



**THE REGULAR MEETING MINUTES OF
THE BLOOMINGDALE FIRE PROTECTION DISTRICT
FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES
THURSDAY, AUGUST 10, 2017**

A regular meeting of the Bloomingdale FPD Firefighters' Pension Fund Board of Trustees was held on Thursday, August 10, 2017, at 9:00 am at Bloomingdale FPD Station 1 located at 179 S. Bloomingdale Road, Bloomingdale, IL pursuant to notice.

CALL TO ORDER: President Alan Svihla called the meeting to order at 9:00 am.

ROLL CALL:

PRESENT: Trustees Alan Svihla, John Paliga, James Ketcham, Lydia DiBuono and Marshall Gray

ABSENT: None

ALSO PRESENT: Keith Karlson, Reimer Dobrovolny & Karlson, LLC; Bob Thompson, MB Financial; Dennis Dressel, Robina Amato and Jenna Webster, Lauterbach & Amen, LLP (L&A); Tim Deuschle, Village of Bloomingdale; and Chief Jeff Janus, Bloomingdale Fire Protection District

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *May 11, 2017 Regular Meeting Minutes:* The Board reviewed the minutes from the May 11, 2017 regular meeting. A motion was made by Trustee Gray and seconded by Trustee Ketcham to approve the May 11, 2017 regular meeting minutes as written. Motion carried unanimously by voice vote.

May 11, 2017 Special Meeting Minutes: The Board reviewed the minutes from the May 11, 2017 special meeting. A motion was made by Trustee Gray and seconded by Trustee Paliga to approve the May 11, 2017 special meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board noted that the May 11, 2017 closed session meeting minutes will remain closed due to pending matters.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the three-month period ending July 31, 2017 as prepared by L&A. As of July 31, 2017, the net position held in trust for pension benefits is \$29,232,931.70 with a change in position of \$993,920.49. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and Vendor Checks Report for the period May 1, 2017 through July 31, 2017 for a total disbursement of \$111,285.22. A motion was made by Trustee Gray and seconded by Trustee Paliga to approve the Monthly Financial Report as presented and the disbursements shown on the Vendor Checks Report in the amount of \$111,285.22. Motion carried unanimously by voice vote.

Additional Bills: The Board reviewed one additional bill for approval:

- Knutte & Associates, P.C. invoice #61345 for the 2017 Fiscal Year End Audit in the amount of \$3,600.00.

A motion was made by Trustee Svihla and seconded by Trustee Ketcham to approve the additional bill as presented. Motion carried unanimously by voice vote.

INVESTMENT REPORT – MB FINANCIAL: *Quarterly Portfolio Review/Recommendations:* Mr. Thompson presented the Quarterly Investment Report for the period ending June 30, 2017. As of June 30, 2017, the quarter-to-date net return is 2.42% with a change due to investments of \$675,400.00. The ending market value as of June 30, 2017 is \$29,014,743.00. The current asset allocation is as follows: fixed income at 49.53%, equities at 44.61%, alternative strategies at 3.96% and cash & equivalents at 1.90%. The asset composition for the equity and fixed income portfolios, market value vs. invested capital, risk/return analysis and quarterly market insights were reviewed with the Board. A motion was made by Trustee Paliga and seconded by Trustee Gray to accept the Quarterly Investment Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: There were no updates to the Investment Policy at this time.

OLD BUSINESS: *Discussion of 40 ILCS 5/1-109.3 – Resolution Between Bloomingtondale Fire Protection District and Bloomingtondale FPD Firefighter's Pension Fund Board of Trustees:* The Board noted the Bloomingtondale FPD is responsible for covering all active member's shift days lost due to mandatory Trustee training as stated per the state statute. No further action is needed.

Chief Janus left the meeting at 9:35 am.

NEW BUSINESS: *Review Preliminary Actuarial Valuation:* The Board reviewed the preliminary Actuarial Valuation as of May 1, 2017 prepared by L&A. All questions were answered by Mr. Dressel.

Chief Janus re-joined the meeting at 9:53 am.

Military Service Purchase – Thomas C. Manion: The Board noted that the application for a military purchase was sent to Firefighter Manion on July 26, 2017 and no response has been received. Further discussion will be held at the next regular meeting.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: There were no applications or withdrawals at this time.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approval of Regular Retirement Benefits – Revised Calculation for Thomas Zarth:* The Board reviewed the revised regular retirement benefit calculation for Thomas Zarth prepared by L&A. The revised benefit calculation is as follows: entry date of 12/01/1985, retirement date of 05/16/2015, effective date of pension of 05/07/2015, 51 years of age at date of retirement, 29 years and 5 months of creditable service, applicable salary of \$88,209.00, applicable pension percentage of 73.54%, amount of originally granted monthly pension of \$5,405.87 and amount of originally granted annual pension of \$64,870.44. A motion was made by Trustee Paliga and seconded by Trustee Gray to approve the revised regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Svihla, Paliga, Ketcham, DiBuono and Gray

NAYS: None

ABSENT: None

COMMUNICATION & REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the June payroll cycle and a due date of July 31st. The Board directed L&A to send second request affidavits to all pensioners that are

outstanding informing them of termination of direct deposit payments beginning with the November 2017 payroll cycle if affidavits are not received within 60 days and a physical check will be available for pick up at the Bloomingtondale FPD. Status updates will be provided to the Board as they become available.

