

**Board of Trustees  
ELMHURST FIREFIGHTERS' PENSION FUND**

**REGULAR MEETING MINUTES**

**MAY 8, 2019**

**I. Meeting Called To Order**

Dick Dufort, President, called the meeting to order at 8:37 a.m. at Elmhurst City Hall, 209 N. York Street, Elmhurst, IL.

**II. Roll Call**

The following members were present at the meeting: President Dick Dufort, Trustees Craig Burda, Mike Caccitolo, Paul Nolte and Rob Hallberg (arrived telephonically at 8:48 a.m.). Also present at the meeting was Sawyer Falduto Representatives John Falduto and Ed Lavin, Cook Castle Representative Greg Kiesewetter, and Lauren Wulf.

**III. Public Comments**

There were no public comments.

**IV. Executive Session**

President Dufort stated Attorney Rick Reimer is awaiting a phone call from the Pension Board which must be done in Executive Session. President Dufort made a motion at 8:41 a.m. to adjourn to Executive Session for the purpose of litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting 5 ILCS 120/2(c)(11). The motion was seconded by Trustee Burda. A voice vote followed. Motion carried.

President Dufort reconvened the regular meeting at 8:45 a.m.

**V. Approval of minutes of Special Hearing on December 17, 2018**

The Board reviewed the minutes from the Special Hearing on December 17, 2018 and a motion was made by Trustee Burda to approve the minutes. The motion was seconded by Trustee Caccitolo. A voice vote followed. Motion carried.

**VI. Approval of minutes of Special Hearing Executive Session on December 17, 2018**

The Board reviewed the minutes and a motion was made by Trustee Nolte to approve the minutes and keep the minutes closed. The motion was seconded by Trustee Burda. A voice vote followed. Motion carried.

**VII. Approval of minutes for February 6, 2019 meeting**

The Board reviewed the minutes from the February 6, 2019 meeting and a motion was made by Trustee Nolte to approve the minutes. The motion was seconded by Trustee Burda. A voice vote followed. Motion carried.

**VIII. Fiduciary Insurance Renewal Presentation**

Greg Kiesewetter of Cook Castle Associates, LLC presented the fiduciary insurance renewal policy for the Pension Board. Mr. Kiesewetter stated the renewal policy is underwritten by the same company with the same terms as the expiring policy. The premium for the renewal period of June 1, 2019 to June 1, 2020 is \$4,796. Mr. Kiesewetter gave the Board information on doubling the aggregate limit of liability to \$2,000,000; the premium for that policy would be \$7,193. No decision from the Board would be necessary today to switch to a larger policy. A discussion ensued regarding the cyber essentials limits of liability, Trustee Nolte inquired if pension funds of our size typically increase the coverage. Greg Kiesewetter stated a separate \$1,000,000 or \$2,000,000 policy would have to be written with a annual premium of approximately \$1,500 to \$2,000. Trustee Hallberg asked Sawyer Falduto what type of coverage do they hold? John Falduto stated Sawyer Falduto does not hold any personal information on any pensioner or trustee, therefore no coverage is required. John Falduto stated the City of Elmhurst holds a great deal of information on the pension fund and it is their responsibility to maintain proper coverages; President Dufort stated he will check with the City on their policy and limits.

**IX. Treasurer's Report**

The Board reviewed the Treasurer's Report for period February 1, 2019 to April 30, 2019. A motion was made by Trustee Burda to approve the Treasurer's Report. The motion was seconded by Trustee Hallberg. A voice vote followed. Motion carried.

**X. Investment Manager's Report**

John Falduto of Sawyer Falduto introduced Ed Lavin the new Chief Investment Officer of Sawyer Falduto. Mr. Lavin gave a brief bio of his career and remarked that he is an Elmhurst resident as well.

John Falduto stated there are no changes from IDOI that would warrant a change in the investment policy; staff at Sawyer Falduto are working on updating some antiquated language in the investment policy and will have an updated draft policy for the Board to review by June 30<sup>th</sup>.

