



**THE REGULAR MEETING MINUTES OF THE  
OSWEGO FIRE PROTECTION DISTRICT  
PENSION FUND BOARD OF TRUSTEES  
MAY 23, 2016**



A regular meeting of the Oswego Fire Protection District Pension Fund Board of Trustees was held on Monday, May 23, 2016 at 8:30 am located at Fire Station #1 3511 Woolley Road, Oswego, IL pursuant to notice.

**CALL TO ORDER:** President Mark Floyd called the meeting to order at 8:30 am.

**ROLL CALL:**

**PRESENT:** Trustees Mark Floyd, Craig Evans, Mike Veseling, Paul Anderson and John Cornish

**ABSENT:** None

**ALSO PRESENT:** Tom Sawyer and John Falduto, Sawyer Falduto; Shawn Flaherty, Ottosen Britz; Charles Atwell, Atwell & Atwell; AJ Weber, Kari Keag and Debbie Jancik, Lauterbach & Amen, LLP (L&A)

**PUBLIC COMMENT:** None

**APPROVAL OF MINUTES:**

*February 22, 2016 Regular Meeting:* The Board reviewed the minutes from the February 22, 2016 regular meeting. A motion was made by Trustee Evans and seconded by Trustee Anderson to approve the February 22, 2016 regular meeting minutes as presented. Motion carried unanimously by voice vote.

**ACCOUNTANT'S REPORT:**

*Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the twelve month period ending April 30, 2016. As of April 30, 2016 the net position held in trust for pension benefits is \$12,418,179.03 with a change in position of \$1,520,388.39. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report and Payroll Journal.

*Presentation and Approval of Bills:* The Board reviewed the Vendor Checks Report for the period February 1, 2016 through April 30, 2016 for total disbursements of \$25,945.21.

A motion was made by Trustee Veseling and seconded by Trustee Cornish to accept the Monthly Financial Report and the Vendor Checks Report in the amount of \$25,945.21 as presented. Motion carried by roll call vote.

**AYES:** Trustees Floyd, Evans, Veseling, Anderson and Cornish

**NAYS:** None

**ABSENT:** None

*Additional Bills:* The Board reviewed additional bills for approval and ratification:

**Bills for Approval:**

- L&A invoice #16124 for April 2016 Services in the amount of \$1,435.00
- IDOI Compliance Fee invoice in the amount of \$2,180.69

**Bills for Ratification:**

- Atwell & Atwell invoice in the amount of \$1,944.79 for February 2016 Legal Services
- ExamWorks invoice #280-97366 for Craig Evans IME in the amount of \$1,475.00
- ExamWorks invoice #280-97036 for Craig Evans IME in the amount of \$3,925.00
- L&A invoice #14782 in the amount of \$1,435.00 for January 2016 Services
- L&A invoice #15013 in the amount of \$245.00 for 12/31/2015 1099s
- L&A invoice #15341 in the amount of \$1,435.00 for February 2016 Services
- L&A invoice #15764 in the amount of \$1,435.00 for March 2016 Services
- Ottosen Britz, et al invoice #87467 in the amount of \$651.00 for General Services
- Ottosen Britz, et al invoice #87468 in the amount of \$3,127.27 for Professional Services – Evans Disability

A motion was made by Trustee Anderson and seconded by Trustee Floyd to approve and ratify the additional bills as presented. Motion carried by roll call vote.

AYES: Trustees Floyd, Evans, Veseling, Anderson and Cornish

NAYS: None

ABSENT: None

*Trustee Training Reimbursements:* There were no Trustee training reimbursements presented at this time.

**INVESTMENT REPORT:**

*Portfolio Review:* Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending March 31, 2016. As of March 31, 2016, the quarter-to-date total net return is 1.59% for an investment return of \$206,095 and an ending market value of \$12,367,570. The current asset allocation is as follows: Fixed Income at 54.3%, Equities at 45.0% and Cash Equivalents at 0.7%. Mr. Sawyer reviewed the Market Commentary, Equity and Fixed Income Portfolios, and Transaction Ledger Report with the Board. A motion was made by Trustee Cornish and seconded by Trustee Anderson to accept the Quarterly Investment Performance Report. Motion carried by roll call vote.

AYES: Trustees Floyd, Evans, Veseling, Anderson and Cornish

NAYS: None

ABSENT: None

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

**OLD BUSINESS:**

*Trustee Training Update:* The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities.

**NEW BUSINESS:**

*Certify Board Election Results – Active Member Position:* L&A conducted an election for the Active Member position on the Oswego Fire Protection District Pension Fund Board of Trustees. John Cornish ran unopposed for the Active Member position and was elected by acclamation for a three-year term expiring April 30, 2019. A motion was made by Trustee Floyd and seconded by Trustee Veseling to certify the election results. Motion carried by roll call vote.

AYES: Trustees Floyd, Evans, Veseling, Anderson and Cornish  
NAYS: None  
ABSENT: None

*Board Officer Elections – President and Secretary:* The Board discussed Board Officer Elections for the President and Secretary positions. A motion was made by Trustee Floyd and seconded by Trustee Anderson to elect Trustee Floyd as Board President and Trustee Cornish as Board Secretary. Motion carried by roll call vote.