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 as required by the IDOI.

TRUSTEE TRAINING UPDATE: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. The Board directed L&A to register Trustees Paliga, Ketcham and Svihla for the AFFI 2017 Pension Seminar. A motion was made by Trustee DiBuono and seconded by Trustee Gray to approve all reasonable expenses for registration, lodging and meals included for the seminar. Motion carried by roll call vote.

AYES: Trustees Svihla, Paliga, Ketcham, DiBuono and Gray

NAYS: None

ABSENT: None

ATTORNEY'S REPORT: *Legal Updates:* Mr. Karlson distributed the *Legal and Legislative Update* Newsletter for the Board's review.

Status Update – Andrew Daylor Disability: The Board noted they are awaiting response on the subpoena sent to IPRF Insurance. Further discussion will be held at the next regular meeting.

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

ADJOURNMENT: A motion was made by Trustee Paliga and seconded by Trustee DiBuono to adjourn the regular meeting at 10:17 am. Motion carried unanimously by voice vote.



Alan Svihla, President

Minutes approved by the Board of Trustees on _____.

Minutes prepared by Robina Amato, Pension Services Administrator, Lauterbach & Amen, LLP

~ The next regular meeting is scheduled for November 9, 2017 at 9:00 am. ~

(b-5) Each contract described in subsection (b) shall also include (i) full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of the investment adviser or consultant in connection with the provision of services to the pension fund and (ii) a requirement that the investment adviser or consultant update the disclosure promptly after a modification of those payments or an additional payment. Within 30 days after the effective date of this amendatory Act of the 95th General Assembly, each investment adviser and consultant providing services on the effective date or subject to an existing contract for the provision of services must disclose to the board of trustees all direct and indirect fees, commissions, penalties, and other compensation paid by or on behalf of the investment adviser or consultant in connection with the provision of those services and shall update that disclosure promptly after a modification of those payments or an additional payment.

A person required to make a disclosure under subsection (d) is also required to disclose direct and indirect fees, commissions, penalties, or other compensation that shall or may be paid by or on behalf of the person in connection with the rendering of those services. The person shall update the disclosure promptly after a modification of those payments or an additional payment.

The disclosures required by this subsection shall be in writing and shall include the date and amount of each payment and the name and address of each recipient of a payment.

(c) Within 30 days after appointing an investment adviser or consultant, the board shall submit a copy of the contract to the Division of Insurance of the Department of Financial and Professional Regulation.

(d) Investment services provided by a person other than an investment adviser appointed under this Section, including but not limited to services provided by the kinds of persons listed in items (1) through (4) of subsection (a), shall be rendered only after full written disclosure of direct and indirect fees, commissions, penalties, and any other compensation that shall or may be received by the person rendering those services.

(e) The board of trustees of each pension fund shall retain records of investment transactions in accordance with the rules of the Department of Financial and Professional Regulation.

PART 10 – PURCHASE OF PRIOR MILITARY SERVICE

§1000.1 Pursuant to 40 ILCS 5/4-108(c-1.5), the Pension Board will accept as creditable service for each firefighter, periods of service by such firefighter in the military, naval or air forces of the United States entered upon before beginning service as an active firefighter of the Bloomingdale Fire Protection District Fire Department.

§1000.2. A firefighter shall make written application to the Pension Board to purchase his or her prior military service pursuant to Section 4-108(c-1.5) of the Pension Code.

§1000.3 The prior military service must have been either regular active military service or *active* reserve or National Guard service. *Active* reserve or National Guard service shall include service when the firefighter was actually deployed on training, combat or combat support operations but shall not include training or other service periods of two weeks or less duration. The service must be documented on an official DD Form 214 (Certificate of Release or Discharge from Active Duty) or other official documentation acceptable by the Board. The total amount of such creditable service shall not exceed 2 years.

§1000.4 The contribution to the Pension Fund required to purchase the prior military service shall be equal to the amount required by Illinois State statute and the rules of the Board. The amount of the contribution shall be determined by a qualified actuary or other entity acceptable to the Board. The contribution required of the firefighter must be paid to the pension fund within (i) within 5 years from the date the Board approves the application to convert the military service to creditable firefighter service and (ii) before the

firefighter terminates service in the fire department. The required contribution may be paid in a lump sum or in accordance with a schedule of installment payments authorized by the Board and the Illinois Administrative Code. Each firefighter must enter into a written agreement approved by the Pension Board.

§1000.5 If the contribution that is required or elected has not been paid in full within the required time, the creditable service shall be prorated to an amount of time proportionate to the amount of contribution that has been paid. If the firefighter dies in service before payment in full has been made and before expiration of the 5 year payment period, the surviving spouse of the firefighter may elect to pay the unpaid amount on the firefighter's behalf within 6 months after the date of death, in which case the creditable service shall be granted as though the deceased firefighter had paid the remaining balance on the day before the date of death.