First quarter of 2019 the beginning market value of the pension fund was \$40,616,893 with an investment return of \$3,402,417, and a net ending market value of \$43,334,173. The total account gross return was 8.41%, beating the benchmark of 8.10%. Mr. Falduto stated since account inception the plan has had an investment growth of \$7,897,316.

Ed Lavin gave an overview of the global economy and the stock market. The S&P recovered from the double digit losses in the fourth quarter of 2018 and rebounded nicely. The expectation is the U.S. economy will continue to move forward and grow, just at a more modest pace.

John Falduto stated the portfolio was reallocated during the beginning of January to assist in short term performance and take advantage of the buyer's market.

Trustee Nolte made a motion to accept the Investment Management Report and the motion was seconded by Trustee Caccitolo. A voice vote followed. Motion carried.

#### **XI. Presentation of Bills**

President Dufort explained the bills as presented. Trustee Caccitolo made a motion to approve the payment of bills as presented. Trustee Burda seconded the motion. A voice vote followed. Motion carried.

Trustee Nolte asked the Board for their thoughts on increasing the liability limits to \$2,000,000 for the Fiduciary Insurance renewal. Trustee Caccitolo stated he would like to keep the liability limit at \$1,000,000; President Dufort stated he is comfortable retaining the \$1,000,000 limit. Trustee Burda stated he would like more information. Trustee Caccitolo asked John Falduto for his thoughts on increasing the liability limit. Mr. Falduto stated as the fund grows larger there is more opportunity to lose though \$1,000,000 coverage seems quite adequate. Trustee Nolte made a motion to approve the renewal of the Fiduciary Insurance policy with a \$1,000,000 liability limit for the period June 1, 2019 and expiring June 1, 2020 with a premium of \$4,796. The motion was seconded by Trustee Caccitolo. A voice vote followed. Motion carried.

#### **XII. Pension Affidavit Status**

Lauren Wulf stated all of the eligibility affidavits have been received except for Jean Watters. A certified letter has been sent to the address on record.

#### **XIII. New Business**

##### **a. Military Service Buyback**

President Dufort stated two firefighters have expressed interest in buying back military service time. Mr. Dufort stated Patrick Evoy and Zach Russavage are the interested parties. Patrick Evoy is very serious about the buy back. President Dufort explained the procedures of the military service buy back. Only 24 months may be bought back; the calculations can be done either by the Finance Department or Lauterbach and Amen. The last pension member to exercise his right was Mike Kopp. A discussion ensued regarding the cost and vendor who would be performing the calculations along with who would be footing the cost. The Board agreed to pay for the first set of calculations; any other revised date calculation must be paid by the petitioner. President Dufort stated the cost would be very

similar to the reciprocity calculation that was done by Lauterbach and Amen, approximately \$300-\$400. Trustee Nolte made a motion to contract Lauterbach and Amen to perform the first set of calculations of military service buy back for Firefighter Patrick Evoy. The motion was seconded by Trustee Caccitolo. A voice vote followed. Motion carried.

**b. IL Public Pension Advisory Committee Conference**

President Dufort stated there is a two day continuing education conference available on May 15-17, 2019. President Dufort stated the Finance Department has filed the 2018 IDOI Interrogatory; the Interrogatory included the attesting of continuing education hours for all pension trustees. A decision ensued regarding receiving continuing education hours for attending pension meetings. Trustee Burda stated he spoke with a representative from the IPFA; they indicated attendance at a pension meeting is not consider continuing education nor can hours be attributed to such. John Falduto stated the Oak Brook Fire Pension Fund does specific Trustee training and produces a certificate for their Trustees.

**c. Pension Benefit Change**

President Dufort stated Firefighter Ed Siuzdak has been retired for a year and a pension benefit increase is due to him. Trustee Caccitolo made a motion to accept the anniversary pension increase for Ed Siuzdak. The motion was seconded by Trustee Burda. A voice vote followed. Motion carried.

**XIV. Adjournment**

A motion was made by Trustee Nolte to adjourn the meeting at 9:41 a.m. The motion was seconded by Trustee Caccitolo. A voice vote followed. Motion carried.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "M. Caccitolo".

Mike Caccitolo  
Secretary