

**MINUTES OF REGULAR MEETING OF THE BOARD OF TRUSTEES
SCHILLER PARK FIREFIGHTERS' PENSION FUND
MAY 19, 2016**

A regular meeting of the Board of Trustees of the Schiller Park Firefighters' Pension Fund was held on Thursday, May 19, 2016, at 10:00 am at the Village of Schiller Park Municipal Building, second floor, 9526 West Irving Park Road, Schiller Park, Illinois, for the purpose of conducting regular business, pursuant to notice.

CALL TO ORDER: The meeting was called to order by Trustee Schneider at 10:00 a.m.

PRESENT: Trustees Blaine Schneider, Greg Swiontek, Scot Anderson, Peter Chiodo and Alberto Martin

ABSENT: None

ALSO PRESENT: Ben Holland and Joe Guttilla, Oppenheimer & Co.; Rob Romo, Village Finance Director; Rick Reimer, Reimer Dobrovolny & Karlson, LLC; Eric Endriukaitis and Allie Rysell, Lauterbach & Amen, LLP

APPROVAL OF MEETING MINUTES: The Board reviewed the minutes from the February 18, 2016 regular meeting. A motion was made by Trustee Chiodo and seconded by Trustee Swiontek to approve the February 18, 2016 regular meeting minutes as written. Motion carried unanimously by voice vote.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board stated that the annual Statements of Economic Interest are complete.

Trustee Training Updates: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Any certificates of completion for continuing education should be sent to Lauterbach & Amen for record keeping.

Annual Affidavits of Continued Eligibility: Lauterbach & Amen informed the Board that Richard McGuire and Carl Schuyler have not completed their 2015 Annual Affidavit of Continued Eligibility. Third requests have been sent to Mr. McGuire and Mr. Schuyler via certified mail with a May 31st due date. A motion was made by Trustee Swiontek and seconded by Trustee Anderson to temporarily suspend Mr. McGuire and Mr. Schuyler's direct deposit benefits and issue physical checks to be collected at the Village Hall if their Annual Affidavits of Continued Eligibility are not returned by the May 31st due date. Motion carried unanimously by voice vote. Lauterbach & Amen will provide a status update to the Board by the May 31st due date. *(Post-meeting note: Mr. McGuire sent his affidavit to Lauterbach & Amen after the meeting concluded. Mr. Schuyler completed his affidavit and sent it to Lauterbach & Amen by the May 31st deadline. No further action is needed by the Board.)*

The Board directed Lauterbach & Amen to mail the 2016 Annual Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. A status update will be presented at the next regular meeting.

Active Member File Maintenance: The Board directed Lauterbach & Amen to mail the file maintenance letters to the station in August to be distributed to all active members requesting any additional Pension Fund documents as required by the Illinois Department of Insurance (IDOI).

IDOI New Security Administrator Authorization Form: The Board noted that the IDOI is requesting the Schiller Park Firefighters' Pension Fund update their Security Administrator Authorization Form. Trustee Schneider will act as the Security Administrator. The Board will obtain signatures and Lauterbach & Amen will submit the document to the IDOI by the August 1st due date. A motion was made by Trustee Chiodo and seconded by Trustee Schneider to authorize the President, Secretary, and Village Treasurer to

sign the necessary documents to authorize Trustee Schneider as the Security Administrator. Motion carried unanimously by voice vote.

TREASURER'S REPORT: *Monthly Financial Report – Lauterbach & Amen, LLP:* Lauterbach & Amen reviewed the monthly financial report ending April 30, 2016 with the Board. As of 4/31/2016, the Net Position Held in Trust for Pension Benefits is \$11,995,342.95 with a change in position of (\$36,313.69) for the twelve month period. The cash analysis report, revenue and expense report, member contribution report, and payroll journal were reviewed. All questions were answered by Lauterbach & Amen. A motion was made by Trustee Anderson and seconded by Trustee Chiodo to accept the monthly financial report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the Vendor Checks Report for the period 02/01/16 through 04/30/16, for total disbursements of \$48,568.84. A motion was made by Trustee Swiontek and seconded by Trustee Anderson to approve the Vendor Checks Report for the period 02/01/16 through 04/30/16 in the amount of \$48,568.84. Motion carried by roll call vote.

AYES: Trustees Schneider, Swiontek, Anderson, Martin, and Chiodo
NAYS: None
ABSENT: None

2016 IDOI Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice was received in the amount of \$2,405.12 and payment is due by June 30th. A motion was made by Trustee Anderson and seconded by Trustee Swiontek to approve the payment of the IDOI Compliance Fee in the amount of \$2,405.12. Motion carried by roll call vote.

