

HOFFMAN ESTATE FIREFIGHTERS PENSION BOARD

Station 24 5775 Beacon Point

Hoffman Estates, Illinois 60192 847-695-8502

MEETING MINUTES October 15, 2018 at 9:30 AM

- I. Call to Order. Meeting called to order at 9:30 am.
- II. Roll Call/Acknowledgement of Guests. Present: Robert Orr, Matthew Fijalkowski, Rachel Musiala, Dee Dee Derrig, Matt Collins.
- III. Also present: Attorney Laura Goodloe, Puchalski Goodloe Marzullo; David Vaught, Mitchell, Vaught & Taylor; Stan Helgerson, Village Treasurer; Michael May, Lauterbach & Amen; and Heidi Andorfer, Foster & Foster.
- IV. Public Comment. None.
- V. Approval of Minutes. Motion to approve July 9, 2018 Meeting Minutes and August 13, 2018 Special Meeting Minutes by Matthew Fijalkowski, second by Matt Collins. All in favor, aye.
- VI. Accountant's/Finance Report. Reviewed finance report presented by Mike May of Lauterbach & Amen. Total net value of \$86,833,009.18. Motion to approve finance report as presented made by Matthew Fijalkowski, second by Matthew Collins. Roll Call Vote: Robert Orr, aye, Matthew Fijalkowski, aye, Matt Collins, aye, Dee Dee Derrig, aye, Rachel Musiala, aye. Motion to approve bill list as presented for the last 3 months made by Robert Orr, second by Matthew Fijalkowski. Roll Call Vote: Robert Orr, aye, Matthew Fijalkowski, aye, Matt Collins, aye, Dee Dee Derrig, aye, Rachel Musiala, aye.
- VII. Investment Report presented by David Vaught. 3rd Quarter Report reflected a Net Investment Gain of \$2,788,858 with an Ending Value of \$85,444,051.

Various topics discussed:

- Discussion about shifting our International Market investments more to Asia.
- A recommendation to consider Goldman Sachs International & Emerging Markets Funds in the near future. Recommendation is due to a new approach they have in the last 5 years, utilizing Artificial Intelligence.
- Next Quarterly Meeting, Board wants to be presented with reducing shares of Russel 3000I and replacing Vanguard to T Rowe Price American Growth Fund. This discussion was proposed on April 30, 2018 and has had no action since.
- Board discussed with David Vaught that they are not happy with the handling of our fund since the departure of Bill Yocius 6 months ago. No

specific fund representative designated and no action plan presented on changes previously discussed.

- David Vaught tasked with getting us a permanent Fund Representative and presenting the Board with possible investment changes that will help us improve our position in the markets.

Motion to accept the investment report as presented by David Vaught of Mitchell, Vaught & Taylor made by Matthew Collins, second by Robert Orr. All in favor, aye.

VIII. Informational Items/Unfinished Business.

1. Actuarial Evaluation Report presented by Heidi E. Andorfer with Foster & Foster.

a. Changes since prior valuation are as follows:

1. Based on the results of the 2017 Department of Insurance experience study, the following assumption changes were made:

- Updated termination and disability rate tables.
- Updated assumed salary rates.
- Updated the percentage of disabilities assumed to be in the line of duty from 90% to 80%
- Updated the percentage of deaths assumed to be in the line of duty from 5% to 20 %

2. The valuation reflects the following changes specific to Hoffman Estates Fire Pension Fund:

- The assumed payroll growth rate was reduced from 4.00% to 3.50%.
- The retirement rates were updated to reflect the Village's mandatory retirement age of 62.

b. Summary of Principal Valuation Results as of 01/01/2018:

1. Total Actuarial Accrued Liability- \$128,434,255
2. Unfunded Actuarial Accrued Liability- \$46,188,251
3. Funded Ratio- 64%

c. 2019 Village contribution recommended- \$4,924,353

Motion to accept Actuarial Valuation Report as presented and have Attorney Laura Goodloe draft a letter requesting the Village Of Hoffman Estates levy \$4,924,353 for the 2019 fiscal year made by Robert Orr, Second by Matthew Fijalkowski. All in favor aye.

