



DARIEN-WOODRIDGE

Firefighters' Pension Fund

7550 Lyman Avenue Darien, Illinois 60561 (630) 910-2200 Fax (630) 910-2203

PENSION MEETING MINUTES

Meeting held at 7550 Lyman Avenue, Darien, Il.

Date: 09/22/2015

Time: 4:01 p.m.

Attendance:

Board Members:

- Wayne Messenger (President) (District Appointee-April 30, 2015)
- Seth Dale- (Active-April 30, 2015)
- Jay Worden (Secretary) (Retired April 30, 2016)
- Sharon Cattaneo (District Appointee-April 30, 2017)
- Brian Isley- (Active-April 30, 2017)

Others Attending:

- Carolyn Welch Clifford, Attorney (Non-Voting)
- Frank Burns-Treasurer (Non-Voting)
- Laura Weizeorick, Attorney (Non-voting)

Active Membership Attending:

D. Lambright

Retired Membership Attending:

None

Disabled Membership Attending:

None

Pension Survivors Attending:

None

Public Comment Period:

None.

Reading of the Minutes:

Minutes of the April 7, 2015 Meeting.

Motion: To waive the reading of the minutes and to accept the minutes as presented.

Motion: Dale 2nd: Isley Approved by 4-0 by roll call vote.

Treasurer's Report:

The Board reviewed the financial statement from Lauterbach and Amen through 08/31/2015. Copy attached. **Motion:** To approve the financial statement through August 31, 2015 as presented. Motion: Worden 2nd: Dale. Aye: Worden, Dale, Isley and Messenger. Nay: None. Passed. 4-0

Bills and Disbursements:

Motion: To pay the pending bills: See attached. Motion: Dale 2nd: Isley. Aye: Dale, Isley, Messenger and Worden. Nay: None. Passed. 4-0

Investments:

MB Financial made their presentation on the results thru 08/31/2015. The overall portfolio had a return of -4.28% since the beginning of the fiscal year 06/01/2015. The market has been extremely unfavorable over the last several months. Even with the losses we still did slightly better than the benchmarks, with the exception of the alternative strategies portfolio. This had a greater loss due to the exposure to the energy markets. The fixed income portion which had helped in the past has such small returns, that it had no noticeable effects on the overall portfolio.

The general consensus is that we should take the volatility in stride, maintain our investing discipline and wait for the markets to normalize. We will continue to monitor the portfolio and will direct any changes we feel are appropriate to maintain our long-term goal to increase our total return. At this time no additional action needs to be taken.

Old Business:

1. The forms 15's were returned and all current beneficiaries are up-to date.
2. Conner IME has been completed and he is still disabled.
3. Krakora's IME has been completed and he is still disabled.
4. The Rules and Regulations were found to need additional changes, so they were revised. **Resolution 15-01.** To approve the updated rules and regulations of the Darien-Woodridge Firefighter's Pension Fund. Motion by Worden, seconded by Dale: Aye: Worden, Dale, Isley and Messenger. Nay: 0 Absent: Cattaneo Passed 4-0.
5. The current contact for actuarial services is up this year. It was determined we should send out an updated Request for Proposal of Actuarial Services to various actuaries in the suburban area. **Motion:** To approve the RFP and to send to a list of actuaries approved by the Board. Motion: Messenger 2nd: Dale Aye: Messenger, Dale, Isley and Worden. Nays: 0 Passed 4-0.

Application for Membership:

1. Owen Yanz was appointed to the Fire District on 04/17/2015. His paperwork was in order and the Physician's Certification was included. He will be a Tier 2 due to no previous Fire Service Experience. **Motion:** To accept Owen Yanz into the Pension Fund effective April 17, 2015. Motion: Isley 2nd: Dale Aye: Isley, Dale, Messenger and Worden. Nay: None Passed 4-0.

Applications for Benefits/Refunds:

1. Edward Geis has applied for benefits based on his previous service with the Darien-Woodridge Fire Protection District upon his retirement from the Naperville Fire Department effective 09/13/2015. Edward had 62 months of service with us from 08/11/1986 thru 11/04/1991. He has repaid his refund and has made all required catch-up contributions as required under the statute. **Motion:** To accept his application for retirement benefits. Motion: Dale 2nd: Worden. Aye: Dale, Isley, Messenger and Worden. Passed. 4-0.
2. Based on his service of 5 years, 2 months and final salary of \$ 31,679.96 he is entitled to a monthly pension of 12.92%, which equals \$341.00 per month. **Motion:** To approve Edward Geis's retirement pension payments based on the final calculations provided by Lauterbach and Amen, copy attached. His first month will be prorated to \$204.60. Motion: Dale 2nd: Worden. Aye: Dale, Isley, Messenger and Worden. Passed. 4-0.

New Business:

1. The annual retainer for Fiduciary Insurance was received from Mesirow Insurance. **Motion:** To pay our annual retainer for Fiduciary insurance from Mesirow Insurance in the amount of \$3041.00 per year. Motion: Messenger, 2nd: Dale. Aye: Messenger, Dale, Isley and Worden. Nay: None Passed 4-0.
2. The annual report preparation is underway. Derek Flessner brought copies of the draft for us to review. We are waiting on the final actuarial report to file the report.
3. Tim Sharpe sent us our draft actuarial report for 2015. A long discussion on the report was entered into. A number of concerns were raised concerning the changes in the mortality tables and the interest assumptions used. In various discussions the Board has expressed concerns our investment assumptions are too high for the future potential returns at 7.5%. We had previously discussed slowly reducing the investment assumptions to a level that is more in line with our projected rate of return. While we have been able to generally meet the 7.5% rate of return over the last 10 years, it is become clear we need to slowly reduce the rate to a more sustainable level. The second issue is the balloon nature of the amortization schedule on the unfunded pension liabilities. As time goes on this will

sharply increase our required pension levy each year to try to reach 100% funded level. This is both unrealistic and does not reflect our membership is approaching 50% Tier 2 members. After discussion, it was decided to make changes to our actuarial assumptions. We continue to reject the PUC method and will continue to use the entry-age normal method. **Motion:** To instruct Tim Sharpe to use the following actuarial assumptions: Investment rate of Return 7.25%, salary increases 5%, a fixed 25 year amortization, entry age normal and the updated IDOI mortality tables. Motion: Worden, 2nd: Dale Aye: Worden, Dale, Isley and Messenger. Nay: None Passed 4-0.

Attorney Report:

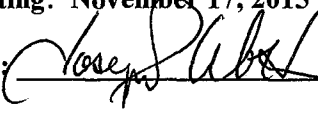
None

Training:

1. Laura distributed some training materials for our review.
2. The IPFA Conference is November 6th. Several members plan to attend.

Adjournment: Motion: Dale 2nd: Isley 4-0 by Voice Vote. Time: 5:20 PM

Next Meeting: November 17, 2015 Time: 1600

Signed by:  Joseph P. Worden, Secretary *Approved at 11/17/15 mts.*