

**WARRENVILLE FIRE PROTECTION DISTRICT  
FIREFIGHTERS' PENSION MEETING  
3S472 Batavia Road, Warrenville, IL 60555  
Minutes of the meeting  
August 15, 2018**

President Captain Eric Ermer called the meeting to order at 1602 hours at District Headquarters. In attendance were: Secretary Beth Fairbanks, Trustee Lt. Joe Levy, Trustee Marge Leonard, Trustee Terese Krafcheck and Treasurer Ex-officio Denise Pertell. Guests were Chief Dennis Rogers Jr.; Spence Klein and Frank Fanelli from MB Financial; Jamie Wilkey and Kevin Cavanaugh from Lauterbach and Amen.

**ELECTION OF OFFICERS:**

Ermer was nominated to continue as President and Fairbanks was nominated to continue as Secretary. Krafcheck moved to keep Eric Ermer as President and Beth Fairbanks as Secretary. Leonard seconded.

5 ayes,            MOTION CARRIED

**VISTORS' COMMENTS:**

None.

**MINUTES:**

Leonard moved to accept the minutes from regular meeting of April 18, 2018 as presented. Levy seconded.

4 ayes, 1 Abstain      MOTION CARRIED

**FINANCIAL REPORT:**

Frank Fanelli reported that the portfolio allocations as of June 30, 2018 were approximately 5.45% in Money Market, 51.68% in Fixed Income, 39.21% in Equity and 3.66% in Alt. Strategies. The beginning market value for this quarter was \$4,359,247; with contributions of \$205,786; distributions/withdrawals of \$75,479 and total portfolio earnings of \$27,065. The ending market value as of June 30, 2018 was \$4,516,619. The total fund's performance for the quarter was .58% which was between both benchmarks that are used to compare the fund's performance. The fixed income was challenging this past quarter.

Spence Klein gave the Pension Fund's financial performance report noting that there is currently more cash available, by design, because he is waiting to identify a new type of bond; a floating rate coupon, which may more beneficial to the fund. These type of bonds are not as prevalent and therefore he is waiting to get the size he wants for the portfolio. He noted they want about 10% of the bonds with the floating rate and hopefully will get them by the end of September.

Leonard asked about specifics regarding the consolidation with 5/3 Bank. Klein stated that they anticipate staying in the same position with the current Pension Funds. When specifics are available he will pass them on to the Pension Board Trustees.

Levy moved to accept the financial report submitted by MB Financial, Krafcheck seconded.

**ROLL CALL**

Ermer – AYE  
Krafcheck – AYE  
Fairbanks – AYE  
Leonard – AYE  
Levy – AYE

5 ayes, MOTION CARRIED

**APPROVAL OF BILLS:**

Fairbanks moved that the Disbursement Warrant noting the disbursements during the previous quarter be approved and become part of the minutes; Krafcheck seconded. Roll call is indicated on the warrant.

5 ayes, MOTION CARRIED

**OTHER FINANCE**

Fairbanks reported that the Annual Pension Report has been completed and will be filed with the State Department of Insurance (DOI) upon approval of the Board, the Certificate will be signed and mailed to the State.

Krafcheck moved to accept the 2018 Annual Statement for the WFPD Firefighter Pension Fund to be submitted to the Illinois Department of Insurance; Leonard seconded.

