

Minutes of the Regular Meeting
St. Charles Firefighter's Pension Board
Wednesday, September 5, 2018
8 E. Main St., Den A
St. Charles, IL.
8:00 a.m.

Call to Order

The meeting was called to order by Nick Marqui at 8:05 a.m. with 4 members present.

Present: Nick Marqui, Tony Centimano, Chris Minick
Lance Maxwell

Absent: Chief Joe Schelstreet

Also Present: Jon Willhite; UBS, Jason Franken; Foster & Foster, Colleen Lavery;
Finance, Carole Murphy; Recording Secretary

Minutes of the Meeting

- Tony Centimano reviewed the June 6, 2018 draft minutes of the regular meeting with the Board.

Brief discussion took place regarding the DOI. It was clarified the reports do not need to be updated since it was signed and executed on June 25, 2018.

A motion was made by Nick Marqui and seconded by Chris Minick to accept the minutes of the June 6th meeting.

A roll call vote was taken; all approved.

Motion Carried.

Tony Centimano reviewed the August 16, 2018 draft minutes of the special meeting with the Board.

A motion was made by Nick Marqui and seconded by Chris Minick to accept the minutes of the August 16th meeting.

A roll call vote was taken; all approved.

Motion Carried.

Old Business

N/A - None

New Business

- **Review/Approve Investments**

Mr. Willhite distributed the investment portfolio and capture ratio sheet. Returns in funds were reviewed and explained throughout the portfolio. Review continued comparing individual managers against peers with 3 and 5 year timelines, including analysis of current trends, various assets and investment returns.

Chris Minick asked questions regarding target goals.

Mr. Willhite reviewed page 39 of the portfolio and clarified absolute value risk, length of time, growth manager and the current value manager.

Mr. Willhite continued to review Tab 3 then Tab 2. Discussion was made to replace Trans America with MFS in its entirety.

A motion was made by Chris Minick and seconded by Tony Centimano to withdraw the balance from Trans American National Equity and transfer to MFS International Diversification.

A roll call vote was taken; all approved.

Motion Carried.

A motion was made by Nick Marqui and seconded by Tony Centimano to approve the investment portfolio brought forth by Mr. Jon Willhite.

A roll call vote was taken; all approved.

Motion Carried.

Mr. Willhite presented and reviewed the rebalancing spreadsheet with the Board.

A motion was made by Nick Marqui and seconded by Tony Centimano to give authority to Mr. Chris Minick to work with Mr. Jon Willhite to adjust cash flow as necessary to make payments to the pensioners as needed; as well as accept the proposed rebalancing as needed to stay within the Department of Insurance Guidelines.

A roll call vote was taken; all approved.

Motion Carried.

- **Review/Approve Expenditures**

Tony Centimano reviewed the current list of expenditures in the amount of \$70,143.45.

A motion was made by Chris Minick and seconded by Tony Centimano to approve the expenditures in the amount of \$70,143.45 as presented.

A roll call vote was taken; all approved.

Motion Carried.

- **Review and Approve Actuarial Report of the Firefighters' Pension Fund as of May 1, 2018**

Mr. Jason Franken distributed and reviewed the actuarial report as of May 1, 2018. The review started on page 5 of the report. The recommended contributions show a decrease of the current year. Assumption changes for the year are driven by the 2017 Department of Insurance study. It was explained the public safety mortality table is to be adopted.

Nick Marqui asked for clarification regarding all unfunded liability by 2040 should be at a 90% ratio. Mr. Franken continued to explain the target of 100% and to pay down unfunded liability.

Chris Minick asked question regarding a rolling amortization and Mr. Franken explained layered amortization while continuing to discuss accrued liability, investment gains and losses stating the standards are determined by the government. Investments gains and losses are all relative to assumption, not actual losses.

A motion was made by Tony Centimano and seconded by Nick Marqui to accept the actuarial report as presented.

A roll call vote was taken; all approved.

Motion Carried.

Mr. Chris Minick asked the Board to keep the book opened to page 5 as he will reference it later in the agenda.

A motion was made by Tony Centimano and seconded by Chris Minick to have Mr. Franken send a quote of what the 15 year rolling amortization plan would cost, not to exceed \$1,000.00.

A roll call vote was taken; all approved.

Motion Carried.

- **Review/Approve Municipal Compliance Report**

Mr. Chris Minick dispersed the Municipal Compliance Report and explained the process and reason for this process, showing the sources of the information it contains.

A motion was made by Tony Centimano and seconded by Chris Minick to have Nick Marqui sign the Municipal Compliance Report as presented.

A roll call vote was taken; all approved.

Motion Carried.

- **Review and Approve Tax Levy Request to the City of St Charles for Tax Levy Year 2018 to be Received by the City during 2019**

A motion was made by Chris Minick and seconded by Tony Centimano to make a recommend a tax levy request for the levy year of 2018 in the amount of \$1,955,183.00 to City Council as reflected in the actuarial report by Foster and Foster.

A roll call vote was taken; all approved.

Motion Carried.

*A letter will be prepared by Chris Minick to the Mayor and signed by Nick Marqui.

- **Review/Approve Retirement Applications for:**

- **Tim Masinick**

Application is complete and in good order

- **John Kessler**

There is a disagreement regarding the QUILDRO that has been referred to Attorney Atwell. A letter is to be written by Attorney Atwell with corrections and sent to John Kessler's ex-wife's attorney. It is advised to withhold payment to Mr. Kessler's ex-wife until assets are determined and a legal order is made.

- **Mike Thomas**

FF Mike Thomas is to retire as of October 8th. His application for retirement has been turned in and in good order.

- **Marty Friel**

BC Friel is to retire as of October 6th. His application is complete and in good order. There is a QUILDRO filed and appears to be correct. The Board is waiting for the court order to finalize assets.

Retirement applications are in the applicable files.

A motion has been tabled until specific financials are verified. These are expected to be available for the next meeting.

Public Comment

N/A

Adjournment

A motion was made by Tony Centimano and seconded by Chris Minick to adjourn the meeting at 10:05 a.m.

A roll call vote was taken; all approved.

Motion Carried.

Respectfully submitted by Carole Murphy; Recording Secretary