

Geneva Firefighters Pension Fund

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January 13, 2017

To: All Geneva Firefighters Pension Board Members and Pension Fund Members
From: President Pat McQueeney
Re: Pension Board Meeting

Please be advised that a meeting of the Geneva Firefighter's Pension Board has been scheduled for **Thursday, January 19, 2017 at 9:00 AM** in the Geneva Fire Department Conference Room at 200 East Side Drive, Geneva, Illinois. Agenda items include;

1. Review minutes from previous meetings – October 26, 2016.
2. Review and consider schedule of benefit increases for calendar year 2017.
3. Consider and confirm the approval of “*Authorize Steve Olson to sign a “Vendor Direct Deposit Enrollment Authorization” with Lauterbach & Amen to allow the electronic transfer of Geneva Firefighter Pension Fund assets.*”
4. Consider extending membership with the Illinois Public Pension Fund Association.
5. Review performance of pension fund and investment and recent transactions.
6. Consider bills for payment.
7. Entertain comments from trustees.
8. Entertain comments from public attendees.

cc: Steve Olson
Patrick McQueeney
Phil Affrunti
Mark Einwich
Rita Kruse
Craig Larsen, AHC
Derek Flessner, Lauterbach & Amen
post Station 1
post Station 2
post City Hall

Geneva Firefighters Pension Fund Meeting Minutes – October 26, 2016

Present: Steve Olson, Pat McQueeney (telephone), Craig Hanson, Rita Kruse, Phil Affrunti

Absent:

Also Present: Craig Larsen, AHC Advisors. Tom Sawyer, Sawyer – Falduto, Anthony Cernini, Sikich, Tim Sharpe, Actuary (telephone)

The meeting was called to order by President Pat McQueeney at 11:12 AM in the fire department conference room.

1. Review minutes from previous meetings held August 4, 2016.

President McQueeney asked the Trustee's to consider the meeting minutes as presented. They were previously distributed in electronic form to all board members.

Mark Einwich moved to accept the minutes as presented
2nd by Phil Affrunti

Ayes 5 Nays 0 Absent

2. Review actuary recommendations for the 2017 tax levy request.

Mr. Tim Sharpe prepared the Actuarial Valuation Report for the period of May 1, 2016 through April 30, 2017 at the request of the City of Geneva and has been submitted to the Pension Board for review and consideration. Participating via conference line Mr. Sharpe directed the Board to Pg. 4, explaining that there have been three factors which have affected all pension fund sin Illinois; 1. Use of a new mortality table (MP-2015) 2. a return on investments that did not meet the expected returns (-2.67%), 3. An increase in benefit payments. Those two factors have caused a swing of \$2,500.00 for the fund. The net impact is a change in the levy from \$434,791 to \$493,786 a difference of \$41,005 or 13.6%.

Mr. Sharpe also reported the percent of funding has dropped from 81% to 75% but the norm for area funds now is 60%. The current ratio of assets to expenses is 25 to 1 which is higher than many area funds for which he provides actuarial services. He also pointed out that there are 5 fund members who could retire in the next two to three years which will have an impact on the expenses of the fund.

Mr. Sawyer took a few minutes to review the recently submitted report from his firm. He reported the fund investments are currently properly allocated to meet the investment projections going forward. He reported the return on investment, since it has been with Sawyer-Falduto is 2.34%.

Mr. Larsen told the Board that he would like to reassess the current asset allocation in the next quarter to maximize the opportunity to better capture improvements in investment return.

Phi Affrunti Moved to accept the Actuarial Valuation Report presented by Mr. Sharpe
2nd by Rita Kruse

Ayes 5 Nays 0

Phil Affrunti moved to follow the recommendation contained in the Valuation Report at a total of \$set the levy for 2017 at a total of \$518,475. Note: \$493,786 falls under Public Act 096-1495 while \$23,689 falls under Public Act 93-0689.
2nd by Rita Kruse

Ayes 5 Nays 0

3. Review annual audit report from Sikich, LLC

Mr. Anthony Cervini of the firm Skich presented the recently completed audit of the Fund to the Board. He reported the basic financial statements referred to in the report present fairly in all material respects, the plan net position as of April 30, 2016 was \$12,756.561 which was a decrease of \$290,273 from fiscal year 2015. The main source of the change was a decrease in investments.

Mark Einwich moved to accept the audit as presented.
2nd by Phil Affrunti

Ayes 5 Nays 0

4. Update on securing initial training for trustee's for Rita Kruse, Phil Affrunti, and Mark Einwich.

Rita Kruse reported that the three board members will attend the 32-hour course presented by the IPPFA the week of October 31st, 2016 at the Northern Illinois University Hoffman Estates campus.

5. Review performance of pension fund and investment and recent transactions

Craig Larsen presented the Second Quarter report from AHC Advisors reporting the overall value of the fund is currently \$13,373,304, an increase of \$470,032. This is a result of having received one of two tax payments from the city of Geneva as well as contributions from the employees. Mr. Larsen also noted the cash on hand was over the target established by the board through the investment policy by about 2% or \$300,000. At the same time the total investment Fidelity Equity portfolio was below the target by 2%. As such Mr. Larsen recommended the Board move the cash into the Fidelity account to rebalance the fund.

Phil Affrunti moved to authorize the transfer of \$300,000 from the cash account into the Fidelity Investment portfolio.
2nd by Rita Kruse

Ayes 5 Nays 0

6. Consider bills for payment.

President McQueeney directed the Board's attention to the list of bills for approval in the amount of \$15,924.16

Phil Affrunti moved to approve the bills as presented.
2nd by Mark Einwich

Ayes 5 Nays 0

7. Entertain comments from trustees.

Steve Olson reported Lauterbach & Amen had sent an email stating they are in possession of 6 boxes of records from the Pension Fund and asked whether the Board wants them back or if L&A may destroy them under the Documents Retention & Destruction procedures. It was the consensus of the Board to have the records returned to the city for storage and evaluation.

Craig Larsen asked about meeting dates for calendar year 2017 and the following were set by consensus:

January 19, 2017	0900
April 20, 2017	0900
July 20, 2017	0900
October 19, 2017	0900

8. Entertain comments from public attendees.

There were no comments.

Phil Affrunti moved to adjourn the meeting at 12:35 PM
2nd by Mark Einwich

Ayes 5 Nays 0

Respectfully submitted

Steve Olson