**ROLL CALL**

Ermer – AYE  
Krafcheck – AYE  
Fairbanks – AYE  
Leonard – AYE  
Levy – AYE

5 ayes, MOTION CARRIED

Kevin Cavanaugh, from Lauterbach and Amen, presented the Actuarial Valuation. There is a recommendation for the District to levy and contribute \$384,003 to the Pension Fund, the amount increased \$18,284 (5%) from last valuation. The total value of assets has increased \$328,882 from last valuation. The funded percentage has decreased .97 on an Actuarial Value of assets basis and is now funded as of the valuation date at 63.75%. Cavanaugh recommended a new funding policy (a “layered” closed amortization verses the rolling amortization) which would target 100% funding in 15 years. New gains and losses will be set up as a new basis for each year, therefore help to manage the volatility for the unfunded liability, it will be transparent, it will be flexible and is endorsed by the GFOA (Government Finance Officers Association). The strategy is to eliminate a liability for each year. There was a discussion regarding the assumption on the expected rate of return on assets. Cavanaugh will send a sensitivity exhibit displaying the impact on this year’s recommended contribution of lowering the expected rate of return on assets from 6.25% down to 6.00% or 5.75%. The exhibit will be for discussion purposes only; the assumption can be changed for next year.

Levy moved to accept the Actuarial Valuation as of May 1, 2018 prepared by Lauterbach and Amen; Krafcheck seconded.

**ROLL CALL**

Ermer – AYE  
Krafcheck – AYE  
Fairbanks – AYE

Leonard – AYE  
Levy – AYE

5 ayes, MOTION CARRIED

Jamie Wilkey from Lauterbach and Amen presented the Audit/Annual Financial Report regarding the Pension Fund. It was a “clean audit opinion”, which is the highest result for audits. The report will be presented in its entirety at the District Trustee meeting following this pension meeting.

Leonard moved to accept the Audit/Annual Financial Report for the fiscal year end of April 30, 2018; Krafcheck seconded.

ROLL CALL

Ermer – AYE  
Krafcheck – AYE  
Fairbanks – AYE  
Leonard – AYE  
Levy – AYE

5 ayes, MOTION CARRIED

The Municipal Compliance Report was prepared by Sikich Accounting. This report includes the condition of the Pension Fund at the end of the recent Fiscal Year.

Krafcheck moved to certify the Municipal Compliance Report for the Fiscal Year Ended April 30, 2018

Levy seconded.

Ermer – AYE  
Krafcheck – AYE  
Fairbanks – AYE  
Leonard – AYE  
Levy – AYE

5 ayes, MOTION CARRIED

Levy moved to send a letter to the District Trustees requesting \$384,003 for the Pension Fund on the Annual WFPD Levy; Krafcheck seconded.

ROLL CALL

Ermer – AYE  
Krafcheck – AYE  
Fairbanks – AYE  
Leonard – AYE  
Levy – AYE

5 ayes, MOTION CARRIED

Fairbanks noted that in the Board Rules, all disbursements from the Fund need two (2) signatures, one of which is to be the Treasurer’s. The Treasurer’s signing authority can be delegated for those limited circumstances when the Treasurer is unavailable. A resolution establishing signatory authority, which has an exhibit setting forth the treasurer’s delegation of signatures. Beth Fairbanks and Eric Ermer were delegated as signers. The DOI has recently made this an audit issue that you now have to approve this type of resolution and maintain in your files.

Fairbanks moved to approve RESOLUTION 18-01 A RESOLUTION ESTABLISHING SIGNATORY AUTHORITY FOR THE WARRENVILLE FIREFIGHTERS' PENSION FUND;

Leonard seconded

Ermer – AYE

Krafcheck – AYE

Fairbanks – AYE

Leonard – AYE

Levy – AYE

5 ayes, MOTION CARRIED

As of this meeting there no recommendations for any changes to the policy or investment objectives.

**MEMBERSHIP:**

There is a new fulltime firefighter medic that started today (8/15/2018) and is going through orientation. His application to the Pension Fund will be presented at the next pension meeting.

**UNFINISHED BUSINESS:**

Fairbanks reserved rooms for the October Pension training at Lake Geneva, and registered Ermer, Leonard, Levy and herself for the conference. Krafcheck said she will be able to attend. Fairbanks will register Krafcheck for the conference.

The IME report for Jerry Brown was received by Fairbanks along with the statement that Brown is still disabled from duty.

**NEW BUSINESS:**

None.

**ADJOURNMENT:**

Krafcheck moved to adjourn the meeting at 1705 hours. Levy seconded.

