

# Frankfort Fire Protection District Firefighters' Pension Fund

Minutes of the Regular Meeting of the Board of Trustees of the Frankfort Firefighters' Pension Fund of the Frankfort Fire Protection District, Will County, Illinois, held on Tuesday, May 10, 2016 at 9:30 A.M. at Fire Station One, located at 333 W. Nebraska Street, Frankfort, IL 60423.

## I. CALL TO ORDER

## II. ROLL CALL

**Present:** Leonard Todd Hamm, Secretary  
Alphonso Jackson, Trustee  
Michael Kavanagh, Treasurer  
Robert Wilson, President

**Also Present:** Kristi Farnum, Recording Secretary  
Carolyn Clifford, Attorney  
John Falduto, Sawyer Falduto Asset Management  
Dave Harrington, Sawyer Falduto Asset Management  
Allison Barrett, Lauterbach & Amen

## III. PUBLIC COMMENT

- None.

## IV. APPROVAL OF MINUTES

### A. February 2, 2016 Regular Meeting Minutes

A Motion was made by Leonard Todd Hamm and seconded by Michael Kavanagh to:  
**“Approve the February 2, 2016 Regular Meeting Minutes as presented.”**  
**VOICE VOTE. MOTION CARRIED.**

### B. Six-Month Review of Closed Meeting Minutes

- Concerning Chris Wolf's Disability case, there are no pending issues with the Pension Fund – no pending litigation, no probable concern for the future, his disability was approved.
- The law says Closed Meeting tapes can be destroyed after 18 months.

A Motion was made by Leonard Todd Hamm and seconded by Alphonso Jackson to:

**“Destroy the September 4, 2014 Closed Meeting recording regarding Chris Wolf's Disability Request.”**

**VOICE VOTE. MOTION CARRIED.**

A Motion was made by Leonard Todd Hamm and seconded by Alphonso Jackson to:

**“Continue to keep all Closed Minutes closed and not release them to the public.”**  
**VOICE VOTE. MOTION CARRIED.**

## V. TREASURER'S/INVESTMENT REPORT

### A. Review of Current Investment/Financial Report

- Despite January being rocky and February being so-so, the market made a nice comeback in March. Overall, Investment return was up \$177,754.00 for the first quarter.
- Large Cap Growth was volatile, but the Bond Market was extremely strong.
- Total account return since inception (6/30/08) is 6.38% and \$3.385 million.
- Energy prices were down in January, which was one of the main causes of the bad market conditions that month.

- Regarding Fixed Income, the Federal Reserve Bank said they were going to raise rates 4 times this year, but changed their mind to maybe only 1 increase. There is little inflation and no need to increase the rates.
- The T Rowe Price Fund was in the 85<sup>th</sup> percentile year-to-date in March – it didn't perform well; an eye will be kept on this Fund, but it usually moves back up.
- Fidelity Advisor also had a bad quarter, but 85% of the time it beats other funds in its category.
- Vanguard Energy did well.
- Duration for Fixed Income was conservative, but still captured market performance
- In January, money was blended into Equity.
- The Fund is in a good spot for Asset Allocation.

**B. Review and Possible Changes To Asset Allocation/Investment Policy**

- There is no reason to make any changes.

**C. Approval of Bills (roll call)**

- The bills this quarter include payroll, attorney fees, Independent Medical Exam fees, and a once-a-year annual tax. The \$155 per month Payroll Service fee also includes calculations, such as combination of service and retirement calculations.

A Motion was made by Leonard Todd Hamm and seconded by Michael Kavanagh to:

**“Approve the Disbursement Warrant, totaling \$48,105.08, as presented.”**

**ROLL WAS CALLED.**

AYE: Hamm, Kavanagh, Jackson, Wilson

NAY: None

ABSENT: None

ABSTAIN: None

**MOTION CARRIED UNANIMOUSLY**

**D. Approval of Lauterbach and Amen Payroll Services for the Fiscal Years Ending May 31, 2017, 2018, and 2019**

- The proposed fees also include Actuarial Service fees. The service can be cancelled at any time, the proposed schedule is just to lock in the pricing.

A Motion was made by Alphonso Jackson and seconded by Michael Kavanagh to:

**“Approve the Lauterbach and Amen 3-year fee schedule.”**

**ROLL WAS CALLED.**

AYE: Jackson, Kavanagh, Hamm, Wilson

NAY: None

ABSENT: None

ABSTAIN: None

**MOTION CARRIED UNANIMOUSLY**

**E. Discussion on Timeline for Audit, DOI Annual Statement, and Actuarial Processes in 2016**

- After the last payroll in May, all the census information will be entered into the Department of Insurance schedule. That information will then be given to the Actuary, Todd Schroeder, and he will calculate a “draft” Actuarial Report, pending finalization of the Audit. When the District/Pension Fund Audit Report is complete, it will be sent to Todd Schroeder, and he will then send back a final Actuarial Report.

