

Minutes of the Regular Meeting  
St. Charles Firefighter's Pension Board  
Wednesday September 7, 2016  
2 E. Main St., Den A  
St. Charles, IL.

Call To Order

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

Present: Chief Joe Schelstreet, Nick Marqui, Steve McCormick, Tony Centimano,  
Chris Minick

Absent: none

Also Present: Julie Herr; Finance, Jon Willhite; UBS, Jason Fraken; Foster & Foster,  
Carole Murphy; Recording Secretary

**Minutes of the Meeting**

The board reviewed the June 1, 2016 draft minutes.

A motion was made by Nick Marqui and seconded by Chief Schelstreet to approve the minutes.

A roll call vote was taken; all approved

Motion carried.

**Old Business**

None

**New Business**

• **Review and approve Retirement for Leo Veseling**

Captain Veseling's retirement will be effective date of pension is as of Saturday, September 10, 2016. All calculations were received from finance and are correct.

A motion was made by Tony Centimano to approve the application for Leo Veseling's retirement and seconded by Nick Marqui.

A roll call vote was taken; all approved.

Motion carried.

• **Review and approve refund for Joe Rehak**

An email was received from Joe Rehak following a phone call with Tony Centimano. Mr. Rehak is formally requesting a refund of his pension fund contributions in the amount of \$6,284.99.

A motion was made by Nick Marqui to approve a refund in the amount of \$6,284.99 and seconded by Tony Centimano.

A roll call vote was taken; all approved.

Motion carried

• **Review and approve investments**

Jon Willhite distributed and reviewed the investment portfolio.

Chris Minick asked for clarification regarding the benchmark.

Review of 3 investment managers;

- Janus
- J.P. Morgan
- Natixis Vaughan Nelson Small Cap

Natixis Vaughan Nelson is moving toward a growth portfolio in the last 3 years.

Statistics show a 3 year “up” market and a 3 year down market charts.  
Nick Marqui asked if the current portfolio is aggressive or moderate.  
Mr. Willhite said all investment managers will give very good risk returns.  
Nick Marqui called for discussion of investments.  
All agreed on Janis investment manager.

Chris Minick proposed to discuss the rebalancing of investments.

Transfer funds from Vanguard to Janus.

Chris Minick and Jon Willhite will run a new balance.

A motion was made by Chris Minick and seconded by Chief Schelstreet to terminate Vanguard small cap index in the amount of \$1,286,556.00 and transfer proceeds to Janus Triton One.

A roll call vote was taken; all approved.

Motion carried

Jon Willhite continued with a review section 1 of the investment portfolio.

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

A roll call vote was taken; all approved

Motion carried

- **Expenditures**

Tony Centimano reviewed the list of expenditures from June 1<sup>st</sup> through August 31, 2016 in the amount of \$ 61,296.44.

Chris Minick made a motion to approve the expenditures as presented in the amount of \$61,296.44 and seconded by Chief Schelstreet.

A roll call vote was taken; all approved.

Motion carried.

- **Review and Approve Actuarial Report**

Jason Fraken of Foster & Foster dispersed and reviewed evaluation packets from May 1, 2016.

Fees will be higher than before based on higher future liabilities as well as administrative fees are paid from the plan.

Chris Minick asked for clarification for the new assumption method. Asking if the difference between the old and new assumptions is the investment return. The old method does not account for the prior actuary's allocation between past service and current service.

Mr. Fraken explained that the numbers were developed by the new actuary firm using last year's evaluation trying to replicate the results the prior actuary had completed. The numbers are now higher than before based on differences in methodology, poor previous experience and return assumption change.

Chief Schelstreet asked what the process is for changing the 5% annual for the entire Department.

Mr. Fraken reviewed the mortality tables. There will be new accounting requirements this year based on the National Accounting Standards.

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

A roll call vote was taken; all approved.

Motion carried

- **Review and Approve Annual Training**  
All required training is current and up to date.  
Steve McCormick will update his training by August of 2017.  
Tony Centimano, Nick Marqui and Chris Minick to attend the spring 16 hour conference.
- **Review and Approve Municipal Compliance Report and Draft Financial Statements**  
Chris Minick presented and reviewed the Municipal Compliance Report.  
The report will be sent to Mayor Rogina after the President of the Pension Board signs the report.  
A motion was made by Chief Schelstreet and seconded by Chris Minick to authorize the President, Nick Marqui to sign the Municipal Compliance Report.  
A roll call vote was taken; all approved  
Motion carried  
Mr. Marqui signed the document.
- **Review and Approve Tax levy Request**  
Mr. Minick will recommend \$1,765,500.00 to the City Council in November.  
Mr Minick made a motion and seconded by Chief Schelstreet that \$1,765,500.00 be the recommended tax levy request as determined by Foster & Foster to the City Council.  
A roll call vote was taken; all approved.  
Motion carried

**Public Comment**

None

A motion was made by Nick Marqui and seconded by Tony Centimano to adjourn at 9:53 a.m.  
A roll call vote was taken; all approved  
Motion carried.

Respectfully submitted by Carole Murphy; Recording Secretary