5 ayes, MOTION CARRIED

Those present at the end of the meeting were Capt. Eric Ermer, Beth Fairbanks, Lt. Joe Levy, Marge Leonard, Terese Krafcheck, Denise Pertell, Dennis Rogers Jr., Spence Klein, Frank Fanelli, Jamie Wilkey and Kevin Cavanaugh.



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President



\_\_\_\_\_  
Secretary

**Warrenville Fire Protection District Firefighter's Pension Fund**  
**Disbursement Warrant**  
**Presented at the August 15, 2018 Board Meeting**  
**Disbursements for the Time Period April 1, 2018 - July 31, 2018**

Check #	Date	Account ID	Line Description	Debit Amount	Credit Amount	Check Description	Check Released
Autodisb	4/13/18	80-52-1700-05 80-12-1050-01	Legal Services MM-MB Fidelity Cash 31617550	67.00	67.00	Ottosen Britz Kelly Cooper Gilbert Legal Services Stmt # 106006	yes
Autodisb	5/1/18	80-52-1700-03 80-12-1050-01	Accounting & Bookkeeping Serv MM-MB Fidelity Cash 31617550	409.30	409.30	Silich LLP Prof. Services through 3/31/18	yes
Autodisb	5/25/18	80-52-1700-04 80-12-1050-01	Medical Services MM-MB Fidelity Cash 31617550	1,200.00	1,200.00	DuPage Medical Group Brown IME	yes
Autodisb	5/25/18	80-52-1700-03 80-12-1050-01	Accounting & Bookkeeping Serv MM-MB Fidelity Cash 31617550	434.40	434.40	Silich LLP Prof. Services Through 4/30/18	yes
Autodisb	5/25/18	80-52-2300-34 80-12-1050-01	IDOI Filing Fee Expense MM-MB Fidelity Cash 31617550	801.24	801.24	IL State Treasurer FY19 DOI Compliance Fee	yes
Autodisb	5/25/18	80-52-1700-05 80-12-1050-01	Legal Services MM-MB Fidelity Cash 31617550	386.51	386.51	Warrenville Fire Protection District Reimburse District for Ottosen	yes
Autodisb	6/12/18	80-52-1900-01 80-12-1050-01	Investment Mgr/Advisor Fees MM-MB Fidelity Cash 31617550	2,168.19	2,168.19	MB Financial Investment Quarterly Advisor Fees	yes
Autodisb	6/13/18	80-52-1700-05 80-12-1050-01	Legal Services MM-MB Fidelity Cash 31617550	277.50	277.50	Ottosen Britz Kelly Cooper Gilbert Legal Services Stmt #107458	yes
Autodisb	6/29/18	80-52-1700-03 80-12-1050-01	Accounting & Bookkeeping Serv MM-MB Fidelity Cash 31617550	2,080.50	2,080.50	Silich LLP FY18 DOI Report #346130	yes
<b>Total</b>				<b>7,834.64</b>	<b>7,834.64</b>		

**Warrenville Fire Protection District Firefighter's Pension Fund  
Disbursement Warrant  
Presented at the August 15, 2018 Board Meeting**

Pursuant to Section 4-132 of the Illinois Pension Code (40 ILCS 5/4-132), the attached payments to be made by the treasurer of the Warrenville Fire Protection District Firefighter's Pension Fund have been approved by the Board of Trustees of the Fund at a meeting of the Board as set forth below.

Date of Board Meeting: August 15, 2018

Date of Warrant: July 31, 2018

APPROVED this 15<sup>th</sup> day of August, 2018 by a roll call

vote as follows:  
AYES: 5  
NAYS: 0  
ABSENT: 0  
ABSTAIN: 0



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President, Board of Trustees, Warrenville Fire Protection District Firefighter's Pension Fund

ATTEST: Beth Fairbanks  
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Secretary, Board of Trustees, Warrenville Fire Protection District Firefighter's Pension Fund