



**THE REGULAR MEETING MINUTES OF THE  
OSWEGO FIRE PROTECTION DISTRICT  
PENSION FUND BOARD OF TRUSTEES  
FEBRUARY 26, 2019**



A regular meeting of the Oswego Fire Protection District Pension Fund Board of Trustees was held on Tuesday, February 26, 2019 at 8:30 am at Fire Station #1 located at 3511 Woolley Road, Oswego, Illinois pursuant to notice.

**CALL TO ORDER:** Trustee Cornish called the meeting to order at 8:31 am.

**ROLL CALL:**

**PRESENT:** Trustees John Cornish, Matthew Tinker and Ken Holmstrom

**ABSENT:** Trustees Craig Evans and Bradley Clement

**ALSO PRESENT:** Tom Sawyer, Sawyer Falduto Asset Management, LLC; Shawn Flaherty, Ottosen Britz; Alex Michael, Lauterbach & Amen, LLP (L&A)

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

**APPROVAL OF MEETING MINUTES:** *November 27, 2018 Regular Meeting Minutes:* The Board reviewed the minutes from the November 27, 2018 regular meeting.

*April 13, 2018, May 29, 2018 and June 8, 2018 Closed Session Meeting Minutes:* The Board reviewed the minutes from the April 13, 2018, May 29, 2018 and June 8, 2018 closed session meetings.

*February 1, 2019 Special Meeting Minutes:* The Board reviewed the minutes from the February 1, 2019 special meeting.

A motion was made by Trustee Tinker and seconded by Trustee Holmstrom to approve the aforementioned 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 these minutes at this time due to pending matters.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the nine-month period ending January 31, 2019 as prepared by L&A. As of January 31, 2019, the net position held in trust for pension benefits is \$19,020,426.88 with a change in position of \$1,738,588.55. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal and Vendor Check Report for the period November 1, 2018 through January 31, 2019 for total disbursements of \$62,399.53. A motion was made by Trustee Tinker and seconded by Trustee Holmstrom to accept the Monthly Financial report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$62,399.53. Motion carried by roll call vote.

**AYES:** Trustees Cornish, Holmstrom and Tinker

**NAYS:** None

**ABSENT:** Trustees Evans and Clement

*Additional Bills:* There were no additional bills presented at this time.

**INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC:** *Quarterly Investment Performance Report:* Mr. Sawyer presented the Quarterly Investment Performance Report for

the period ending December 31, 2018. As of December 31, 2018, the first quarter total net loss is (8.01%) for an investment return of (\$1,497,303) and an ending market value of \$17,424,515. The current asset allocation is: fixed income 43.6%, equities 56.1% and cash equivalents 0.3%. Mr. Sawyer reviewed the Market Commentary, Equity and Fixed Income Portfolios, and Transaction Ledger Report with the Board. Mr. Sawyer answered all questions from the Board. A motion was made by Trustee Tinker and seconded by Trustee Holmstrom to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

Mr. Sawyer reviewed the current market commentary and discussed the supply and yield of taxable municipal bonds and corporate bonds within current markets. Mr. Sawyer recommended the addition of investment grade corporate bonds within the range of the Fixed Income portion of the portfolio as defined in the current Investment Policy.

*Review/Update Investment Policy:* The Board will review an updated investment policy for approval at the next regular meeting.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND:** *Contribution Refund – Jeffrey Pokorney:* The Board reviewed the contribution refund request submitted by Jeffrey Pokorney. A motion was made by Trustee Holmstrom and seconded by Trustee Tinker to approve Jeffrey Pokorney’s contribution refund in the amount of \$49,223.68 paid directly to himself. Motion carried by roll call vote.

AYES: Trustees Cornish, Holmstrom and Tinker  
NAYS: None  
ABSENT: Trustees Evans and Clement

*Withdrawal from the Fund – Augustine Cervantez:* The Board noted that Augustine Cervantez resigned from the Oswego Fire Protection District on February 20, 2019 and no contribution refund has been requested at this time.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Disability Benefits Update – Brian E. McCumber:* Trustee Cornish informed the Board that Mr. McCumber’s disability matter is currently in process. Further discussion will be held at the next scheduled meeting.

*Disability Status Update – David Sackett:* Trustee Cornish informed the Board that correspondence was issued to Mr. Sackett informing him of the Board’s decision in the matter of his disability hearing. Mr. Sackett has thirty-five days to appeal the decision to the Board.

Mr. Flaherty informed the Board that Thomas Haring was granted a non-duty disability pension and voluntarily dismissed his appeal of the denial of the line of duty disability pension. No further action is needed by the Board.

**TRUSTEE TRAINING UPDATES:** The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities.

**OLD BUSINESS:** *BMO Harris Bank Signature Cards and Resolution Update:* L&A provided the Board with the necessary forms to update the signers on the BMO Harris Bank account with the current Board members and municipal representative. A motion was made by Trustee Tinker and seconded by Trustee

Holmstrom to designate Trustees Tinker and Cornish and Treasurer Holmstrom as signers on the BMO Harris Bank account. Motion carried unanimously by voice vote.

**NEW BUSINESS:** *Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2019 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Tinker and seconded by Trustee Holmstrom to approve the 2019 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Cornish, Holmstrom and Tinker

NAYS: None

ABSENT: Trustees Evans and Clement

*Review Trustee Term Expirations and Election Procedures:* The Board noted that the active member position currently held by Trustee Clement is expiring in April 2019. Trustee Clement expressed his wishes to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions.

*Discussion/Possible Action – Lauterbach and Amen, LLP Actuary Engagement Letter:* The Board reviewed the Lauterbach & Amen, LLP Actuarial Valuation three-year engagement letter. A motion was made by Trustee Tinker and seconded by Trustee Holmstrom to engage L&A for Actuarial services for three years in the annual amounts as follows: \$4,750 for the year ended 2019; \$4,850 for the year ended 2020; and \$4,950 for the year ended 2021. Motion carried by roll call vote.

AYES: Trustees Cornish, Holmstrom and Tinker

NAYS: None

ABSENT: Trustees Evans and Clement

**COMMUNICATIONS & REPORTS:** *Statements of Economic Interest:* The Board noted that the List of Filers was submitted to County by the Village by February 1, 2019. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2019.

*2019 IRS Mileage Rate:* The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.58 per mile effective January 1, 2019.

**ATTORNEY’S REPORT:** *Legal Updates:* Mr. Flaherty discussed recent court cases and decisions with the Board and answered all questions.

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

**ADJOURNMENT:** A motion was made by Trustee Tinker and seconded by Trustee Holmstrom to adjourn the meeting at 9:16 am. Motion carried unanimously by voice vote.

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Board President or Secretary \_\_\_\_\_

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

*Minutes prepared by Alex Michael, Pension Services Administrator*

*The next regular meeting is scheduled for May 28, 2019 at 8:30 am*