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Westmont Fire Pension Board of Trustees

MINUTES

~ Friday, December 11, 2015 ~

CALL TO ORDER

Pension Board President Riley called the meeting to order at 9:02 a.m.

ROLL CALL

In attendance were:

Pension Board Members: Secretary/Fire Chief Weiss, President/Deputy Fire Chief Riley, and Finance Director Parker.

Also present were Payroll and Pension Administrator Johnson, Attorney John Kelly (Ottosen, Britz, Kelly Cooper, Gilbert & DiNolfo, Ltd.), Firefighter Chris Stoltman, Firefighter/Medic Chris Gerlich (9:30 a.m.) and Recording Secretary Hardy

Absent:

None

PLEDGE OF ALLEGIANCE
All present recited the Pledge of Allegiance.

PUBLIC COMMENT
No public comment was received.

APPROVAL OF MINUTES
Finance Director Parker moved, seconded by Secretary Weiss to approve the September 11, 2015 Pension Board of Trustee Minutes as submitted. Motion Carried.

TREASURER'S REPORT
Finance Director Parker advised total fund assets as of December 11, 2015 were $26,152.35. He advised funds are in a cash account with only deposits and no withdrawals to date.

Secretary Weiss moved, seconded by President Riley to approve the Treasurer's Report dated December 11, 2015 as submitted. Motion carried.

OLD BUSINESS
There was no old business for discussion.

NEW BUSINESS

Appoint Attorney:

Finance Director Parker moved, seconded by Secretary Weiss to select Attorney John Kelly from Ottosen, Britz, Kelly, Cooper, Gilbert & DiNolfo, Ltd., as legal representation for the Fire Pension Board. Motion carried.

Attorney Kelly advised his firm could perform pension work on a retainer or on an hourly basis. The firm represents over 100 police and fire funds and approximately half have found the retainer works best for basic duties. The retainer amount varies depending on meeting frequency, meeting length and travel distance. He advised the quarterly retainer rate is estimated at $600. The hourly rate is currently $210 per hour.

Attorney Kelly distributed three items for information and discussion. They were as follows:
- How to Set Up and Run a Firefighter Pension Board as outlined by Ottosen, Britz, Kelly, Cooper, Gilbert & DiNolfo, Ltd.
- Timeline of Requirements for: Article 3 Police Pension Funds and Article 4 Firefighter Pension Funds.
- Legal Insights for Pension Boards Newsletter.

Finance Director Parker reviewed the How to Set Up and Run a Firefighter Pension Board handout line by line. Several items require future board action. Items to be discussed at the next Fire Pension Board meeting include:

- Adoption of Rules and Forms.
    - Attorney Kelly to provide format to follow.
- Acceptance of Members Into Fund.
    - Application form to be submitted and approved by Pension Board for acceptance into Fire Pension Fund.
    - Baseline medical records stating member is fit for duty is also required as part of the application process.
- Determination of Initial Tax Levy Rate
    - Retain services of Lauterbach & Amen to provide actuarial study. Upon completion, tax levy rate will be determined.

- Establishment of Accounting Procedures for Member Contributions.
    - Approval of Finance Department procedures.
- Overview of Financial Options Presentation.
- Appointment of FOIA Officer.
    - Authorize Village of Westmont FOIA Officer to act as FOIA Officer on behalf of the Fire Pension Fund.
- Establish Bank Account with Pension Fund Checks.
    - Individual Fire Pension Fund checks are required for all expenses.

Attorney Kelly said the Illinois Department of Insurance (IDOI) would audit records on a regular basis to ensure forms are completed. They will also review Pension Board Meeting Minutes to ensure Pension Board actions are followed. Discussion followed pertaining to the location of all Fire Pension records. After discussion it was determined a dedicated file would be located at the Fire Department Headquarters Station.

Discussion was held pertaining to the establishment of bank accounts. Attorney Kelly advised an investment policy was required. Guidelines are established pertaining to investments. He advised his firm has a model policy which could be used for guidance. Once established and adopted it would also need to be filed with the IDOI. Any subsequent changes would also have to be filed.

Finance Director Parker said finance/accounting duties would be handled by the Village of Westmont staff at this time due to fund size. He questioned if a financial advisor should be obtained once the fund grows. Attorney Kelly concurred due to limited funds, finance/accounting services should be provided in house. He suggested inviting John Falduto, Sawyer Falduto Asset Management, to a meeting to educate members on services. Prior to making a selection and RFP for services would also be recommended.

Discussion was held pertaining to Pension Board member training and requirements. Attorney Kelly advised all members should attend training. Courses can be completed online through the Attorney General's Office.

Finance Director Parker indicated the treasurer is bonded through the Village's insurance pool, and that the Village's errors and omissions policy would cover the fire pension board for standard errors and omissions. He questioned if the board should obtain separate fiduciary liability insurance. Attorney Kelly said the pension fund currently has minimal liability, and there is a considerable cost to the separate insurance. Therefore providing separate bonding at this point would not be a good investment."

Finance Director Parker discussed signatories and authority regarding money. After discussion direction was given to have Finance Director Parker, President Riley and Secretary Weiss all as authorized signers. Approval and payment of invoices will be handled quarterly under the Treasurer’s Report.

Secretary Weiss said Admin. Assistant Hardy would generate and distribute meeting agendas to all members including Attorney Kelly. Further discussion followed pertaining to communications amongst members. Members need to ensure Open Meetings Act rules are not violated.

Finance Director Parker asked if the Fire Pension Board should join the Illinois Public Pension Fund Association (IPPFA). The Police Pension Board is currently a member. Attorney Kelly advised it would provide access to various required trainings which would be an advantage. The member consensus was to join IPPFA. Attorney Kelly advised membership must be obtained within 18 months of the fund formation in April 2015.

Finance Director Parker questioned if an annual election was required. Attorney Kelly advised there is only one current member so an election is not required since the one member has chosen to serve on the board.

Establish Meeting Dates:

President Riley said proposed 2016 meeting dates were March 11, June 10, September 9 and December 9.

Finance Director Parker moved, seconded by Secretary Weiss to approve the 2016 meeting dates as proposed. Motion carried.

There being no further business to discuss, Secretary Weiss moved, to adjourn, to which Finance Director Parker seconded. The meeting subsequently adjourned at 9:50 a.m.

Respectfully submitted,

Chris Hardy
Recording Secretary