2. Administrative Rules Changes- Changes to be emailed and adopted at the January 2019 Meeting.
3. Discuss Investment Changes Proposed from 4-30-18 meeting- MVT was told during investment report to bring proposal changes to January 2019 Meeting for consideration and possible adoption.
4. Review and approval of Municipal Compliance Report- Motion to approve report as presented and submit it to the Village of Hoffman Estates made by Robert Orr, second by Matthew Fijalkowski. All in favor, aye.
5. Charles Schnackel retroactive pension payment- Motion by Robert Orr to approve Charles Schnackel's retroactive pension payment, effective November 4th, 2017 through July 2018, in the amount of \$55,978.24. Seconded by Matthew Fijalkowski. Roll Call Vote: Robert Orr, aye; Matthew Fijalkowski, aye; Rachel Musiala, aye; Dee Dee Derrig, aye; and Matthew Collins, aye.
6. Approval of Fiduciary Insurance- Motion to approve renewal of our Fiduciary Insurance, effective November 1, 2018 through November 2019, at a cost of \$6,134.00. Second by Dee Dee Derrig. Roll Call Vote: Robert Orr, aye; Matthew Fijalkowski, aye; Rachel Musiala, aye; Dee Dee Derrig, aye; and Matthew Collins, aye.
7. Semi-Review of Executive Session Minutes- no action taken.
8. Pension Website- Pension Fund presence has been restored on the Fire Departments site.
9. Status of Trustee Training- The following trustees are compliant for 2018: Robert Orr, Rachel Musiala, Dee Dee Derrig. Matthew Collins is short 8 hours with seminar scheduled. Matthew Fijalkowski is short 16 hours with seminar scheduled for end of October.
10. Status of Annual Affidavit of Eligibility forms- 100% compliant for 2018.

IX. New Business

1. Retirement/Disability Applications-
 - Retiree Norman Pannhausen passed away on October 9, 2018. Spouse, Bonny Pannhausen will be contacted to convert pension to a Survivor's Benefit.
 - Motion to approve a Service Pension for Steven M. Stein, age 50, 27 years, 2 months, 29 days of creditable fire service earned. Application for retirement as of 8-15-2018, effective date 8-16-2018. Applicable salary \$102,619.00 will

receive 67.92% with original monthly pension of \$5,807.95 made by Matthew Fijalkowski, Second by Matthew Collins. Roll Call Vote: Robert Orr, aye; Matthew Fijalkowski, aye; Rachel Musiala, aye; Dee Dee Derrig, aye; and Matthew Collins, aye.

2. Wendy R. Haase Survivor Pension Application- Motion to approve conversion from a Service Pension to Survivor's Benefits for Wendy R. Haase, married 6-12-2011 to Edwin Charles Haase, with an effective date of conversion 7-30-18 made by Matthew Fijalkowski, Second by Robert Orr. Roll Call Vote: Robert Orr, aye; Matthew Fijalkowski, aye; Rachel Musiala, aye; Dee Dee Derrig, aye; and Matthew Collins, aye.

3. New Applications to the Fund-

- Motion to approve application to the fund by Brian George Schick, born 5-2-1991, with a date of appointment 10-08-18, starting salary \$66,100, Tier II pension. Made by Matthew Fijalkowski, Second by Robert Orr. All in favor, aye.
- Motion to approve application to the fund by Jack Campbell, born 6-16-1992, with a date of appointment 10-08-18, starting salary \$66,100, Tier II pension. Made by Matthew Fijalkowski, Second by Robert Orr. All in favor, aye.
- Motion to approve application to the fund by Eric Abrahamian, born 12-29-1991, with a date of appointment 10-08-18, starting salary \$66,100, Tier II pension. Made by Matthew Fijalkowski, Second by Robert Orr. All in favor, aye.

4. 2019 Quarterly Pension Meetings- January 14th, 2019, April 8, 2019, July 8th, 2019, and October 14, 2019.

X. Motion to adjourn at 12:00pm made by Robert Orr, Second by Matthew Fijalkowski.

All in favor, aye.