

**WARRENVILLE FIRE PROTECTION DISTRICT
FIREFIGHTERS' PENSION MEETING
3S472 Batavia Road, Warrenville, IL 60555
Minutes of the meeting
August 19, 2020**

President Capt. Eric Ermer called the meeting to order at 1533 hours. In attendance were: Secretary Beth Fairbanks, Trustee Lt. Joe Levy, Trustee Marge Leonard (arriving at 1615 hours) Trustee Terese Krafcheck and Treasurer Ex-officio Denise Pertell. Guests were John Falduto and Ed Lavin representing Sawyer Falduto Asset Management; Ann Van Vooren and Kevin Cavanaugh - representing Lauterbach & Amen

ELECTION OF OFFICERS:

Krafcheck moved to keep Eric Ermer as President and Beth Fairbanks as Secretary. Ermer seconded.

4 ayes, 1 absent MOTION CARRIED

VISTORS' COMMENTS:

None.

MINUTES:

Krafcheck moved to accept the minutes from the virtual regular meeting of April 15, 2020 as presented. Levy seconded.

4 ayes, 1 absent MOTION CARRIED

Fairbanks moved to ratify the actions taken during the virtual meeting of April 15, 2020; Krafcheck seconded.

ROLL CALL

Krafcheck – AYE

Fairbanks – AYE

Ermer – AYE

Leonard – ABSENT

Levy – AYE

MOTION CARRIED

FINANCIAL REPORT:

Falduto presented the Quarterly Investment Performance Report submitted by Sawyer Falduto Asset Management, LLC (SFAM) as of June 30, 2020. All funds have been transferred from Fifth Third Bank to SCHWAB. During the second quarter, contributions and additions to the fund were \$275,529, with the investment return of \$478,282 and distributions/expenses of \$87,531. The ending Market Value as of June 30, 2020 was \$5,317,398.

Lavin commented on key observations of the second quarter. July was a good month, noting the sharp equity market recovery. The stimulus measures helped cushion the blow from the economic

shut down. The COVID pandemic continues to drive market volatility. He stated portfolio diversification provides the foundation for long-term returns and risk management. The Portfolio Allocation at the end of the second quarter was Equities, 45.6%; Fixed Income, 52.8% and Cash Equivalent, 1.6%.

Levy moved to accept the financial report submitted from Sawyer Falduto Asset Management; Krafcheck seconded.

ROLL CALL

Krafcheck – AYE

Fairbanks – AYE

Ermer – AYE

Leonard – AYE

Levy – AYE

MOTION CARRIED

APPROVAL OF BILLS:

Leonard 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:

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

Falduto asked how the Trustees would like to receive the quarterly reports – the answer was mixed. An electronically report will be emailed to Fairbanks and hard copies will be delivered by Friday before the meeting.

Ann Van Vooren presented the Audit/Annual Financial Report regarding the Pension Fund. Lauterbach & Amen has submitted an unmodified opinion, which is the highest result for audits. Van Vooren guided the Board through the report, noting the balance, cash and investment details, the requirements from GASB and the net pension liability.

Krafcheck moved to accept the Audit/Annual Financial Report for the fiscal year end of April 30, 2020; Leonard seconded.

ROLL CALL

Krafcheck – AYE

Fairbanks – AYE

Ermer – AYE

Leonard – AYE

Levy – AYE

MOTION CARRIED

Kevin Cavanaugh presented the Actuarial Report. The Total Market Value of Assets has increased by approximately \$258,000 from the prior valuation. The actual return on investments, on a market value basis, was less than expected for the current year. There is a recommendation for the District to Levy and contribute \$521,421 to the Pension Fund, which increased by

\$140,983 from the last valuation. This is a 37% increase compared to the historical increase between 3&4%. There were three main factors which resulted in the increase:

1. There is an increase in expected benefit payments as a result of new firefighters hired this year,
2. L&A looks at trends and data each year, which affect the assumptions. As part of a comprehensive study for Fire & Police Pension Funds in Illinois, several actuarial assumptions were changed.
3. The most impactful factor to the increase, was Illinois changing benefits to TIER 2 Firefighters; as a result of the Pension Consolidation.

Krafcheck moved to accept the Actuarial Valuation Report as of May 1, 2020 prepared by Lauterbach & Amen; Leonard seconded.

ROLL CALL

Krafcheck – AYE

Fairbanks – AYE

Ermer – AYE

Leonard – AYE

Levy – AYE

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. Fairbanks moved to certify the Municipal Compliance Report for the Year Ended April 30, 2020; Leonard seconded.

ROLL CALL

Krafcheck – AYE

Fairbanks – AYE

Ermer – AYE

Leonard – AYE

Levy – AYE

MOTION CARRIED

After all the information was submitted and discussed, Joe Levy moved to send a letter to the Warrenville Fire Protection District Trustees requesting the recommended contribution of \$521,421 for the Pension Fund on the Annual WFPD Levy; Krafcheck seconded.

ROLL CALL

Krafcheck – AYE

Fairbanks – AYE

Ermer – AYE

Leonard – AYE

Levy – AYE

MOTION CARRIED

Fairbanks will have a letter composed and sent, along with the Municipal Compliance Report, from President Ermer, to the District Trustees requesting the recommended contribution.

MEMBERSHIP:

The IME report for Jeremy Brown has been received and according to the Doctor, Brown remains disabled from duty and his pension should be continued.

Captain Alasdair Thompson submitted his application for retirement benefits at the special meeting on January 30, 2020. Barrington Fire Department Pension Board has agreed with the calculations and approved his application. The required payments have been made to Barrington and Warrenville Pension Funds. Thompson's effective date for retirement benefits was February 29, 2020.

