



**MINUTES OF A REGULAR MEETING OF THE
EVANSTON FIREFIGHTERS' PENSION FUND
BOARD OF TRUSTEES
AUGUST 14, 2019**

A regular meeting of the Evanston Firefighters' Pension Fund Board of Trustees was held on Wednesday, August 14, 2019 at 9:30 a.m. at the Fire Department Headquarters Conference Room located at 909 Lake Street, Evanston, Illinois 60201, pursuant to notice.

CALL TO ORDER: Trustee Daugherty called the meeting to order at 9:30 a.m.

ROLL CALL:

PRESENT: Trustees Deron Daugherty, Sean Heneghan, Patrick Dillon and Elisa Spain
ABSENT: Trustee Aleks Granchalek
ALSO PRESENT: Mary Tomanek, Graystone Consulting; Hitesh Desai, City of Evanston; Dawn Ratkovich and Alex Michael, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

PENSION FUNDING COMMITTEE UPDATE: Trustee Daugherty informed the Board that Ms. Tomanek, Mr. Desai and himself met with the Mayor in July and the City managers in August to discuss an open amortization funding policy. Further discussion will be held at the next regular meeting.

APPROVAL OF MEETING MINUTES: *May 20, 2019 Regular Meeting and June 5, 2019 Special Meeting:* The Board reviewed the May 20, 2019 regular meeting minutes and the June 5, 2019 special meeting minutes. A motion was made by Trustee Daugherty and seconded by Trustee Dillon to approve the May 20, 2019 regular meeting minutes and the June 5, 2019 special meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the closed session meeting minutes. A motion was made by Trustee Daugherty and seconded by Trustee Heneghan to keep the closed session meeting minutes closed due to pending matters. Motion carried unanimously by voice vote.

The Board discussed the closed session meeting recordings. A motion was made by Trustee Daugherty and seconded by Trustee Dillon to approve the destruction of the audio recording from the December 18, 2017 closed session meeting. Motion carried unanimously by voice vote.

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Investment Report:* Ms. Tomanek presented the Quarterly Investment Report for the period ending June 30, 2019. As of June 30, 2019, the quarter-to-date net return is 3.38% and the ending market value is \$83,131,407. The current asset allocation is as follows: fixed income at 36% and equities at 64%. Ms. Tomanek reviewed the recent transactions and discussed cash flow needs for the upcoming quarter.

Potential Sales or Purchases of Securities: There were no recommendations at this time.

Review/Update Investment Policy: The Board discussed the Investment Policy and determined that no changes are needed at this time.

TREASURER'S REPORT – CITY OF EVANSTON: Mr. Desai distributed copies of the Fire Pension Fund Operation Cash Flow Report to the Board. The projected funds available to the Board for the upcoming months are; August \$3,768,164; September \$3,048,271 and October \$2,342,976. All questions were answered by Mr. Desai.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the six-month period ending June 30, 2019 prepared by L&A. As of June 30, 2019, the net position held in trust for pension benefits is \$85,593,232.34 for a change in position of \$9,817,114.28. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and Vendor Check Report for the period April 1, 2019 through June 30, 2019 for total disbursements of \$479,503.04. A motion was made by Trustee Daugherty and seconded by Trustee Dillon to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$479,503.04. Motion carried by roll call vote.

AYES: Trustees Daugherty, Heneghan and Dillon

NAYS: None

ABSENT: Trustee Granchalek

ABSTAIN: Trustee Spain

Additional Bills, if any: The Board reviewed the fiduciary liability insurance renewal provided by Ullico through Mesirow Insurance Services. A motion was made by Trustee Daugherty and seconded by Trustee Dillon to approve payment of the fiduciary liability insurance renewal effective September 15, 2019 through September 15, 2020 in the amount of \$12,416. Motion carried by roll call vote.

AYES: Trustees Daugherty, Heneghan, Spain and Dillon

NAYS: None

ABSENT: Trustee Granchalek

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Duty Disability Benefit – Dominic Rodriguez:* The Board reviewed the duty disability benefit calculation for Dominick Rodriguez prepared by L&A. Firefighter Rodriguez had an entry date of April 12, 2011, disability date of June 13, 2019, effective date of pension of June 14, 2019, 35 years of age at date of disability, eight years and two months of creditable service, applicable salary of \$96,780.47, applicable pension percentage of 65%, amount of originally granted monthly pension of \$5,242.28 and amount of originally granted annual pension of \$62,907.36. A motion was made by Trustee Daugherty and seconded by Trustee Heneghan to approve Dominic Rodriguez's duty disability benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Daugherty, Heneghan, Dillon and Spain

NAYS: None

ABSENT: Trustee Granchalek

The Board reviewed the dependent benefit calculation for Dominic Rodriguez's son, Conor Rodriguez in the amount of \$20 monthly, effective June 14, 2019 with an annual 3% cost of living adjustment until age 18, as calculated by L&A.

The Board reviewed the dependent benefit calculation for Dominic Rodriguez's daughter, Adilynn Rodriguez in the amount of \$20 monthly, effective June 14, 2019 with an annual 3% cost of living adjustment until age 18, as calculated by L&A.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – Kerry McWilliams and James Mitchell:* The Board reviewed the Applications for Membership submitted by Kerry McWilliams and James Mitchell. A motion was made by Trustee Daugherty and seconded by Trustee Dillon to accept Kerry McWilliams and James Mitchell into the Evanston Firefighters' Pension Fund effective July 8, 2019 as Tier II participants. Motion carried unanimously by voice vote.

