

**FRANKFORT FIRE PROTECTION DISTRICT
FRANKFORT FIRE DEPARTMENT**

Minutes of the Regular Public Meeting of the Board of Trustees of the Frankfort Fire Protection District, Will County, Illinois, held at Fire Station Number One, 333 West Nebraska Street, Frankfort, Illinois, in said District at 5:00 P.M. on the 20th day of October 2015.

CALL TO ORDER:

The President called the meeting to order and asked for a roll call.

Upon the roll being called, the following Trustees answered present:
Robert Jacobs, Michael Kavanagh, Larry Nice and Daniel Rossi.

Chief Grady, Asst. Chief Wilson, Admin. Battalion Chief Fierce, Battalion Chief Campbell, Local 4338 Representatives Jeremy Stukel, Kevin Brow and Nick Sunzere were also present. Anthony Cervini from Sikich was also in attendance.

Trustee William F. Hoffmeister was absent from said meeting.

PLEDGE OF ALLEGIANCE:

All present stood for the Pledge of Allegiance.

PUBLIC COMMENTS:

None.

APPROVAL OF THE MINUTES:

1. Regular BOT Meeting, September 15, 2015

A **Motion** was made by Trustee Larry Nice, seconded by Trustee Daniel Rossi, to approve the Regular Meeting Minutes dated September 15, 2015, as presented. President Jacobs called for a voice vote. All in favor. Motion carried.

APPROVAL OF THE BILLS:

1. Board/Expenditure Report

A **Motion** was made by Trustee Daniel Rossi, seconded by Trustee Larry Nice, to authorize the payment of the Fire Service and Ambulance Fund bills, totaling \$117,419.70, as presented. President Jacobs called for a roll call vote: upon the roll being called, the following Trustees voted aye: Robert Jacobs, Michael Kavanagh, Larry Nice and Daniel Rossi. All in favor. Motion carried.

CHIEF GRADY'S REPORT:

Chief Grady's written report was submitted to the Board.

Chief Grady highlighted the following items:

- On Friday, October 23, at the I-80 overpass on Route 45, the Frankfort and Mokena Fire Departments will participate in a "tribute salute" to the last piece of artifact from the WTC that is en route to a fire department in Fort Collins, Colorado;

CHIEF GRADY'S REPORT: [Continued]

- The new hire process started over again taking all applicants via an "open application period". The Commissioners opted to interview only the top twenty-five (25) applicants. It was suggested that a review of the new hire process be done in the future; and,
- At a recent Kiwanis Club Dinner Meeting, Firefighter/Paramedic Jacob Smith was honored as "Firefighter of the Year" and past Trustee Donald Lorenz for his fifty-three (53) years of Community Service to the Village and the Frankfort Fire Department.

CHIEF OFFICER'S UPDATE:

Asst. Chief Wilson's written report was submitted to the Board.

AC Wilson stated there was nothing new to report.

ADMINISTRATIVE BC'S UPDATE:

Admin. BC Fierce's written report was submitted to the Board.

Admin. BC Fierce noted the following:

- The EMS completion rate of the reports into the Records Management System was at 100% during the trial period (1 month), but due to the reported computer issues at the hospitals, which caused extended down-time and increased frustration, the plan was stopped at the 120-day mark and deemed unsuccessful. Currently, three (3) different software programs are being evaluated, but in the meantime, the reporting has returned to the previous system;
- As of today, a couple of "7G" spots (positions) were posted – 1 for the Bureau and 1 for an IT Assistant; and,
- Attended the National Firehouse Education & Training Seminar, in Ft. Lauderdale, FL, a few weeks ago. The "networking" among the participants regarding the uses of the Firehouse program was outstanding. A lot of information was presented concerning accreditation and ISO, which will be beneficial to the FFPD in the future.

Battalion Chief Tim Campbell had nothing new to report.

INSURANCE BENEFIT:

1. Discussion/Action on HRA Health Benefit Plan TPA

Trustee Daniel Rossi advised the Board that several meetings have taken place regarding the performance of the current TPA, as well as researching other possible TPAs. In conjunction with The Horton Group, the Insurance Committee recommended to replace the current TPA with Envision Healthcare. Trustee Rossi explained that although there would be a slight increase in cost per year (\$384.00), they pay the Provider directly, it is a local company (easily accessible) and this TPA is highly endorsed by The Horton Group.

