and ask for another doctor.

Trustee Campbell advised that the Board has the actual IME results from when he was seen at Dr. Mousin's office. Atty. Labardi advised that the doctor wants whatever records the Pension Board has. It was decided Atty. Labardi would take the whole file and send the doctor the appropriate documents.

MOTION: A motion was made by Trustee Campbell was to instruct Reimer Dorbovolny & Karlson LLC to set up an IME for Lambert with Dr. Mousin and forward the records to him. Seconded Trustee Kuchta.

Roll call was taken:

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

Agenda Item 7

No new business.

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 1735 hrs.
Respectfully submitted.

Firefighter/Paramedic Scott Cavenaile, Secretary

SC:pp All Files/Pension/2016 – 8-04-16 Quarterly Meeting Minutes (2)