Dennis L Rogers, Jr. has requested a second calculation for the purchase of 24 months of Military service. The calculation has been provided by Sikich Accounting; Rogers will pay the bill to Sikich for the re-calculation. The balance paid to the Pension Fund is calculated for payment by September 30, 2020.

There was a discussion regarding the possibility of a firefighter who has retired from another fire department, is collecting an Article 4 Downstate Firefighter Pension and whether as a new Chief can apply and be part of the Article 4 Downstate Firefighter Pension at Warrenville FPD. Ermer researched that possibility and found out that there is no reason not to allow it. The Trustees' consensus was that an application to be part of the WFPD Pension would be approved and signed. Fairbanks was directed to verify the information with Attorney Flaherty.

UNFINISHED BUSINESS/MISCELLANEOUS BUSINESS:

Fairbanks registered the Trustees for the 2020 MidAmerican Pension Conference in Naperville September 30 – October 2, 2020. This conference will include the 8 hour continuing education training and the 4 hour transition training regarding the new law and pension consolidation.

NEW BUSINESS:

Illinois Pension Public Act 101-0522 (new addition to Act) reporting to a primary employer of an injury of a firefighter employed at a secondary department within a certain time frame and reporting annul compensation from a secondary department to the primary employer. Ermer investigated this procedure and on the advice of the Pension's Attorney, was not to follow this procedure.

The Department of Insurance sent a letter and subpoena requesting documents for an audit to be completed and returned to them by August 3, 2020. Fairbanks, Ermer and Pertell worked together to provide the documentation to the DOI by the required submission date. Information was downloaded to the DOI website and flash drives were also sent via mail. During this audit, and before sending the information to the State, it was discovered the Pension Fund does not have a retention policy (which was requested by the DOI).

Krafcheck moved to adopt the retention policy to be included in the Rules and Regulations of the Pension Fund; Leonard seconded.

5 ayes, MOTION CARRIED

ADJOURNMENT:


Krafcheck moved to adjourn the meeting at 16:32 hours. Leonard seconded.

5 ayes, MOTION CARRIED

Those present at the end of the meeting were Eric Ermer, Beth Fairbanks, Joe Levy, Marge Leonard, Terese Krafcheck, Denise Pertell, John Falduto, Ed Lavin, Ann Van Vooren and Kevin Cavanaugh.

Handwritten signature of Eric Ermer in black ink, consisting of stylized initials and a long horizontal stroke.

President

Handwritten signature of Beth Fairbanks in blue ink, written in a cursive style.

Secretary

**Warrenville Fire Protection District Firefighter's Pension Fund
Disbursement Warrant
Presented at the August 19, 2020 Board Meeting
Disbursements for the Time Period April 1, 2020 - July 31, 2020**

Note: Checks # 1006, 1009, 1011, 1014 and 1018 were issued to a pensioner. Checks # 6 was voided due to a printing error

Check Date	Bank	Check #	Payee	Description	Account	Amount
04/01/2020	MM 5/3	1(E)	FIFTH THIRD BANK	SAFE DEPOSIT AND BANK FEES	0-0-5190.004	\$ 4.43
04/30/2020	SCWB	1007	OTTOSEN DINOLFO HASENBALG&CASTALDO	LEGAL SERVICES	0-0-5170.005	225.00
04/30/2020	SCWB	1008	SIKICH LLP	ACCOUNTING & BOOKKEEPING SERV	0-0-5170.003	967.00
04/30/2020	Ckg 5/3	7	WARRENVILLE FIRE PENSION FUND	SCHWAB #75685	0-0-1102.003	1,654.37
05/29/2020	SCWB	1010	ILLINOIS DEPT OF INSURANCE	IDOI FILING FEE EXPENSE	0-0-5290.034	956.75
06/30/2020	SCWB	1012	OTTOSEN DINOLFO HASENBALG&CASTALDO	LEGAL SERVICES	0-0-5170.005	210.00
06/30/2020	SCWB	1013	SIKICH LLP	ACCOUNTING & BOOKKEEPING SERV	0-0-5170.003	2,981.00
07/02/2020	SCWB	1(E)	SAWYER FALDUTO ASSET MANAGEMENT	INVESTMENT MGR/ADVISOR FEES	0-0-5190.001	1,794.00
07/31/2020	SCWB	1015	OTTOSEN DINOLFO HASENBALG&CASTALDO	LEGAL SERVICES	0-0-5170.005	97.50
07/31/2020	SCWB	1016	SIKICH LLP	ACCOUNTING & BOOKKEEPING SERV	0-0-5170.003	2,140.00
07/31/2020	SCWB	1017	DUPAGE MEDICAL GROUP	MEDICAL SERVICES	0-0-5170.004	1,200.00
Total						\$ 12,230.05

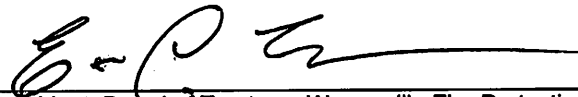
Pursuant to Section 4-132 of the Illinois Pension Code (40 ILCS 5/4-132), the attached payments to be made by the treasurer of the Warrenville Fire Protection District Firefighter's Pension Fund have been approved by the Board of Trustees of the Fund at a meeting of the Board as set forth below.

Date of Board Meeting: 8/19/2020

Date of Warrant: 8/19/2020


APPROVED this 19th day of August, 2020 by a roll call vote as follows:

AYES: 5
 NAYS: 0
 ABSENT: 0
 ABSTAIN: 0



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

ATTEST:



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