AYES: Trustees Schneider, Swiontek, Anderson, Martin, and Chiodo
NAYS: None
ABSENT: None

Trustee Training Reimbursements: Trustee Anderson presented an invoice in the amount of \$130.00 for attending the 2016 IPFA Spring Pension Seminar. A motion was made by Trustee Swiontek and seconded by Trustee Schneider to reimburse Trustee Anderson in the amount of \$130.00 for attending the 2016 IPFA Spring Pension Seminar as presented. Motion carried by roll call vote.

AYES: Trustees Schneider, Swiontek, Anderson, Martin, and Chiodo
NAYS: None
ABSENT: None

Additional Bills: There were no additional bills to review.

INVESTMENT REPORT: Ben Holland and Joe Guttilla from Oppenheimer & Co. presented the investment report for the period ending March 31, 2016. As of 3/31/2016, the market value of the portfolio is \$11,329,282.14. Investment return net of fees is 1.8% for the quarter. The portfolio composition is 55.50% in equities, 42.70% in fixed income, and 1.80% in emerging markets. Current asset allocation within the equity and fixed income funds were reviewed, as well as individual fund performance, and investment fees. Mr. Holland and Mr. Guttilla discussed the long term market value of the fund, along with the risk-reward analysis, current and projected market conditions.

Rob Romo entered the meeting at 10:33 a.m.

Review/Update Investment Policy: Mr. Holland and Mr. Guttilla reviewed the Board's current investment policy and proposed three different rebalancing options for the Board to review. The Board reviewed all three options and discussion followed. A motion was made by Trustee Chiodo and seconded by Trustee Anderson to accept the rebalancing proposal as listed in Option 1. Motion carried by roll call vote. (*see attached*).

AYES: Trustees Schneider, Swiontek, Anderson, Martin, and Chiodo
NAYS: None
ABSENT: None

The Board discussed decreasing the Pacific Income Advisors Fixed Income current portfolio percentage from 21.4% to 20% and decreasing the Madison Investment Advisors Fixed Income current portfolio percentage from 20.4% to 20%. The funds will be redistributed equally into the RNC Genter Large Cap and First Eagle International Small Cap/Mid CAP funds. A motion was made by Trustee Chiodo and seconded by Trustee Anderson to rebalance the portfolio as discussed. Motion carried by roll call vote.

AYES: Trustees Schneider, Swiontek, Anderson, Martin, and Chiodo
NAYS: None
ABSENT: None

NEW BUSINESS: *Lauterbach & Amen Engagement Letter:* Rob Romo, the Village Finance Director, informed the Board that he sent requests for proposals (RFP) to several auditing firms and only received one response. Mr. Romo presented the proposal from Wermer, Rogers, Doran & Ruzon, LLC (WRDR) to the Board. The cost to the Pension Fund will be \$6,600 for 2016 auditing services, \$6,730 for 2017 auditing services, and \$6,860 for 2018 auditing services. The Board informed Mr. Romo that they were planning on engaging Lauterbach & Amen to conduct the 2016, 2017 and 2018 audits. The Board discussed WRDR and Lauterbach & Amen's proposals. A motion was made by Trustee Schneider and seconded by Trustee Chiodo to authorize President Schneider to engage WRDR for 2016 auditing services for the Schiller Park Firefighters' Pension Fund in an amount not to exceed \$6,600. Motion carried by roll call vote.

AYES: Trustees Schneider, Swiontek, Anderson, Martin, and Chiodo
NAYS: None
ABSENT: None

NEW HIRES/APPLICATIONS TO THE PENSION FUND: There were none at this time.

RETIREMENT AND DISABILITY APPLICATIONS: Board Attorney Rick Reimer informed the Board that he received a request for a disability application from Firefighter Vito LiRosi. Mr. Reimer sent Vito LiRosi an application packet on April 16th and is waiting for a response. Further discussion will be held at the next regular meeting.

OLD BUSINESS: There was nothing outstanding to discuss.

NEW BUSINESS (Continued): *Certify Trustee Election Results – Active Member Position:* Lauterbach & Amen conducted an election for the expiring Active Member Trustee Term currently held by Greg Swiontek. Nominations were sent out and Greg Swiontek ran unopposed for the Active Member position. Greg Swiontek was re-elected by acclamation to the Schiller Park Firefighters' Pension Fund Board of Trustees for a three-year Active Member Trustee term expiring April 30, 2019. A motion was made by Trustee Schneider and seconded by Trustee Anderson to certify the 2016 election results as presented. Motion carried unanimously by voice vote.

