

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE
FRANKLIN PARK FIREFIGHTERS' PENSION FUND
JULY 24, 2018**

A regular meeting of the Board of Trustees of the Franklin Park Firefighters' Pension Fund was held on Tuesday, July 24, 2018 at 9:30 a.m. at the Fire Station located at 10001 W. Addison Avenue, Franklin Park, IL pursuant to notice, to conduct regular business.

CALL TO ORDER: Trustee Thomson called the meeting to order at 9:31 a.m.

ROLL CALL

PRESENT: Trustees Tommy Thomson, Tony Tarasiuk, Ninfa Aguilar, Jack Panzica and Dan Antioho

ABSENT: None

ALSO PRESENT: Board Attorney Rick Reimer and Attorney Steve Knight, Reimer & Dobrowolny PC; Paul Marchese, Marquette & Associates; Treasurer Frank Grieshamer, Village of Franklin Park; Amanda Secor, Kevin Cavanaugh and Cassandra Galvez, Lauterbach & Amen, LLP (L&A), Chief William Brehm, Franklin Park Fire Department; William McMurray, Retired Member

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *April 24, 2018 Regular Meeting Minutes:* The Board reviewed the minutes from the April 24, 2018 regular meeting. A motion was made by Trustee Tarasiuk and seconded by Trustee Panzica to approve the April 24, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes for review.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board was presented with the Monthly Financial Report prepared by Lauterbach & Amen, LLP for review. As of June 30, 2018, the plan net assets held in trust for pension benefits is \$28,645,943.37 with a change in position of -\$158,004.13 for the two-month period. The Board reviewed the Cash Analysis, Revenue and Expense Reports, Member Contributions, and Payroll Journal. A motion was made by Trustee Thomson and seconded by Trustee Tarasiuk to accept the Monthly Financial Report as presented. Motion carried by roll call vote.

AYES: Trustees Thomson, Tarasiuk, Aguilar, Panzica and Antioho
NAYS: None
ABSENT: None

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period of 04/01/2018 – 06/30/2018, listing total disbursements in the amount of \$131,187.06.

A motion was made by Trustee Tarasiuk and seconded by Trustee Panzica to approve the disbursements listed on the Vendor Check Report in the amount of \$131,187.06. Motion carried by roll call vote.

AYES: Trustees Thomson, Tarasiuk, Aguilar, Panzica and Antioho
NAYS: None
ABSENT: None

Additional Bills, if any: There were no additional bills submitted for approval.

INVESTMENT REPORT – MARQUETTE & ASSOCIATES: *Quarterly Investment Report:* Paul Marchese from Marquette & Associates presented the Quarterly Investment Report, market update and performance summary for the period ending June 30, 2018. As of 06/30/2018, the total fund composite is \$28,583,646. The performance, net of fees, of the total fund composite for the quarter is 0.9%. The fiscal year to date investment return, net of fees, is 0.6%. The current asset allocation is as follows: Fixed Income at 36%, U.S. Equities at 37.3%, Non-U.S. Equities at 15.8%, Real Estate at 10.5%, and Cash at 0.4%. All questions were answered by Mr. Marchese.

Potential purchase and/or sale of securities, re-balancing of asset allocations and hiring/termination of investment managers: Mr. Marchese recommended placing the Fiduciary Management Equity Fund on alert for performance reasons. A motion was made by Trustee Antioho and seconded by Trustee Tarasiuk to execute the recommendation as proposed by Marquette & Associates. Motion carried by roll call.

AYES: Trustees Thomson, Tarasiuk, Aguilar, Panzica and Antioho
NAYS: None
ABSENT: None

Mr. Marchese presented search results and comprehensive research for replacing the Franklin International Small Cap Equity Fund and highlighted five potential candidates including their respective performance. A motion was made by Trustee Antioho and seconded by Trustee Tarasiuk to terminate the Franklin International Small Cap Equity Fund and to replace the Fund with Goldman Sachs, as recommended by Marquette & Associates. Motion carried by roll call.