A **Motion** was made by Trustee Daniel Rossi, seconded by Trustee Larry Nice, to move the TPA (Third Party Administrator), effective January 1, 2016, from TASC to Envision Healthcare, as presented. President Jacobs called for a roll call vote: upon the roll being called, the following Trustees voted aye: Robert Jacobs, Michael Kavanagh, Larry Nice and Daniel Rossi. All in favor. Motion carried.

PERSONNEL:

1. Discussion/Updates on Miscellaneous Personnel Items
2. Discussion/Action on the Step Two Grievance Filed on behalf of Local 4338
3. Discussion/Updates on Current Testing Process for New Applicants

Trustee Daniel Rossi informed the Board a Grievance had been filed and requested Trustee Robert Jacobs to explain the circumstances of the Grievance to the Board members.

Trustee Robert Jacobs briefly explained the basis for the Grievance as a discrepancy in hours paid for new hire Firefighter Jason Vaccaro during his 3-week training schedule. Initially, the Grievance was declined by AC Wilson. At the same time, the Union stated this also applied to Firefighter Robert Price. The Union filed a "Step 2" Grievance with the Board of Trustees. Following discussion with Union President, Nick Sunzere, Trustee Jacobs stated a tentative agreement was reached. It was recommended a "Letter of Understanding" be signed by both the Union and the District to resolve this matter. Trustee Jacobs asked if any Trustee would like to discuss this further in Closed Session or proceed with the agreement. Trustee Michael Kavanagh requested going into Closed Session to discuss this matter further.

FINANCE:

1. Review of Audit Presented by Brian LaFevre, Sikich
2. Discussion/Updates on Fire Protection Note Refunding
3. Discussion/Possible Action on Pension Funding Policy
4. Discussion/Possible Action on General Fund Surplus
5. Discussion on Levy

Anthony Cervini presented the District's Audit Report for the fiscal year beginning June 1, 2014 and ending May 31, 2015. He reviewed and explained the following items:

- "Certificate of Achievement for Excellence in Financial Reporting" awarded to the FFPD;
- A "clean unmodified opinion" was noted in the "Opinions" Section of the Audit Report – the highest opinion an Auditor can provide regarding the presentation of the financial statements;
- Explained the new GASB reporting procedures for the Firefighters' Pension Plan;
- Management Discussion and Analysis – the District Staff went above and beyond the minimum required informational reporting;
- Statement of New Position – explained the GASB Statements for 2015 and going forward into 2016;
- Statement of Activities – change of Net Position (down from last year);
- Balance Sheet;
- Statement of Revenues and Expenditures;
- Statement of Changes in Fiduciary Net Position;
- Deposits and Investments – compliance with the Investment Policy;
- IMRF Funding Schedule;
- Firefighters' Pension Fund; and,
- Pension Fund Employer Contribution Schedule.

Chief Grady noted the "Capital" leases were paid-off in 2015.

Upon conclusion of Anthony's presentation, he "thanked" the District Staff for their assistance with the Audit and was dismissed from the meeting at 5:20 P.M.

Trustee Robert Jacobs also "thanked" Michelle and Kristi for their efforts with the Audit process and on achieving the award.

FINANCE: [Continued]

In reference to the FFPD's Note Refunding, Trustee Robert Jacobs was advised by Eric Anderson (BMO Capital Markets) that a private investor may be interested in purchasing all of the Notes, at a very favorable rate. By going with this private investor, the District would not have to pay Moody's rating fee of about \$10,000.00. A decision from the investor is expected in 7-10 days. Trustee Jacobs briefly reiterated who the "designated" members were that would be proceeding with the refunding when Eric presents the private investor approval.

Trustee Daniel Rossi suggested "tabling" any discussion on the Pension Funding Policy for now, since no clear direction has been given by the Auditors.

Trustee Daniel Rossi explained the reasons for the surplus of \$250,000.00 in the General Fund and noted the three (3) options available to transfer this surplus to are the following:

- Pension Fund
- Vehicle Replacement Fund
- Other Needs As Warranted

Trustee Michael Kavanagh suggested "tabling" any action on the transferring of the General Fund surplus until the Note Refunding is known.

Trustee Daniel Rossi stated the transferring of the surplus needs to be done now, as the Note Refunding savings would not be recognized for several years.

The Board held an open discussion on the options available.

Trustee Larry Nice is in favor of distributing some of the surplus into the Pension Fund and some into the Vehicle Replacement Fund as discussed.

