



**MINUTES OF A REGULAR MEETING OF THE
OSWEGO FPD FIREFIGHTERS' PENSION FUND
BOARD OF TRUSTEES
FEBRUARY 24, 2020**



A regular meeting of the Oswego FPD Firefighters' Pension Fund Board of Trustees was held on Monday, February 24, 2020 at 8:30 a.m. at Fire Station #1 located at 3511 Woolley Road, Oswego, Illinois 60543, pursuant to notice.

CALL TO ORDER: Trustee Cornish called the meeting to order at 8:30 a.m.

ROLL CALL:

PRESENT: Trustees Craig Evans, Bradley Clement, John Cornish, Matthew Tinker and Ken Holmstrom

ABSENT: None

ALSO PRESENT: Attorney Shawn Flaherty, Ottosen Britz; Tom Sawyer, Sawyer Falduto Asset Management, LLC; Derek Flessner, Erika Feldman and Alex Michael, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

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 Tinker and seconded by Trustee Evans to approve the November 18, 2019 regular 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 Tinker and seconded by Trustee Clement to approve destruction of the audio recordings from the April 13, 2013, May 29, 2018 and June 8, 2018 closed session meetings and to keep the closed session meeting minutes closed due to pending matters. Motion carried unanimously by voice vote.

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, 2020 prepared by L&A. As of January 31, 2020, the net position held in trust for pension benefits is \$22,482,489.74 for a change in position of \$2,362,138.68. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period November 1, 2019 through January 31, 2020 for total disbursements of \$40,642.95. 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 \$40,642.95. Motion carried by roll call vote.

AYES: Trustees Cornish, Evans, Tinker, Holmstrom and Clement

NAYS: None

ABSENT: None

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

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Review/Update Investment Policy:* The Board discussed the current Investment Policy and noted an amendment needs to be made to add a sustainability portion. Further discussion will be held at the next regular meeting.

Quarterly Investment Performance Report: Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending December 31, 2019. As of December 31, 2019, the fourth quarter net return is 4.82% versus the fourth quarter account benchmark of 5.13%. The investment return for the quarter is \$1,050,074 for an ending market value of \$22,412,651. The current asset allocation is as follows: fixed income at 38.6%, equities at 61.1% and cash equivalent at 0.3%. Mr. Sawyer reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board. A motion was made by Trustee Tinker and seconded by Trustee Evans to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Cornish, Evans, Tinker, Holmstrom and Clement

NAYS: None

ABSENT: None

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: *Application for Membership – Cory Westphall:* The Board reviewed the Application for Membership submitted by Cory Westphall. A motion was made by Trustee Tinker and seconded by Trustee Clement to accept Cory Westphall effective October 14, 2019 into the Oswego FPD Firefighters' Pension Fund, as a Tier II participant. Motion carried unanimously by voice vote.

Contribution Refund – Connor Hickey: The Board noted that L&A provided Connor Hickey with the contribution refund packet, but no response has been received to date. No further action is needed at this time.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: There were no applications for retirement or disability benefits.

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: The Board discussed the upcoming IPFA 4-hour training and the IPPFA MidAmerican Pension Conference. A motion was made by Trustee Tinker and seconded by Trustee Holmstrom to approve the registration fees for trustees interested in attending the IPFA four-hour training and the IPPFA MidAmerican Pension Conference and to direct L&A to register Trustee Cornish for the IPFA four-hour training and Trustees Tinker, Clement, Cornish and Holmstrom for the IPPFA MidAmerican Pension Conference. Motion carried by roll call vote.

AYES: Trustees Cornish, Evans, Tinker, Holmstrom and Clement

NAYS: None

ABSENT: None

OLD BUSINESS: *Disability Status Update – David Sackett:* Mr. Sackett requested the total amount of member contributions he's made to the Oswego FPD Firefighters' Pension Fund. Further discussion will be held at the next regular meeting.

Review/Possible Action – Disability Application for Roberto Flores: Attorney Flaherty apprised the Board that Mr. Flores attended his three independent medical examinations and he is currently waiting to receive the third report. Once the final report is received, they will move forward with the hearing process. Further discussion will be held at the next regular meeting.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the Cost of Living Adjustments (see attached) calculated by L&A. A motion was made by Trustee Tinker and seconded by Trustee Clement 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 Cornish, Evans, Tinker, Holmstrom and Clement

NAYS: None

ABSENT: None

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Tinker and the retired member term currently held by Trustee Evans are expiring in April 2020. Trustees Tinker and Evans expressed their interests 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 and the retired member Trustee Position. The Board also noted that the appointed Trustee positions held by Trustees Cornish and Holmstrom are expiring in April 2020 and they desire to remain on the Board. The Board will contact the District and seek reappointment of Trustees Cornish and Holmstrom to the Board.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers was due to the County by the District 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.

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 April payroll cycle, to coincide with the fiscal year-end and ensure adequate time to compile the necessary data.

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.

ATTORNEY'S REPORT – OTTOSEN: *Legal Updates:* Attorney Flaherty provided legislative updates pertaining to Article 4 Pension Funds; including recent court cases and decisions, as well as general pension matters.

CLOSED SESSION: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Tinker and seconded by Trustee Evans to adjourn the meeting at 9:09 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for May 26, 2020 at 8:30 a.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____

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