AYES: Trustees Thomson, Tarasiuk, Aguilar, Panzica and Antioho
NAYS: None
ABSENT: None

Review/Update Investment Policy: The Board reviewed the asset allocation study prepared by Marquette & Associates. A motion was made by Trustee Antioho and seconded by Trustee Thomson to amend the Investment Policy by implementing the asset allocation as outlined in portfolio A of the executive summary presented by Marquette & Associates. Motion carried by roll call vote.

AYES: Trustees Thomson, Tarasiuk, Aguilar, Panzica and Antioho
NAYS: None
ABSENT: None

Mr. Marchese presented search results and comprehensive research highlighting Emerging Markets managers and recommended Neuberger Berman Group to manage the newly established

emerging markets portion of the portfolio. A motion was made by Trustee Antioho and seconded by Trustee Tarasiuk to hire Neuberger Berman Group to manage the newly established Emerging Markets allocation as outlined in portfolio A and to fund the asset class by reallocating a portion of the currently overweight US Equity allocation, with additional funds to be reallocated from CS McKee and if necessary, from Real Estate. Motion carried by roll call vote.

AYES: Trustees Thomson, Tarasiuk, Aguilar, Panzica and Antioho

NAYS: None

ABSENT: None

A motion was made by Trustee Thomson and seconded by Trustee Tarasiuk to approve the Quarterly Investment Report as presented. Motion carried unanimously by voice vote.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed 2018 Affidavits of Continued Eligibility to all pensioners with the June payroll cycle and a due date of July 31, 2018. A status update will be provided at the next regularly scheduled meeting.

Active Member File Maintenance: The Board noted that L&A will prepare Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents as required by the IDOI.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Dale Johnson:* The Board reviewed the regular retirement benefit calculation for Dale Johnson. Lieutenant Johnson had an entry date of 04/12/1991, retirement date of 06/13/2018 with an effective date of pension of 06/14/2018 at age 50 with 27 years and 2 months of creditable service, a pensionable salary of \$106,231.43, for an original monthly benefit amount of \$6,012.41 and annual benefit of \$72,148.92, which is 67.92% of pensionable salary. A motion was made by Trustee Tarasiuk and seconded by Trustee Thomson to approve the regular retirement benefit of Dale Johnson as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Thomson, Tarasiuk, Aguilar, Panzica and Antioho

NAYS: None

ABSENT: None

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Miguel Rivera III:* The Board reviewed the Application for Membership submitted by Miguel Rivera III. A motion was made by Trustee Tarasiuk and seconded by Trustee Thomson to accept Miguel Rivera III into the Franklin Park Firefighters' Pension Fund effective 06/18/2018, as a Tier II participant. Motion carried unanimously by voice vote.

OLD BUSINESS: *Trustee Training Updates:* The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit all certificates of completion to L&A for recordkeeping.

Review/Possible Approval of Updated Board Rules and Regulations: The Board reviewed the amended Rules and Regulations prepared by Reimer & Dobrovlny PC. A motion was made by

Trustee Thomson and seconded by Trustee Tarasiuk to approve and adopt the updated Rules and Regulations as presented. Motion carried unanimously by voice vote.

Status Update – Fiscal Year End Projects: L&A informed the Board that the Audit and IDOI Annual Statement are currently in process. A status update will be provided at the next regular meeting.

IDOI Annual Statement Updated Interrogatories: L&A presented the Board with the updated interrogatories to be completed within the IDOI Annual Statement, as required by the IDOI effective June 1, 2018.

NEW BUSINESS: *Repayment of Break in Service – Christopher Kamin:* The Board reviewed the creditable service purchase calculation prepared by L&A for Firefighter Christopher Kamin. L&A will prepare a repayment calculation, to be paid over a twelve-month period. A status update will be provided at the next regular meeting.

