



**MINUTES OF A REGULAR MEETING OF THE  
EVANSTON FIREFIGHTERS' PENSION FUND  
BOARD OF TRUSTEES  
FEBRUARY 10, 2020**

A regular meeting of the Evanston Firefighters' Pension Fund Board of Trustees was held on Monday, February 10, 2020 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 9:33 a.m.

**ROLL CALL:**

**PRESENT:** Trustees Deron Daugherty, Sean Heneghan, Patrick Dillon, Aleks Granchalek (*arrived at 9:35 a.m.*) and Elisa Spain

**ABSENT:** None

**ALSO PRESENT:** Mary Tomanek, Graystone Consulting; Hitesh Desai and Andy Villamin, City of Evanston; A.J Weber and Alex Michael, Lauterbach & Amen, LLP (L&A)

**PUBLIC COMMENT:** There was no public comment.

*Trustee Granchalek arrived at 9:35 a.m.*

**PENSION FUNDING COMMITTEE UPDATE:** Trustee Daugherty informed the Board that the Pension Funding Committee is going to continue to try and set up a meeting with the Mayor and the City managers to discuss the open amortization funding policy. Further discussion will be held at the next regular meeting.

**APPROVAL OF MEETING MINUTES:** *November 18, 2019 Regular Meeting:* The Board reviewed the November 18, 2019 regular meeting minutes. A motion was made by Trustee Dillon and seconded by Trustee Granchalek to approve the November 18, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

*January 6, 2020 Special Meeting:* The Board reviewed the January 6, 2020 special meeting minutes. A motion was made by Trustee Daugherty and seconded by Trustee Heneghan to approve the January 6, 2020 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 and will not release them at this time due to pending matters.

**INVESTMENT REPORT – GRAYSTONE CONSULTING:** *Quarterly Investment Report:* Ms. Tomanek presented the Quarterly Investment Report for the period ending December 31, 2019. As of December 31, 2019, the quarter-to-date net return is 4.92% and the ending market value is \$88,167,060. 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:* Ms. Tomanek distributed the Sustainability Report to the Board and gave a brief background on the new bill that went into effect as of January 1, 2020. Ms.

Tomanek will draft an updated Investment Policy for the Board to review at the next regular meeting.

**TREASURER'S REPORT – CITY OF EVANSTON:** Mr. Desai and Mr. Villamin 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; February \$1,239,150; March \$3,280,150; and April, \$2,638,050. All questions were answered by Mr. Desai and Mr. Villamin.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the 12-month period ending December 31, 2019 prepared by L&A. As of December 31, 2019, the net position held in trust for pension benefits is \$89,832,253.75, for a change in position of \$14,056,135.69. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and Vendor Check Report for the period October 1, 2019 through December 31, 2019 for total disbursements of \$433,545.09. 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 \$433,545.09. Motion carried unanimously by voice vote.

*Additional Bills, if any:* There were no additional bills presented for approval.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Approve Regular Retirement Benefits – Jeffrey McDermott:* The Board reviewed the regular retirement benefit calculation for Jeffrey McDermott. Shift Chief McDermott had an entry date of October 6, 1986, retirement date of February 4, 2020, effective date of pension of February 5, 2020, 55 years of age at date of retirement, 33 years and 3 months of creditable service, applicable salary of \$143,738.81, applicable pension percentage of 75%, amount of originally granted monthly pension of \$8,983.68 and amount of originally granted annual pension of \$107,804.16. A motion was made by Trustee Daugherty and seconded by Trustee Heneghan to approve Jeffrey McDermott's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Daugherty, Heneghan, Dillon, Granchalek and Spain

NAYS: None

ABSENT: None

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** There were no applications for membership or withdrawals from the Fund.

**OLD BUSINESS:** Trustee Daugherty informed the Board that a special meeting is scheduled for April 20, 2020 at 12:00 p.m. to discuss a line of duty disability for Charles Bednarz.

**NEW BUSINESS:** *Establish Second Quarter Meeting Date:* The Board discussed holding their second quarterly meeting of 2020 on May 13, 2020 at 12:00 p.m. at the Fire Department Headquarters Conference Room located at 909 Lake Street, Evanston, Illinois 60201.

*Discussion/Possible Action Regarding Benefit Discrepancies – Phillip Burns:* Attorney Pinelli is currently reviewing all the documentation on the overpayment to Mr. Burns. Further discussion will be held at the next regular meeting.

*Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2020 Cost of Living Adjustments (see attached) calculated by L&A. A motion was made by Trustee Daugherty and seconded by Trustee Heneghan to approve the 2020 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

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

*Review Trustee Term Expirations and Election Procedures:* The Board noted that the active member term currently held by Trustee Heneghan is expiring in April 2020. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions. The Board also noted that the appointed Trustee position held by Trustee Spain is expiring in April 2020.

*IDOI Annual Statement:* The Board noted that the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

*Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter:* The Board reviewed the L&A one-year engagement letter. A motion was made by Trustee Daugherty and seconded by Trustee Granchalek to engage L&A in the annual amount of \$54,490 for the year ended December 31, 2020. Motion carried by roll call vote.

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

**COMMUNICATIONS AND REPORTS:** *Affidavits of Continued Eligibility:* L&A informed the Board that due to recently implemented requirements mandated by the IDOI, spousal data will be necessary in order to file the IDOI Annual Statement. L&A recommended issuing Affidavits of Continued Eligibility to all pensioners with the December payroll cycle, to coincide with the fiscal year-end and ensure adequate time to compile the necessary data.

*Louise Simpson:* L&A informed the Board that after attempting to send a fourth Affidavit of Continued Eligibility to Louise Simpson her January pension payment was converted to a physical check. On January 31, 2020 L&A spoke with Ms. Simpson and received her notarized Affidavit. Her January physical check was voided and a direct deposit was issued. No further action is needed by the Board.

*Statements of Economic Interest:* The Board noted that the List of Files should have been submitted to the County by the City by February 1, 2020. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2020.

*2020 IRS Mileage Rate:* The Board noted that the IRS standard business mileage rate used for reimbursement decreased to \$0.575 per mile effective January 1, 2020.

**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 and Jason Perkiser:* Trustee Daugherty will reach out to Mr. Brannan and Mr. Perkiser to request documentation stating they remain disabled. Further discussion will be held at the next regular meeting.

**CLOSED SESSION, IF NEEDED:** There was no need for closed session.

**ADJOURNMENT:** A motion was made by Trustee Daugherty and seconded by Trustee Heneghan to adjourn the meeting at 10:24 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for May 13, 2020 at 12:00 p.m.

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Board President or Secretary

Minutes approved by the Board of Trustees on \_\_\_\_\_

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