

Addison FPD Firefighters' Pension Fund

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Timothy Scott
President

Scott Walker
Secretary

John Rice
Trustee

Erik Kramer
Trustee

Keven Barnes
Trustee

Bernadette LaRocca
Treasurer

MINUTES OF A REGULAR MEETING OF THE ADDISON FPD FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES NOVEMBER 8, 2021

A regular meeting of the Addison FPD Firefighters' Pension Fund Board of Trustees was held on Monday, November 8, 2021 at 9:00 a.m. at the Addison Fire Protection District #1 Headquarters located at 10 S. Addison Road, Addison, Illinois 60101, pursuant to notice.

CALL TO ORDER: Trustee Scott called the meeting to order at 9:05 a.m.

ROLL CALL:

PRESENT: Trustees Timothy Scott, Scott Walker, Keven Barnes and Erik Kramer

ABSENT: Trustee John Rice

ALSO PRESENT: Attorney Richard Reimer, Reimer Dobrovlny & LaBardi PC; John Falduto and Dave Harrington, Sawyer Falduto Asset Management, LLC (SFAM); Sam Meyer, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *August 18, 2021 Regular Meeting:* The Board reviewed the August 18, 2021 regular meeting minutes. A motion was made by Trustee Rice and seconded by Trustee Barnes to approve the August 18, 2021 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the closed session meeting minutes and will not release them at this time due to pending matters. A motion was made by Trustee Scott and seconded by Trustee Barnes to maintain the executive session meeting minutes of Phil McLeese. Motion carried by voice vote.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending September 30, 2021. As of September 30, 2021, the third quarter net return is (0.5%) versus the third quarter account benchmark of (0.3%). The investment return for the quarter is (\$493,973) for an ending market value of \$99,132,007. The current asset allocation is as follows: Fixed Income at 38.2%, Equities at 61.3% and Cash Equivalents at 0.5%. Mr. Harrington reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board. A motion was made by Trustee Kramer and seconded by Trustee Barnes to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Barnes and Kramer

NAYS: None

ABSENT: Trustee Rice

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

Post-Consolidation Services: Mr. Falduto presented an overview of post-consolidation services offered by Sawyer Falduto Asset Management, LLC. A motion was made by Trustee Barnes and seconded by Trustee Walker to retain Sawyer Falduto Asset Management, LLC for post-consolidation services at the

monthly rate of \$500 on a month-to-month basis effective with the consolidation of the assets effective December 1, 2021. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Barnes and Kramer
NAYS: None
ABSENT: Trustee Rice

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the four-month period ending September 30, 2021 prepared by L&A. As of September 30, 2021, the net position held in trust for pension benefits is \$99,140,289.97 for a change in position of (\$414,281.88). 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 July 1, 2021 through September 1, 2021 for total disbursements of \$236,867.37. A motion was made by Trustee Kramer and seconded by Trustee Barnes to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$236,867.37. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Barnes and Kramer
NAYS: None
ABSENT: Trustee Rice

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

COMMUNICATIONS AND REPORTS: *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.

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

APPLICATION FOR RETIREMENT/DISABILITY BENEFITS: There were no applications for retirement or disability benefits.

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

IDOI Annual Statement: The Board noted that the IDOI Annual Statement has been completed and submitted to the Department of Insurance prior to the October 31, 2021 deadline.

NEW BUSINESS: *Review/Approve – Actuary Report and Tax Levy Request:* The Board reviewed the finalized Actuarial Valuation prepared by L&A. Based on data and assumptions, the recommended contribution amount is \$936,981 which is a \$2,699,211 decrease from the prior year contribution. The statutory minimum contribution requirement is \$690,942. A motion was made by Trustee Scott and seconded by Trustee Walker to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$936,981 from the District. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Barnes and Kramer
NAYS: None
ABSENT: Trustee Rice

Review/Adopt – Municipal Compliance Report: *Review/Approve – Municipal Compliance Report:* The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Trustee Walker and seconded by Trustee Kramer to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Barnes and Kramer
NAYS: None
ABSENT: Trustee Rice

Establish 2022 Board Meeting Dates: The Board discussed establishing the 2022 Board meeting dates as February 8, 2022, May 18, 2021; August 16, 2021 and November 8, 2021 at 9:00 a.m. at the Addison Fire Protection District #1 Headquarters located at 10 S. Addison Road, Addison, Illinois 60101. A motion was made by Trustee Walker and seconded by Trustee Barnes to establish the 2022 Board meeting dates as stated. Motion carried unanimously by voice vote.