**VI. COMMUNICATIONS AND SPECIAL REPORTS/PRESENTATIONS**

**VII. CONSIDERATION OF AND ACTION UPON CHANGE OF RECORDS SUBMISSIONS**

**A. Jeremy Stukel**

**B. William Kramer**

A Motion was made by Michael Kavanagh and seconded by Alphonso Jackson to:  
**“Accept Jeremy Stukel and William Kramer’s Change of Records requests.”**  
**VOICE VOTE. MOTION CARRIED.**

### VIII. OLD BUSINESS

#### A. Annual Medical Evaluation of Disabled Members

- Chris Wolf’s Independent Medical Evaluation (IME) report indicates that he is still considered disabled.
- Chris is moving to Texas in June. Most funds will try to find an IME in the area where the pensioner lives, but sometimes will make them come back to the area where the Fund is located – this may result in additional costs. Finding an IME in the area where the pensioner lives is usually okay, as long as the Board of Trustees picks the doctor, not the pensioner.
- Chris can be sent a copy of the IME report if he requests it.

A Motion was made by Michael Kavanagh and seconded by Alphonso Jackson to:  
**“Accept the Annual Independent Medical Evaluation Report of Dr. Shapiro.”**  
**VOICE VOTE. MOTION CARRIED.**

#### B. Physicians Certification of Continuance of Disability

- The Physician’s Certification of Continuance of Disability form as completed by Dr. Shapiro will be forwarded to the Fund within the next few days.

### IX. NEW BUSINESS

#### A. Election Results – 2 Active Members

- Chris Wolf resigned from the Board of Trustees. That retiree position was then offered to the only other retired candidate, and he declined. The position was then turned over to the active members. Chief Grady will also be eligible for the retiree position when he officially retires in January of 2017.
- Election results were close, and Todd Hamm and Dan Faber won the election.
- The attorney will check to see if Dan Faber needs to re-do his 32 hours of initial Pension Training, since he was just recently on the Board.
- Dan Faber will fill the partial term left due to the vacant retiree spot, with his term ending in 2018. Todd Hamm was re-elected to the Board and he will take the term ending in 2019.

**Action: Carolyn Clifford to check to see if Dan Faber needs to do the initial 32 hour training.**

#### B. Election of Board President and Secretary

- Since Bob Wilson has been appointed to the position of Fire Chief, would it be appropriate for him to continue to be a Pension Trustee? It is not unusual for a Chief to do this job.
- Bob Wilson would rather not take on the added responsibility of Board President. Todd Hamm is Secretary, Mike Kavanagh is Treasurer, and Alphonso Jackson would rather not take an Officer position. It is likely that Dan Faber will accept the Office of President, since he previously held that Office, but the Board would like to table this decision until he is present at the meeting.

#### C. Review of Department of Insurance (DOI) Siren and Reappointment of DOI Security Administrator for the Fund

- The DOI Siren reports are emailed to the Secretary of the Board.
- There is a new requirement that the Annual Audit Report be submitted to the DOI. This can be done via upload on their website.
- There is also a requirement that the Security Administrator be reset. There is a Pension Fund Security Administrator Authorization Form to fill out that must be submitted to the DOI by August 1<sup>st</sup>.

- The signature sheet can now be emailed to the DOI rather than mailed, and several required documents can now be submitted via upload.

A Motion was made by Alphonso Jackson and seconded by Michael Kavanagh to:

**“Re-appoint Kristi Farnum as Security Administrator.”**

**VOICE VOTE. MOTION CARRIED.**

**X. TRAINING**

**A. Annual OMA and FOIA Training**

- Both Todd Hamm and Kristi Farnum are required to do annual Open Meetings Acts and Freedom of Information Act training since they are the OMA and FOIA Officers for the Board; both have completed the annual training for 2016.
- The attorney handed out an article on good actuarial practices.
- Bob Wilson and Mike Kavanagh both attended the Northern Illinois Alliance of Fire Protection Districts. Alphonso Jackson did his 32-hour training in July 2015. Todd Hamm will be going to a Pension Conference.

**XI. CLOSED SESSION**

None

**XII. ADJOURNMENT**

At 10:11 A.M., a Motion was made by Michael Kavanagh and seconded by Leonard Todd Hamm to:

**“Adjourn the meeting.”**

**VOICE VOTE. MOTION CARRIED.**

Minutes taken by: Recording Secretary Kristi Farnum

---

Secretary, Pension Board

*Approved by the Board of Trustees at a meeting held on Tuesday, August 2, 2016.*