Board Officer Elections – President and Secretary: The Board discussed the Board Officer Elections. A motion was made by Trustee Anderson and seconded by Trustee Chiodo to nominate Blaine Schneider as President and Greg Swiontek as Secretary. Motion carried unanimously by voice vote.

FOIA and OMA Designee: The Board determined that Trustee Chiodo will serve as the FOIA Officer and OMA Designee. A motion was made by Trustee Swiontek and seconded by Trustee Anderson to elect Trustee Chiodo to serve as the FOIA Officer and OMA Designee. Motion carried unanimously by voice vote. Trustee Chiodo agreed to complete the online training as required.

Approval of Fiduciary Liability Insurance Renewal: The Board reviewed the Fiduciary Insurance Renewal Policy through Mesriow Financial. The fee for the policy is \$3,400.00, with an effective date of 4/1/16 through 5/1/17. The Board authorized the renewal of the Fiduciary Liability Insurance Policy earlier in the meeting, as listed in the Vendor Checks Report.

Discussion/Possible Action – RFP for Investment Managers and Consultants: Trustee Swiontek presented the responses for the RFP for Investment Managers and Consultants to the Board for review. The Board will hold a special meeting on June 9, 2016 at 9:00 a.m. to further review and discuss the proposals and select Investment Managers and Consultants for interviews.

ATTORNEY REPORT: Board Attorney, Rick Reimer, distributed copies of his firm's *Legal and Legislative Update* and discussed recent case rulings and Pension reform legislation pertaining to Article 3 and 4 Pension Funds.

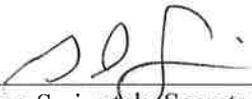
PUBLIC COMMENT: There was no public comment.

Trustee Martin tendered a letter of resignation to the Board effective May 31st, 2016. The Board will contact the Village and request an appointed Trustee to fill the position effective May 31st, 2016.

CLOSED SESSION: There was no closed session needed.

ADJOURNMENT: A motion was made by Trustee Chiodo and seconded by Trustee Swiontek to adjourn the meeting at 12:05 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for August 18, 2016 at 10:00 a.m. at 9526 West Irving Park Road, Schiller Park, Illinois.



Greg Swiontek, Secretary

Minutes prepared by Allie Rysell, Pension Services Administrator, Lauterbach & Amen, LLP

**Schiller Park Firefighters' Pension Fund
Option 1
Asset Work Sheet - 5/19/2016**

Manager	5/16/2016 Balance	Percentage of Total	Target Percentage	+/- Amount	New Dollar Amount	New Percentage	New Balance
Large Cap		27.6%	32.0%			31.1%	\$ 3,480,963
Poplar Forest	\$863,987	7.7%	8.0%		\$ 863,987	7.72%	
RNC Genter	\$1,304,595	11.7%	10.0%	\$ 390,793	\$ 1,695,388	15.15%	
Riverbridge	\$921,588	8.2%	8.0%	\$ -	\$ 921,588	8.23%	
Small Cap/Mid CAP		11.9%	13.0%			11.9%	\$1,334,283
FMI Common Stock Fund	\$864,398	7.7%	5.0%		\$ 864,398	7.72%	
Apex Capital Amnagement	\$469,885	4.2%	5.0%		\$ 469,885	4.20%	
International		18.6%	20.0%			22.0%	\$ 1,983,781
Invesco International	\$750,430	6.7%	7.0%		\$ 750,430	6.70%	
First Eagle International	\$858,351	7.7%	7.0%	\$ 375,000	\$ 1,233,351	11.02%	
Driehaus Emerging Countries	\$202,186	1.8%	3.0%	\$ -	\$ 202,186	1.81%	
Matthews International Dividend	\$273,987	2.4%	3.0%	\$ -	\$ 273,987	2.45%	
Fixed Income		41.8%	35.0%			35.0%	\$ 3,917,416
Pacific Income Advisors	\$2,396,887	21.4%	17.5%	\$ (438,179)	\$ 1,958,708	17.50%	
Madison Investment Advisors	\$2,286,322	20.4%	17.5%	\$ (327,614)	\$ 1,958,708	17.50%	
Cash	\$0	0.0%	0.0%	\$ -	\$ -	0.00%	
Total Dollar amount	\$ 11,192,616	100.0%	100.0%		\$ 11,192,616	100.0%	

The information and statistical data contained herein have been obtained from sources we believe reliable but in no way warranted by us as to the accuracy or completeness. This report is intended to be an analysis and should not be relied upon for accuracy unless it conforms with the official records of the firm. Numbers are taken from Insight.