A **Motion** was made by Trustee Robert Jacobs, seconded by Trustee Larry Nice, to designate the distribution of the surplus funds as follows: \$150,000.00 to the Pension Fund and \$100,000.00 to the Vehicle Replacement Fund. President Jacobs called for a roll call vote: upon the roll being called, the following Trustees voted aye: Robert Jacobs, Larry Nice and Daniel Rossi. Trustee Michael Kavanagh voted nay. Motion carried.

Trustee Daniel Rossi stated a recommendation has been made to raise the Pension Levy from \$780,000.00 to \$850,000.00 for next year. This recommendation will be part of the Levy vote in November.

Chief Grady said although there has been new growth, it is still flat, and the Levy request would not exceed a 5% increase over last year's. The "EAV" is finally in the "black" following the last 7-8 years. The outlook for the next 18-24 months is somewhat optimistic.

Trustee Daniel Rossi advised the Board that since the rate of interest used by the Pension Board for calculation is exceptionally low at 6.75%, the Actuary should be requested to recommend a more realistic percentage figure, such as 7.25%.

The Board held an open discussion regarding realistic Assumption rates.

A **Motion** was made by Trustee Robert Jacobs, seconded by Trustee Larry Nice, to authorize the Actuary to calculate at the 7.25% Assumption rate. President Jacobs called for a voice vote. All in favor. Motion carried.

MOBILE EQUIPMENT:

AC Wilson informed the Board that he and Eric Hall (Fleet Mechanic) are investigating the costs to “re-chassis” an ambulance.

In answer to Trustee Robert Jacobs’ question, Lt. Stukel said the suspension problem with the new ambulance (A73) has been corrected and that several of the “more frequent” ambulance patients have commented that the ride is smooth and good. Lt. Stukel also said there is now a problem with the radio screen.

COMMUNICATION:

Trustee Michael Kavanagh said there was nothing new to report.

REAL ESTATE:

Trustee Larry Nice advised that Artlow has not gotten back him regarding the resurfacing of the floor at Station 4.

MUSEUM & FFD HISTORICAL COMMITTEE:

No report.

APPROVAL OF PURCHASE ORDERS:

None presented.

CORRESPONDENCE:

None received.

TRUSTEE COMMENTS:

No comments.

POSSIBLE CLOSED SESSION PER STATUTE 5ILCS120/2C FOR THE PURPOSE OF DISCUSSING LITIGATION, COLLECTIVE BARGAINING, REAL ESTATE AND PERSONNEL:

At 5:41 P.M., a **Motion** was made by Trustee Michael Kavanagh, seconded by Trustee Daniel Rossi, that the Board meet in Closed Session for the purpose of discussing Litigation, Real Estate, Personnel and any other Frankfort Fire Protection District business that is allowed to be discussed in Closed Session under the Open Meetings Act. President Jacobs called for a roll call vote: upon the roll being called, the following Trustees voted aye: Robert Jacobs, Michael Kavanagh, Larry Nice and Daniel Rossi. All in favor. Motion carried.

At 6:20 P.M., a **Motion** was made by Trustee Larry Nice, seconded by Trustee Robert Jacobs, to reconvene the Regular Board Meeting. President Jacobs declared the Regular Board Meeting is back in session.

POSSIBLE ACTION TAKEN FROM CLOSED SESSION:

As a result of Closed Session, the following action was taken:

A **Motion** was made by Trustee Daniel Rossi, seconded by Trustee Larry Nice, to accept a written agreement between the Union and the Board of Trustees stating the Board will pay the last two (2) people hired at the 56-hour rate, thus resolving the Grievance, and that the other people named in the Grievance would no longer be able to be brought up in that same type of Grievance concerning pay. President Jacobs called for a roll call vote: upon the roll being called, the following Trustees voted aye: Robert Jacobs, Larry Nice and Daniel Rossi. Trustee Michael Kavanagh voted nay. Motion carried.

Trustee Robert Jacobs reiterated the Grievance would be settled pending the written agreement between the Union and the Board of Trustees.

ADJOURNMENT/RECESS:

At 6:50 P.M., a **Motion** was made by Trustee Larry Nice, seconded by Trustee Robert Jacobs, that this meeting be adjourned. President Jacobs called for a voice vote. All in favor. Motion carried.

Michelle Selvaggio, Recording Secretary



Secretary, Board of Trustees

Transcription by: Carolyn J. Williams, Administrative Receptionist