

HOFFMAN ESTATES FIREFIGHTERS PENSION BOARD

Station 24

575 Beacon Point

Hoffman Estates, IL. 60192

847-695-8502

October 14, 2014 at 9:30am

SPECIAL MEETING MINUTES

- I. Call to Order. Meeting called to order at 9:33am.
- II. Roll Call/Acknowledgement of Guests. Present: Robert Orr, President; Matthew Fijalkowski, Secretary; James Oskroba, Retiree Trustee, Rachel Musiala, Board Member
Also present: Barbara J. Bell, Attorney at Law, Stan Helgerson, Village of Hoffman Estates Treasurer, Bill Yocius, David Vaught, and Margie Burke of Mitchell, Vaught & Taylor, Jason L. Franken and Heidi Andorfer with Foster & Foster Actuaries and Consultants
Absent: Ronald Greenberg, Board Member
- III. Public Comment- None
- IV. Minutes.
 1. Review/ Approval of Minutes from July 8th, 2014 Meeting and August 5th, 2014 Special Meeting. Motion to approve July 8th, 2014 meeting minutes by Matthew Fijalkowski, second by Rachel Musiala. All in favor, aye. Ronald Greenberg absent. Vote to approve August 5, 2014 Special Meeting Minutes made by Matthew Fijalkowski, second by Rachel Musiala. All in favor, aye. Ronald Greenberg absent.
- V. Announcements/Communications. IPPFA Renewal Notice received.
- VI. Presidents Report. Disability of FF/PM Sandacz in process. Attended IPPFA Fall Pension Seminar in Lake Geneva. It was a "Learning experience and educational."
- VII. Secretary's Report.
 1. Emailed out AFFI Pension Seminar info. looking for interested members wanting to attend? Matthew Fijalkowski only one attending.
 2. Registered for AFFI Pension Seminar.
 3. Requested payment from Rachel Musiala for attending seminar. AFFI billed Pension Board direct and fees paid by Rachel Musiala.
 4. Completed Pension Board Info. Sheet for IPPFA and returned via e-mail.

5. Have received no new Pension Continuing Ed. Forms for 2013 or 2014 to date. Only persons with documented Con. Ed. for 2013 is Rachel Musiala and Matthew Fijalkowski.

VIII. Treasurer's/Finance Report

1. Review/ Discussion August 31, 2014 97% of property taxes collected. Check for Barrington/Higgins TIF District received = \$4913.00. Hoffman Estates Firefighters' Pension Fund has a balance of \$70,819,307 as of August 31, 2014.
2. Vote to approve Treasurer's Report. Motion to approve Treasurer's Report made by Bob Orr, second by Matthew Fijalkowski. All in favor, aye.
3. Vote to approve outstanding invoices. Bills provided in bills list. Motion to approve payment of outstanding invoices made by Bob Orr, second by Matthew Fijalkowski. All in favor, aye.
4. Additional bills presented at time of meeting and included under vote to pay outstanding invoices are as follow:
 - a. Accounting Invoices from Village of Hoffman Estates for \$327.12, \$290.78, and \$339.24
 - b. Foster & Foster Actuaruies for \$4300.00
 - c. Attorney Barbara Bell totaling \$5648.61 Retainer fee \$1,750, 18.5 billable hours for \$3700, and expenses totaling \$198.61
 - d. Bob Orr's training expenses totaling \$809.80

IX. Investment Report

1. David Vaught from Mitchel, Vaught & Taylor introduces Margie Burke, Bonded Trader, and Portfolio Manager for Fixed Income.
2. Bill Yocius highlighted the Third Quarter of 2014 (Page 1 of MVT Report)
 - a. Adjustments to fund levels took place starting on July 11th based on Boards approval at the Q2. Increases and reductions are as noted in report.
 - b. Worked with Hoffman Estates Village Treasurer Stan Helgerson on Investment Policy and came up with proposal for 3rd Quarter Meeting.
 - c. James Oskroba and Ronald Greenberg attended Con. Ed. event held at U.S. Cellular Field held by MVT.
 - d. Asset Allocation reported and recommendation is to hold where we are.
 - e. Poor 3rd Quarter performance in comparison to past performance. (Page 7 of MVT Report)
 - f. Impression is economy is slowing up. Healthcare and REITS for return and safety of Large Cap. Dividend payers will help us survive the slowing economy. (Page 7 of MVT Report)

- g. Investment strategies changed per last meeting requests, but return on changes slow to produce late in 3rd Quarter.
 - h. When new money comes in, recommended to place it in bonds.
 - i. Portfolio Performance still out performing target of 10.9 with 11.2 gross/ 10.9 net.
3. Review of Fire Pension Fund Investment Policy and Internal Controls
- a. "Custodial is reflective of statute."
 - b. Motion to adopt Investment Policy as presented to board made by Bob Orr, second by Matthew Fijalkowski. All in favor, aye.

