

HOFFMAN ESTATE FIREFIGHTERS PENSION BOARD

Station 24
5775 Beacon Point
Hoffman Estates, Illinois 60192
847-695-8502

MEETING MINUTES April 8, 2019 at 9:30 AM

- I. **Call to Order.** Meeting called to order at 9:30 am.
- II. **Roll Call/Acknowledgement of Guests.** Present: Matthew Fijalkowski, Rachel Musiala, Bob Orr, Matthew Collins. One Vacant Position.

Also Present: Laura Goodloe, Puchalski Goodloe Marzullo; John Mitchell and Margie Mitchell, Mitchell, Vaught & Taylor; Stan Helgerson, Village Treasurer; Mike May, Lauterbach & Amen; Charles Schnackle, Hoffman Estates Fire retiree.
- III. **Public Comment.** Charles Schnackle makes comment about denial of disability. Reads email from Bob Orr to Fire Department members, copy of Email attached for the record. Schnackle states the pension decision denying his disability cost the fund \$47,922 and if they granted the disability it would have cost the board nothing.
- IV. **Approval of Minutes.** Motion to approve January 14, 2019 meeting minutes. Motion to approve minutes by Bob Orr, second by Matt Fijalkowski. All in favor, aye.
- V. **Accountant's/Finance Report.** Reviewed finance report presented by Mike May of Lauterbach & Amen. Total net position as of February 28, 2019 is \$83,854,977. Motion to approve report as presented made by Bob Orr, second by Matt Fijalkowski. All in favor, aye. Motion to approve bill report including addition of the IPPFA Spring Seminar for registration and mileage for a total \$186.76 for Matt Collins made by Bob Orr, second by Rachel Musiala. Roll Call Vote: Matt Fijalkowski, aye, Bob Orr, aye, Rachel Musiala, aye, Matt Collins aye. Vacant position.

IDOI now requiring more information for annual statements, wants to file report before deadline of April 23, 2019 when new changes are required. Annual statement draft has been reviewed by Board. Discussion of filing draft Annual Statement. DOI will no longer be doing advisory opinions.
- VI. **Investment Report** presented by John Mitchell and Margie Mitchell. Cash funds were elevated from tax deposits, \$1.8 million was reinvested with IL funds to pay beneficiaries, Diamond Hill increased to 10%. Monthly notices sent out to Fund with updates on Fund. Underweight fixed and over in equities, moving funds around to adjust. Recommended Russell 3000 passive investment to move to fixed income, also a manager change. \$2 million of Goldman Sachs purchased and sold \$2m of Oakmark. Starting value for the quarter of \$76,535,111, net investment gain over \$7 million, ending value \$83,657,733. T Rowe over performed by 7%, benchmark may not match up or the risk needs to be evaluated to make sure they are not too high a risk. Consulting Fee of \$64,566, Blair did not bill for several quarters so that fee was catch up for quarters that were not billed, invoices to be sent showing quarters that were missed. Recommendation to take money out of equity: large, mid and small cap growth and rebalance into fixed. Recommendation to discuss changing the target to 65-35%. The Board would like a model to go back 15 years to see differences between

60% and 65%. Recommendation to move money to T Rowe Price, they tend to do well in down markets, recommending taking money out of Vanguard to move about \$4 million, half of money in Vanguard, to T Rowe price, more defensive but does well in up markets. Motion to move 50% of money from Vanguard to T Rowe Price New America Growth Fund made by Bob Orr, second Matt Fijalkowski. Roll Call Vote: Matt Fijalkowski, aye, Bob Orr, aye, Rachel Musiala, aye, Matt Collins aye. Vacant position. Motion to accept investment report by Bob Orr, second by Matt Fijalkowski. All in favor, aye.

VII. Informational Items/Unfinished Business.

1. Administrative Rules Changes/Review. Changes and additions include: Terms of Office Rules, will take effect the second Tuesday of May after elections and appointments. Emergency Meetings, what can and cannot be discussed. Executive Session added, part of the open meetings act. Quorum pertaining to scheduling hearings. Electronic attendance rules. Powers and duties of Pension Board. Closed or executive session and meeting minutes regarding transcripts and making it public. Affidavit of Eligibility and Disability Applications and forms being submitted completed. Confidentiality Provisions regarding medical records, IME and FCE reports except from exposure. FOIA requests. Municipal Intervention provision added as long as it is 30 days prior to the hearing. QUILDRO information added. Motion to accept updated Administrative Rules and Regulations made by Rachel Musiala, second by Matt Collins, all in favor aye.

Consolidation Bills have all been kicked back, doesn't seem like they will gain any traction. Another bill regarding re-entering to active service HB3522. SB37 also gaining traction dealing with re-employment, a full-time firefighter in one city and working part time in another city. Cases regarding psychological disability claims primarily based on PTSD and exacerbating the condition.

2. Status of Trustee Training. New year and all Trustees are pursuing training. Everyone has scheduled upcoming training.
3. Statement of Economic Interests.
4. Pension Board Elections (Fijalkowski/Derrig). Election held for active trustee position, Matt Fijalkowski was the only nominee and won by acclamation.
5. Affidavits of Eligibility/LifeStatus360 follow-up. Affidavits mailed out by the Board, 78 mailed out, 9 outstanding currently. Second notices to be sent to the 9.
6. RFI. Sent out RFI and received 4 responses, hard copies given out and will be reviewed by the Board. Review and Summary to be done by Stan Helgerson and the Board can narrow down who to interview.

VIII. New Business.

1. Retirement/Disability Applications. None yet. Next meeting there will be 3 for retirement as of now.
2. New Applications to the Fund. Will have 3 upcoming at the next meeting, they are being hired today and sworn in tomorrow.

3. Joint FD/PD meeting with Village Manager. Meeting is scheduled in May to meet with Jim Norris regarding the standing of the fund, actuarial numbers and pension obligation bonds.
4. Pre-approval of Department Of Insurance annual compliance fee. \$8,000 fee. Motion to approval DOI annual compliance fee of \$8,000 made by Rachel Musiala, second Matt Fijalkowski. Roll Call Vote: Matt Fijalkowski, aye, Bob Orr, aye, Rachel Musiala, aye, Matt Collins aye. Vacant position.
5. Annual review/update of membership files

IX. **Closed Session.** None.

X. **Adjournment.** Meeting adjourned at 11:40 am by Bob Orr, second by Matthew Fijalkowski. All in favor, aye.

Next Meeting Scheduled for **July 8, 2019 at 9:30 am.**