AYES: Trustees Floyd, Evans, Veseling, Anderson and Cornish  
NAYS: None  
ABSENT: None

*Actuarial Assessment and GASB 68:* The Board discussed engaging Art Tepfer for the completion of the Actuarial Assessment and GASB 68 report in the amount of \$4,600. A motion was made by Trustee Floyd and seconded by Trustee Anderson to engage Art Tepfer in the amount of \$4,600. Motion carried by roll call vote.

AYES: Trustees Floyd, Evans, Veseling, Anderson and Cornish  
NAYS: None  
ABSENT: None

*Lauterbach & Amen Three-Year Engagement Letter:* The Board reviewed the revised engagement letter for FYE 4/30/2016 through FYE 4/30/2018 to include benefit administration and pension services administration in the following annual amounts:

- FYE 4/30/2016 – \$19,780
- FYE 4/30/2017 – \$21,475
- FYE 4/30/2018 – \$22,030

A motion was made by Trustee Floyd and seconded by Trustee Anderson to approve the revised L&A engagement letter as presented. Motion carried by roll call vote.

AYES: Trustees Floyd, Evans, Veseling, Anderson and Cornish  
NAYS: None  
ABSENT: None

*Update Pension Board Rules and Regulations:* Mr. Flaherty recommended the Board revise their Rules and Regulations. A motion was made by Trustee Floyd and seconded by Trustee Evans to authorize Mr. Flaherty to revise the Rules and Regulations in an amount not to exceed \$2,500. Motion carried by roll call vote.

AYES: Trustees Floyd, Evans, Veseling, Anderson and Cornish  
NAYS: None  
ABSENT: None

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWAL FROM THE FUND:** The Board noted that there are two new hires. A special meeting will be held upon receipt of the Applications for Membership into the Oswego FPD Pension Fund.

**RETIREMENT/DISABILITY BENEFITS:**

*Approval of Non-Duty Disability Benefits – Craig Evans:* The Board reviewed the non-duty disability benefit calculation for Craig Evans and discussed the Findings and Decision. Mr. Evans had an entry date of 06/01/2008; disability date of 12/31/2015; effective date of pension of 01/01/2016; 47 years old at date of retirement; 7 years 6 months of creditable service; applicable salary of \$92,298.00; applicable pension percentage of 50%; and amount of originally granted monthly pension of \$3,845.75. The Board also noted that Mr. Evans was due a retroactive payment in the amount of \$11,537.25.

A motion was made by Trustee Floyd and seconded by Trustee Anderson to approve the non-duty disability benefit, the Findings and Decision and the retroactive payment as presented. Motion carried by roll call vote.

AYES: Trustees Floyd, Veseling, Anderson and Cornish  
NAYS: None  
ABSENT: None  
ABSTAIN: Trustee Evans

*Disability Update – Brian McCumber:* Mr. Atwell provided the Board with a list of three physicians selected by INSPE to examine Brian McCumber. A motion was made by Trustee Floyd and seconded by Trustee Cornish to accept the three physicians to complete Mr. McCumber’s independent medical examinations. Motion carried by roll call vote.

AYES: Trustees Floyd, Evans, Veseling, Anderson and Cornish  
NAYS: None  
ABSENT: None

Mr. Atwell informed the Board that he will schedule the three independent medical examinations. Further discussion will be held at the next scheduled meeting.

*Disability Update – David Sackett:* Mr. Atwell informed the Board that he has not yet received an advisory opinion from the Illinois Department of Insurance regarding this matter. Further discussion will be held at the next scheduled meeting.

**COMMUNICATIONS & REPORTS:**

*IDOI New Security Administrator Authorization Form:* The Board noted that the Illinois Department of Insurance is requesting all Pension Funds update their Security Administrator Authorization Form by August 1<sup>st</sup>.

**ATTORNEY’S REPORT:**

*Legal Updates & Inquiries:* Mr. Flaherty discussed recent court cases and decisions with the Board and answered all questions presented.

*QILDRO – Jonathan Vickery:* The Board noted that they are in receipt of Jonathan Vickery’s QILDRO Order and Consent, but the \$50 processing fee has not yet been received. Mr. Flaherty discussed the QILDRO process with the Board.

*Continuing Education:* Mr. Flaherty granted the Board 30 minutes of Continuing Education.

**CLOSED SESSION, IF NEEDED:** No closed session was needed.

**ADJOURNMENT:** A motion was made by Trustee Anderson and seconded by Trustee Floyd to adjourn the meeting at 9:30 am. Motion carried by roll call vote.

**AYES:** Trustees Floyd, Evans, Veseling, Anderson and Cornish

**NAYS:** None

**ABSENT:** None

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Mark Floyd, President

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

*Minutes prepared by Kari Keag, Pension Services Administrator*

*~ The next regular meeting is scheduled for Monday, August 29, 2016 at 8:30 am ~*