X. New Business

1. Actuarial Report from Foster & Foster- Jason Franken presenter & Heidi Andorfer co-presenter.
 Actuary Report prepared for the Hoffman Estates Firefighters' Pension Board as of January 2014.
 DOI sets reasonable assumptions based on all Article 4 Plans throughout the state.
 Board Assumptions- 2 major
- a. Actuarial Cost Measures use entry age normal instead of Projected Unit Credit
 - b. Ammonization payment is switched from 90% DOI to 100% due by 2040.
 - c. 5 year smooth return of 7.36%
 - d. 6.75% Investment Return is a reasonable assumption.
- Make a motion to: Levy to be presented to Village for 2015 budget is \$3,696,689. This will be reflected in a formal document to be prepared by Attorney Barbara Bell.
 Bob Orr motions to present a levy to the Village of Hoffman Estates in the amount of \$3,696,689 in a formal document.
 Motion seconded by James Oskroba. Rachel Musiala abstains, Ronald Greenberg absent, Matthew Fijalkowski, Bob Orr, and James Oskroba in favor, aye.
2. Timothy Bowen, Senior Vice President with Mesirow Financial presents "Coverage Summary of Fiduciary Liability Insurance" Report.
 4 plans to be presented to board.
 Travelers typically declines if funding is below 80% in Illinois. ULLICO and Chubb only outlined in policy provisions and exclusions due to similar coverages and cost analysis.
 Limits reset every 12 months.
 ULLICO is formal recommendation from Timothy Bowen.

James Oskroba makes a motion to purchase \$1,000,000 Policy for a premium of \$5,643 from ULLICO as presented by Timothy Bowen of Mesirow Financial. Roll Call Vote, Bob Orr, Matthew Fijalkowski, James Oskroba, and Rachel Musiala vote aye. Ronald Greenberg absent

3. 6 New Member Applications received with an effective date reflecting their hire date of October 6, 2014.
Applicant's names are as follow: William Cannone, Michael Clarke, Jonathon Drummer, William M. Gaydo, Kurt Lichtenberg, and Brian Peters.
4. 2015 Meeting Dates will be on the 2nd Monday: January 12, April 13, July 13, and October 12th, 2015.
Motion to approve the presented 2015 meeting dates made by Bob Orr and second by Rachel Musiala. All in favor aye.
5. 2015 COLA, Rachel Musiala requesting approval to grant COLA per State of Illinois statute effective January 1, 2015.
Motion to approve 2015 COLA made by Rachel Musiala and second by Bob Orr. Roll call vote, all "aye". Ronald Greenberg absent.

XI. Old Business

1. FF. Ken Sandacz Disability Application status update- 1 final doctor's visit needed. Possible hearing the week of Nov. 17-21, 2014.
2. Matt Long decision and order tabled due to Ronald Greenberg's absence.
3. Policies for Review-
 - a. Credit for Military Service Served Before Employment
Motion to approve revised version of HEFFPF Policy on Credit for Military Service Served is to be accepted at this time. Motion by Matthew Fijalkowski and second by Bob Orr. All in favor "aye", absent Ronald Greenberg.
 - b. Minutes of Meetings Policy.
Motion to approve revised version of HEFFPF Policy on Meeting Minutes is to be accepted at this time. Motion by Rachel Musiala, second by Bob Orr. All in favor "aye", absent Ronald Greenberg.
 - c. Staggered Terms On The Board Of Trustees Policy.
Motion to approve revised version of HEFFPF Policy on Staggered Terms on the Board of Trustees Policy is to be accepted at this time. Motion by Rachel Musiala, second by Bob Orr. All in favor "aye", absent Ronald Greenberg.

XII. Good of the Fund

1. Motion to continue our Membership in the IPPFA with dues totaling \$775 to be paid. Motion by Matthew Fijalkowski, second

by Bob Orr. Roll call vote, all in favor "I", absent Ronald Greenberg.

XIII. Adjourn

1. Motion to adjourn made by Bob Orr, second by Rachel Musiala.
2. All in favor "aye." Meeting adjourned at 12:45 pm.

Next meeting scheduled for January 12, 2014 at 9:00 am.