IFPIF UPDATES: *Acknowledge FPIF Notice of Transfer Date, Adopt Resolution of Notice and Execute Exhibits:* The Board acknowledge the transfer date of December 1, 2021, and reviewed exhibits and resolution prepared by IFPIF. A motion was made by Trustee Walker and seconded by Trustee Barnes to execute the exhibits and resolution which will not be submitted if the trial court finds consolidation unconstitutional. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Barnes and Kramer
NAYS: None
ABSENT: Trustee Rice

Approval to move funds to the Harris Bank account to cover 90 days of operating expenses prior to the transition to the FPIF/Discussion/Possible Action – \$1,000,000 Transfer from the District: Trustee Walker presented Sawyer Falduto Asset Management, LLC with a deposit from the District in the amount of \$1,000,000 to cover the District's 2021 tax levy obligation which is to be deposited into the Funds Schwab Cash Account. Mr. Falduto informed the Board that if consolidation is found constitutional, they will raise an additional \$700,000 for a total of \$1,700,000 to remit pension benefits and expenses.

FPIF status update and discussion/possible action to be taken on all FPIF requests pertaining to Consolidation: The Board reviewed the Resolution Authorizing Account Representatives for the Northern Trust Global Cash Movement Portal. The Board appointed Trustees Scott, Walker and Kramer and L&A Representative Kelly Calgaro as authorized Account Representatives for the Addison Firefighters' Pension Fund.

The Board discussed the Letter of Direction prepared by IFPIF and noted it will be executed and submitted depending on the outcome of the lawsuit.

Discussion/Approval – Interim Cash Management Policy: The Board reviewed the cash analysis projection prepared by L&A and discussed interim cash requisite for the purpose of remitting pension benefits and expenses for November and the sixty-day period subsequent to the December 1, 2021 tranche date. A motion was made by Trustee Walker and seconded by Trustee Scott to maintain an interim transition cash balance of \$1,700,000 in the Schwab Money Market account. Motion carried by roll call vote

AYES: Trustees Scott, Walker, Barnes and Kramer
NAYS: None
ABSENT: Trustee Rice

Discussion/Approval – Cash Reserve Balance: The Board discussed the recommendation set forth by FPIF to retain three months of expenses in a local account. Further discussion will held at the next regular meeting.

Review/Possible Action – Local Account Collateralization: The Board reviewed the memorandum prepared by L&A regarding the opportunity to collateralize the BMO Harris Bank operating account in excess of the standard \$250,000 FDIC insurance coverage. A motion was made by Trustee Scott and

seconded by Trustee Barnes to authorize Trustee Walker to execute the tri-party pledge depository agreement on behalf of the Fund. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Barnes and Kramer
NAYS: None
ABSENT: Trustee Rice

Appointed Member – Erik Krammer: The Board noted that Erick Krammer has been appointed to the Addison FPD Firefighters' Pension Board of Trustees effective October 6, 2021.

ATTORNEY'S REPORT – REIMER DOBROVOLNY & LABARDI PC: *Legal Updates:* The Board reviewed the *Legal and Legislative Update* quarterly newsletter. Attorney Reimer discussed recent court cases and decisions, as well as general pension matters with the Board.

Review/Adopt Written Decision and Order – Phil McLeese: Attorney Reimer prepared a Written Decision and Order for Phil McLeese. A motion was made by Trustee Walker and seconded by Trustee Scott to adopt and publish the Written Decision and Order as prepared. Motion carried by roll call vote.

AYES: Trustees Scott, Walker, Barnes and Kramer
NAYS: None
ABSENT: Trustee Rice

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

ADJOURNMENT: A motion was made by Trustee Kramer and seconded by Trustee Barnes to adjourn the meeting at 10:32 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for February 8, 2021 at 9:00 a.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 2-8-22

Minutes prepared by Sam Meyer, Pension Services Administrator, Lauterbach & Amen, LLP