



# MOKENA FPD FIREFIGHTERS' PENSION FUND

19853 S Wolf Road ■ Mokena, Illinois 60448

Joe Cirelli, President ■ Thomas Hug, Secretary ■ Ted Golden, Trustee ■ Richard Gotter, Trustee ■ Kenneth Blank, Treasurer

## MINUTES OF REGULAR MEETING OF THE BOARD OF TRUSTEES JULY 12, 2016

A regular meeting of the Mokena FPD Firefighters' Pension Fund was called to order at 5:28 p.m. on Tuesday, July 12, 2016, at 19853 S Wolf Road, Mokena, IL for the purpose of conducting regular business.

**PRESENT:** Trustees Joe Cirelli, Kenneth Blank, Ted Golden, Richard Gotter, and Thomas Hug

**ABSENT:** None

**ALSO PRESENT:** Tim Hammond and Kay Hammond, Hammond Investment Management, LLC; Allison Barrett and Stacie Woodill, Lauterbach & Amen, LLP (L&A); Chief Howard Stephens and FF Richard Campbell, Mokena Fire Protection District

**ELECTION RESULTS:** *Determination of New Active Trustee:* An election for the active member position was held, resulting in a tie. To determine the winner of the election, a coin flip was used, and Richard Gotter was declared the winner of the election by lot. Mr. Gotter will serve a three-year term, expiring April 30, 2019.

**PUBLIC COMMENT:** None

**APPROVAL OF MINUTES:** The minutes of the April 12, 2016 regular meeting were reviewed by the Board. A motion was made by Trustee Golden and seconded by Trustee Blank to approve the minutes as written. Motion carried by voice vote.

*Semi-Annual Review of Closed Session Minutes:* The Board discussed the closed meeting minutes. A motion was made by Trustee Hug and seconded by Trustee Blank to not release closed session meeting minutes at this time. Motion carried by voice vote.

**TREASURER'S REPORT:** *Monthly Financial Report:* The Monthly Financial Report prepared by Lauterbach & Amen, LLP was not ready for review at this time, but will be available at the next meeting.

*Presentation and Approval of Bills:* The Board reviewed the following invoice presented for payment:

- Hammond Investment Management, LLC invoice in the amount of \$2,636.29 for Professional Services rendered from April 1, 2016 through June 30, 2016

A motion was made by Trustee Hug and seconded by Trustee Blank to approve payment of the Hammond Investment Management, LLC invoice as presented. Motion carried by voice vote.

**INVESTMENT REPORT:** *Hammond Investment Management:* Mr. Hammond presented the Quarterly Investment Performance Report for the period ending June 30, 2016. As of 06/30/16, the quarter-to-date total net return is 1.95% for an investment return of \$209,070.00 and an ending market value of \$10,937,614.64. The current asset allocation is as follows: Fixed Income at 40.6%, Equities at 55.5% and Cash Equivalents at 3.9%. The Market Commentary, Equity and Fixed Income Portfolios, and Asset Allocation and Returns were

reviewed with the Board. All questions were answered by Mr. Hammond. A motion was made by Trustee Hug and seconded by Trustee Golden to accept the quarterly Investment Report. Motion carried by voice vote.

*Review/Update Investment Policy:* There were no recommended changes to the Investment Policy at this time.

**COMMUNICATIONS OR REPORTS:** *Affidavits of Continued Eligibility:* Lauterbach & Amen informed the Board that Affidavits of Continued Eligibility were mailed to all pensioners with the June benefit payments. An update will be provided at the next regular meeting.

*Active Member File Update:* The Board was presented with the summary of documents currently in the active members files.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** There were no new applications or withdrawals received.

**APPLICATIONS FOR RETIREMENT OR DISABILITY BENEFITS:** There were no new applications for benefits received.

**OLD BUSINESS:** There was no Old Business to discuss.

**NEW BUSINESS:** *Overpayment of Benefits – Jerome Johnson and Joan Yunker:* Allison Barrett from Lauterbach & Amen, LLP explained to the Board that benefits were being prepaid to beneficiaries and not at the end of the month for the current month as defined by statute. The current payment schedule creates an overpayment of benefits for Jerome Johnson and Joan Yunker. The Board will communicate with the Board Attorney on how to proceed. An update will be provided at the next regular meeting.

*Pay Date for Pension Benefits:* A motion was made by Trustee Hug and seconded by Trustee Gotter to adhere to the Illinois Public Pension Code by the Pension Fund's Regulatory Agency, the Department of Insurance, and remit Pension Benefits on the last business day of the month, beginning December 2016, to bring the Pension Payroll schedule into compliance. The motion carried by voice vote.

*Election of Board Officers:* A motion was made by Trustee Golden and seconded by Trustee Gotter to maintain the Board Officer positions as follows: Trustee Cirelli to retain his position on the Board as President, Trustee Hug to retain his position on the Board as Secretary, and Trustee Blank to retain his position on the Board as Treasurer. Motion carried by voice vote.

*Review Preliminary Actuarial Valuation:* There was no Preliminary Actuarial Valuation presented.

*Approval of Revised Administrative Rules and Regulations:* The Board reviewed the revised Administrative Rules and Regulations. A motion was made by Trustee Hug and seconded by Trustee Gotter to accept the revised Administrative Rules and Regulations, as written. Motion carried by voice vote.

*Presentation/Proposal and Possible Approval of Fiduciary Liability Insurance:* The Board discussed the proposal from McCutcheon Insurance Agency for a Fiduciary Liability Insurance Policy. A motion was made by Trustee Hug and seconded by Trustee Blank to approve the \$2 million annual policy in the amount of \$4,930.00. Motion carried by voice vote.

*Presentation/Proposal and Possible Approval of Fidelity Bond:* The Board reviewed the proposal from McCutcheon Insurance Agency for a three-year \$1 million Fidelity Bond. A motion was made by Trustee Golden and seconded by Trustee Hug to approve the three-year \$1 million Fidelity Bond for a cost of \$724.00. Motion carried by voice vote.

*Discussion and Approval of Proposal for Actuarial Services:* The Board discussed Lauterbach & Amen's engagement letter to prepare GASB 67/68 reports and the tax levy valuation for the fiscal years ending May 31, 2016 through May 31, 2018. A motion was made by Trustee Blank and seconded by Trustee Golden to engage L&A for tax levy valuation and GASB 67/68 reports for the fiscal years ending May 31, 2016 through May 31, 2018 at a cost of \$4,000.00. Motion carried by voice vote.

**TRUSTEE TRAINING UPDATE:** Lauterbach & Amen apprised the Board of upcoming training opportunities and were reminded to provide any certificates of training to L&A for recordkeeping.

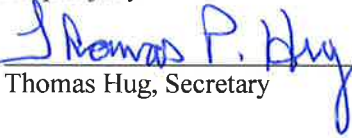
**CLOSED SESSION, IF REQUIRED:** There were no items to discuss in Closed Session.

A motion was made by Trustee Hug and seconded by Trustee Gotter to transfer \$500,000.00 from the Savings Account to the Charles Schwab account for investment purposes. Motion carried by voice vote.

**ADJOURNMENT:** A motion to adjourn the meeting was made by Trustee Hug and seconded by Trustee Gotter at 6:12 p.m. Motion carried by voice vote.

**The next regular meeting of the Mokena FPD Firefighters' Pension Fund will be held on Wednesday, October 12, 2016, at 5:30 p.m.**

*Respectfully submitted,*

  
Thomas Hug, Secretary

\_\_\_\_\_  
Date Approved by Board

*Minutes prepared by Stacie Woodill, Pension Services Administrator*