BMO Harris Bank Signature Cards & Resolution Update: L&A provided the Board with the necessary forms to update the signers on the BMO Harris Bank account with the current Board members and municipal representative. The Board will obtain signatures and submit the completed forms to L&A to update with BMO Harris Bank. A motion was made by Trustee Tarasiuk and seconded by Trustee Panzica to designate Trustees Thomson and Tarasiuk and Treasurer Grieshamer as signers on the BMO Harris Bank account. Motion carried unanimously by voice vote.

Fiduciary Liability Insurance Renewal: The Board discussed the Fiduciary Liability Insurance Policy Renewal submitted by Mesirow Insurance Services, Inc., effective 08/01/2018-08/01/2019. A motion was made by Trustee Thomson and seconded by Trustee Panzica to approve the Mesirow Insurance Services, Inc. insurance premium renewal in an amount not to exceed \$4,400. Motion carried by roll call vote.

AYES: Trustees Thomson, Tarasiuk, Aguilar, Panzica and Antioho
NAYS: None
ABSENT: None

Board Officer Elections – President & Secretary: The Board discussed Board Officer Elections and nominated the slate of Officers as follows: Trustee Thomson as President and Trustee Tarasiuk as Secretary. A motion was made by Trustee Thomson and seconded by Trustee Antioho to maintain the slate of Officers as stated. Motion carried unanimously by voice vote.

FOIA Officer & OMA Designee: The Board discussed maintaining Trustee Thomson as the FOIA Officer and OMA Designee. A motion was made by Trustee Thomson and seconded by Trustee Panzica to maintain Trustee Thomson as the FOIA Officer and OMA Designee. Motion carried unanimously by voice vote.

Trustee Tarasiuk left the meeting at 10:58 a.m.

Review Preliminary Actuarial Valuation: The Board reviewed the preliminary Actuarial Valuation prepared by L&A. The final report will be reviewed by the Board at the next regularly scheduled meeting.

The Board discussed decreasing the assumed rate of investment return used in the Actuarial Valuation. A motion was made by Trustee Thomson and seconded by Trustee Aguilar to direct L&A to decrease the assumed rate of investment return to 6.5% from the current assumed rate of investment return of 7% and to direct L&A to update the Actuarial Valuation to reflect the amendment. Motion carried by roll call vote.

AYES: Trustees Thomson, Aguilar, Panzica and Antioho

NAYS: None

ABSENT: Trustee Tarasiuk

The updated, finalized Actuarial Valuation will be available for review at the next regular meeting.

David Richter – Election to Reinstate Creditable Service: The Board reviewed documentation prepared by L&A regarding David Richter's election to reinstate creditable service for missed employee contributions for the period of March 24, 2018 through April 23, 2018. A motion was made by Trustee Thomson and seconded by Trustee Panzica to acknowledge Firefighter Richter's repayment of missed employee contributions the amount of \$603.49 as paid in full, rendering the dates as creditable toward Firefighter Richter's pensionable salary. Motion carried by roll call vote.

AYES: Trustees Thomson, Aguilar, Panzica and Antioho

NAYS: None

ABSENT: Trustee Tarasiuk

ATTORNEY'S REPORT: *Legal Updates:* Mr. Reimer reviewed the Reimer & Dobrovlny PC *Legal and Legislative Update* newsletter and discussed current legislation with the Board.

CLOSED SESSION, IF NEEDED: There were no items to be discussed in closed session.

ADJOURNMENT: A motion was made by Trustee Thomson and seconded by Trustee Panzica to adjourn the meeting at 11:05 a.m. Motion carried unanimously by voice vote.

The next regular Board meeting is scheduled for Tuesday, October 23, 2018 at 9:30 a.m.

Respectfully submitted,

_____ Date approved by Board: _____
Tony Tarasiuk, Board Secretary

Minutes prepared by Amanda Secor, Pension Services Administrator