OLD BUSINESS: *Appointed Member Term Expiration – Alek Granchalek:* The Board noted that Trustee Granchalek's appointment expired April 30, 2019. Trustee Granchalek was reappointed to the Evanston Firefighters' Pension Fund Board of Trustees by the Mayor for a three-year term effective April 30, 2019 through April 30, 2022.

IDOI Annual Statement: The Board noted that the finalized report was filed prior to the June 30, 2019 deadline.

NEW BUSINESS: *Review/Approve – Actuarial Valuation & Tax Levy Request:* The Board reviewed the Actuarial Valuation as prepared by Foster & Foster. Based on data and assumptions, the recommended municipal contribution is \$9,727,843 and the statutory minimum contribution amount \$7,788,088. A motion was made by Trustee Daugherty and seconded by Trustee Dillon to accept the Actuarial Valuation as prepared. Motion carried unanimously by voice vote.

Review/Adopt – Municipal Compliance Report: The Municipal Compliance Report was not completed for review. Further discussion will be held at the next regular meeting.

Board Officer Elections – President and Secretary: The Board discussed Board Officer Elections and nominated Trustee Daugherty as President. A motion was made by Trustee Dillon and seconded by Trustee Heneghan to elect Trustee Daugherty as President. Motion carried by roll call vote.

AYES: Trustees Heneghan, Dillon and Spain

NAYS: None

ABSENT: Trustee Granchalek

ABSTAIN: Trustee Daugherty

The Board discussed Board Officer Elections and nominated Trustee Heneghan as Secretary. A motion was made by Trustee Daugherty and seconded by Trustee Dillon to elect Trustee Heneghan as Secretary. Motion carried by roll call vote.

AYES: Trustees Daugherty, Dillon and Spain

NAYS: None

ABSENT: Trustee Granchalek
ABSTAIN: Trustee Heneghan

FOIA Officer & OMA Designee: The Board discussed maintaining Trustee Daugherty as the FOIA Officer and Trustee Heneghan as the OMA Designee.

Review/Approve Decision and Order – Dominic Rodriguez: The Board reviewed the Decision and Order prepared by Burke, Burns & Pinelli, Ltd. A motion was made by Trustee Daugherty and seconded by Trustee Heneghan to approve, adopt and publish the Decision and Order for Dominic Rodriguez as presented. Motion carried unanimously by voice vote.

COMMUNICATIONS & REPORTS: *Affidavits of Continued Eligibility:* L&A informed the Board that third request Affidavits of Continued Eligibility were mailed to the outstanding pensioners via certified mail on July 3, 2019 with a due date of July 17, 2019. To date, four affidavits remain outstanding.

L&A apprised the Board that Mr. Donald Sherrie's monthly direct deposit slips along with his affidavits have been returned. L&A has tried to contact him via mail and phone with no response. A motion was made by Trustee Daugherty and seconded by Trustee Dillon to convert Donald Sherrie's direct deposit beginning with the August payroll cycle to a physical check available for pick up at Lauterbach & Amen's, LLP office until a completed affidavit is received. Motion carried by roll call vote.

AYES: Trustees Daugherty, Heneghan, Dillon and Spain
NAYS: None
ABSENT: Trustee Granchalek

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.

TRUSTEE TRAINING UPDATES: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

Approval of Trustee Training Registration Fees and Reimbursable Expenses: There were no trustee training registrations or reimbursable expenses presented for approval.

ATTORNEY'S REPORT – BURKE, BURNS & PINELLI, LTD.: *Legal Updates:* There were no legal updates at this time.

Annual Independent Medical Examinations – Craig Brannan, Sean Heneghan, Jude Rodriguez & Jason Perkiser: Trustee Daugherty informed the Board that he will contact Craig Brannan, Sean Heneghan, Jude Rodriguez and Jason Perkiser to obtain an updated report from their personal physician stating that they remain disabled. Further discussion will be held at the next regular meeting.

CLOSED SESSION, IF NEEDED: *Request for Proposals – Investment Consultants:* A motion was made by Trustee Daugherty and seconded by Trustee Heneghan to enter into closed session at 10:33 a.m. to discuss the request for proposals for investment consultants under 5 ILCS 120/2 (c)(1). Motion carried unanimously by voice vote.

A motion was made by Trustee Daugherty and seconded by Trustee Dillon to adjourn closed session and re-enter the regular meeting at 10:47 a.m. Motion carried unanimously by voice vote.

Request for Proposals – Investment Consultants (Continued): The Board discussed retaining Graystone Consulting, contingent on fee negotiations. A motion was made by Trustee Dillon and seconded by Trustee Daugherty to move forward as stated. Motion carried by roll call vote.

AYES: Trustees Daugherty, Heneghan and Dillon
NAYS: None
ABSENT: Trustees Granchalek and Spain

ADJOURNMENT: A motion was made by Trustee Daugherty and seconded by Trustee Heneghan to adjourn the meeting at 10:48 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for November 18, 2019 at 9:30 a.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 2/10/20

Minutes prepared by Alex Michael, Pension Services Administrator, Lauterbach & Amen, LLP