

Mike Rothecker
President

***South Elgin Firefighters Pension
Fund***

Tom Foster
Trustee

William Luchsinger
Secretary

**150 WEST STATE STREET
SOUTH ELGIN, ILLINOIS 60177**

Mary Van Winkle
Trustee

Jeff Speyers
Treasurer

Business Phone (847) 741-2141 * Fax (847) 741-2184

A/C Steve Wascher
Trustee

**Pension Board Meeting of November 14th 2016
Meeting Minutes**

A meeting of the South Elgin Fire Pension Board was called to order at 0900 hrs. by President Mike Rothecker.

Roll Call

Members present, Mike Rothecker, William Luchsinger, Mary Van Winkle, Tom Foster and Steve Wascher

Members absent: none

Guest's Present, Charles Atwell, Eric from Lauterbach & Amen, John from Sawyer Falduto.

President's Report:

There was no report to give.

Secretary's Report:

Tom Foster made a motion to accept the minutes from the August 23rd 2016 Quarterly Pension Board Meeting. Steve Wascher 2nd the motion. Motion carried with a 5-0 roll call vote.

There were no personnel files to review.

Treasurer's Report:

Eric gave the current statement of funds and as of October 31st 2016 the entire fund balance was \$11,247,187.09. The pension quarterly statements can be found on the internal web page. Steve Wascher made a motion to accept the Treasurer's report with Mary Van Winkle 2nd. Motion carried with a 5-0 roll call vote.

Eric gave a brief presentation regarding Lauterbach & Aman going paperless and Eric brought 5 boxes of paper to give back to the Pension Board as they have scanned all items into their new system.

Attorneys Report:

Attorney Charles Atwell advised the board that Illinois legislature has passed a new law requiring new travel reimbursement. Mike Rothecker advised Charles Atwell and the board that we will draft our own policy coping the Fire Districts and it will be presented in compliance with the new law.

Sawyer & Falduto Quarterly Report:

John gave a presentation on the financials of the 3rd quarter of 2016. Overall the quarter had a net increase of 2.80% on return equal to \$306,619. John had reiterated that the investments have all fallen in line with the Boards Investment plan of 1% Cash / Short Term, 44% Fixed Income and 55% Equity. John stated that there was no change in the asset allocation approved by the board. All the activity and earnings for the quarter can be found in the Sawyer & Falduto 3rd Qtr 2016 financial statement. The total earnings since their inception were \$3,189,090 or 7.25%.

John advised that all benchmarks are right on target currently. In the 3rd Qtr report we will see a change in funds on 07/21, this was done to reduce the amount of administration fees associated with the different funds.

John discussed the effects of the Presidential election and that they cannot preview the outcome and are not sure what the markets will do or how they will respond.

Tom Foster made a motion to approve the Financial Report, seconded by Mary Van Winkle. Motion carried on roll call vote 5-0.

Correspondence:

IPPFA Holiday Party is in Geneva this year and Sawyer Falduto's Holiday event is currently being scheduled.

New Business

- Lauterbach & Aman presented to the Pension Board the Actuarial Report and advised they used the updated GASB numbers and levy information. They also used updated assumptions and mortality tables thus causing a drastic change in funding level requirements. The past assumption rates of returns were calculated at 7.5% expected returns and they are using a more realistic rate of return at 6.75%. The past actuarial used mortality tables of 2000 and the updated table of 2016 is used now. Thus people are living longer and the table needed to be updated. Past reports used the state statute of fully funded pensions by the year 2040 and the report has a goal of fully funded within 20 years from now.

With these changes in the actuarial reports, it left an adjusted unfunded liability of \$526,230 from today's balance, also requiring a statutory minimum payment of \$699,266 this year.

- Lauterbach & Aman presented a “transition plan” that could run for 3-5 years. This plan is to spread out the current unfunded liability of \$526,230 but it would guarantee that all future annual pension contributions from the District would not be less than the \$699,226 for year until the current liability is paid in full. The transition plan after approved by the District it must be transferred into a funding plan by the District.
- Lauterbach & Aman is advising a tax levy request in the amount of \$699,226. Lauterbach & Aman will be attending the District meeting to discuss the transition plan and also the District upcoming Special Board Meeting to make a similar presentation.
- Lauterbach & Aman presented a proposal for a three year agreement for actuarial financial statement reporting. They would provide the following each year;
 - Preparatoin of Fire Pension Tax Levy Actuarial Valuation: cost \$2,500/yr
 - Preparation of Fire Pension GASB 67/68 Actuarial Valuation: cost \$2,250/yr
 - Attendance at meetings to present results: cost included

The board discussed payment options with the District, weather the Pension board and District would split payments each year or rotate full cost every other year. After discussion a motion was made by Steve Wascher to enter into agreement with Lauterbach & Aman for actuarial reporting for 3 years with the Pension Board covering full costs on the first (2017) and third (2019) year and the District covering on the second (2018) year. Motion seconded by Tom Foster. Motion passed on a roll call vote, 5-0.

- Mary Van Winkle made a motion to set the 2017 first quarter Pension meeting on February 15th 2017 at 0900 hours at Fire Station 21. Seconded by Tom Foster. Motion carried on a roll call vote, 5-0.

Old Business

The D.O.I. filing was submitted and approved. All pension board members attended their annual Trustee training requirements and the certifications are in and turned in.

Bills/Ratification of Bills

None

Public comment

None

The next meeting for the pension board is scheduled for February 15th 2017 at 0900 hours.

Mary Van Winkle made a motion to adjourn the meeting at 1001, seconded by Steve Wascher, motion carried by a 5-0 roll call vote.

Respectfully Submitted,

William Luchsinger