



**MINUTES OF A REGULAR MEETING OF THE
FRANKFORT FPD FIREFIGHTERS' PENSION FUND
BOARD OF TRUSTEES
FEBRUARY 4, 2020**



A regular meeting of the Frankfort FPD Firefighters' Pension Fund Board of Trustees was held on Tuesday, February 4, 2020 at 9:30 a.m. at Fire Station One located at 333 W. Nebraska Street Frankfort, Illinois 60423, pursuant to notice.

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

ROLL CALL:

PRESENT: Trustees Daniel Faber, Kevin Brow, Alphonso Jackson and Robert Wilson
ABSENT: Trustee Michael Kavanagh
ALSO PRESENT: Tom Sawyer, Sawyer Falduto Asset Management, LLC; Attorney Meganne Trela, Ottosen DiNofo Hasenblag & Castalado, LTD; Jennifer Flores, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *November 5, 2019 Regular Meeting:* The Board reviewed the November 5, 2019 regular meeting. A motion was made by Trustee Wilson and seconded by Trustee Brow to approve the November 5, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the seven-month period ending December 31, 2020 prepared by L&A. As of December 31, 2020, the net position held in trust for pension benefits is \$25,113,496.93 for a change in position of \$3,770,960.54. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period October 1, 2019 through December 31, 2019 for total disbursements of \$145,212.11. A motion was made by Trustee Jackson and seconded by Trustee Wilson to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$145,212.11. Motion carried by roll call vote.

AYES Trustees Jackson, Wilson, Brow and Faber
NAYS None
ABSENT Trustee Kavanagh

Additional Bills, if any: The Board reviewed the following additional bills for approval:

- L&A invoice #41743 in the amount of \$4,675 for professional services rendered for the month of November, 2019 and Pension Services Administration for the period June, 2019 through October, 2019
- L&A invoice #42675 in the amount of \$1,425 for professional services rendered for the month of December 2019
- L&A invoice #42104 in the amount of \$3,050 for PSA Setup and Setup of Accounting Records

A motion was made by Trustee Brow and seconded by Trustee Wilson to approve the additional bills as presented. Motion carried by roll call vote.

AYES Trustees Brow, Wilson, Faber and Jackson
NAYS None
ABSENT Trustee Kavanagh

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC:

Quarterly Investment Performance Report: Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending December 31, 2019. As of December 31, 2019, the fourth quarter net return is 4.99% versus the fourth quarter account benchmark of 5.33%. The investment return for the quarter is \$1,209,977 for an ending market value of \$25,113,497. The current asset allocation is as follows: fixed income at 36.7%, equities at 62.8% and cash equivalents at 0.4%. Mr. Sawyer reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board.

Review/Update Investment Policy: The Board discussed the Investment Policy and determined that no changes are required at this time.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* L&A informed the Board that due to recently implemented requirements mandated by the IDOI, spousal data will be necessary in order to file the IDOI Annual Statement. L&A recommended issuing Affidavits of Continued Eligibility to all pensioners with the May payroll cycle, to coincide with the fiscal year-end and ensure adequate time to compile the necessary data.

Statements of Economic Interest: The Board noted that the List of Filers was due to the County by the District by February 1, 2020. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2020.

2020 IRS Mileage Rate: The Board noted that the IRS standard business mileage rate used for reimbursement decreased to \$0.575 per mile effective January 1, 2020.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: There were no applications for membership or withdrawals from the Fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Application for Duty Disability Benefit – Catherine Crook:* Attorney Trela apprised the Board that all independent medical examinations for Catherine Crook have been completed. A motion was made by Trustee Jackson and seconded by Trustee Brow to schedule a disability hearing to adjudicate the application for duty disability benefit submitted by Catherine Crook for March 12, 2020 at 10:00 a.m. Motion carried unanimously by voice vote.

OLD BUSINESS: *Creditable Service Purchase – Anthony Divito:* The Board noted that the balance due from Anthony Divito to the Frankfort FPD Firefighters' Pension Fund to combine service under reciprocity has been received in full. A motion was made by Trustee Wilson and seconded by Trustee Jackson to accept this payment and recognize the purchase as paid in full. Motion carried unanimously by voice vote.

The Board discussed James Schultz's transfer of creditable service from Frankfort FPD Firefighters' Pension Fund to Orland FPD Firefighters' Pension Fund. A motion was made by Trustee Wilson and seconded by Trustee Jackson to recognize James Schultz's transfer as paid in full in the amount of \$1,038. Motion carried unanimously by voice vote.

IDOI Annual Statement: The Board noted that the IDOI Annual Statement was filed by Sikich, LLP. All subsequent requests were responded to by Sikich, LLP. No further action is needed.

Review/Approve – Draft Board Rules and Regulations: The Board discussed the draft rules and regulations at the last meeting, but a final set is not yet available for the Board's approval. The Board tabled this item until the next regular meeting.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2020 Cost of Living Adjustments (see attached) calculated by L&A. A motion was made by Trustee Wilson and seconded by Trustee Brow to approve the 2020 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES Trustees Wilson, Brow, Faber and Jackson
NAYS None
ABSENT Trustee Kavanagh

Review Trustee Term Expirations and Election Procedures: The Board noted that the retired member term currently held by active member Trustee Brow is expiring in April 2020. L&A will conduct an election on behalf of the Pension Fund for the retired member Trustee position. The Board also noted that the appointed Trustee position held by Trustee Wilson is expiring in April 2020 and he desires to remain on the Board. The Board will contact the City and seek reappointment of Trustee Wilson to the Board.

Discussion/Possible Action – Ottosen DiNolfo Hasenbalg & Castalado, Ltd. Engagement Letter: The Board reviewed the engagement letter provided by Ottosen DiNolfo Hasenbalg & Castalado, Ltd. A motion was made by Trustee Faber and seconded by Trustee Wilson approve the one year retainer agreement with Ottosen DiNolfo Hasenbalg & Castalado, Ltd. as discussed. Motion carried unanimously by voice vote.

ATTORNEY'S REPORT – OTTOSEN DINOLFO HASENBALG & CASTALADO, LTD: Attorney Trela distributed copies of the Ottosen DiNolfo Hasenblag & Castalado, LTD *Quarterly Insights for Pension Funds* and provided legislative updates pertaining to Article 4 Pension Funds; including recent court cases and decisions, as well as general pension matters.

Updates on State and National Issues: Attorney Trela reviewed recent state and national issues that impact Article 4 pension funds.

Annual Independent Medical Examination – Christopher Wolf: Attorney Trela apprised the Board that the records requested from Christopher Wolf's treating physicians are still in process. Further discussion will be held at the next regular meeting.

TRUSTEE TRAINING UPDATES: The Board discussed trustee training requirements and upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

Approval of Trustee Training Registration Fees and Reimbursable Expenses: There were no trustee training registration fees or reimbursable expenses presented for approval.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Jackson and seconded by Trustee Wilson to adjourn the meeting at 10:21 a.m. Motion carried unanimously by voice vote

The next regular meeting is scheduled for May 5, 2020 at 9:30 a.m.

Board Secretary

Minutes approved by the Board of Trustees on _____.

Minutes prepared by Jennifer Flores, Pension Services Administrator, Lauterbach & Amen, LLP