

I. CALL TO ORDER

The meeting was called to order at 8:58 am by Board President Randy Schultz.

II. ATTENDEES PRESENT

Randy Schultz
Mark Guth
Jack Festen
Dave Danielson
Eric Laughlin (Morgan Stanley Smith Barney)
Attorney David Mejia

Mike Barreto (absent)

III. AUDIENCE PRESENT

None

IV. REPORT OF INVESTMENT ADVISOR

Morgan Stanley Smith Barney: Eric Laughlin

Mr. Laughlin provided the Fire Fighters Pension Board with a capital market overview Mr. Laughlin also provided the Board with investment and performance summary report of the West Dundee Fire Pension Fund portfolio for the first Quarter 2020 with regard to the stock interest rates and bond funds and the overall performance of the Pensions fund and allocation.

Mr. Laughlin noted investment returns had improved substantially since the end of the 1st quarter. As of June 1st the year to date returns were down approximately 1.2%.

No portfolio changes were recommended.

V. APPROVAL OF MINUTES

Approval of minutes from February 5, 2020

MOTION: Board Member Danielson made a motion to approve the Meeting Minutes from February 5, 2020 as presented. The motion was seconded by Board Member Guth. The motion was carried by unanimous voice vote.

VI. CORRESPONDENCE

Letter from the Cary Fire Protection District regarding part time employment of Craig Wise. This will be placed in his pension file.

VII. TREASURER REPORT

Board Treasurer Dave Danielson presented the board with the Treasurers Report from January, February, & March 2020. Total fund value of \$6,904,433.90 showing a decrease of \$956,548.47 from last quarter of 2019.

MOTION: Board member Guth motioned to approve the Treasurers Report as presented. Motion was seconded by Board President Schultz. The motion was carried by unanimous voice vote.

MOTION: Board member Danielson motioned to ratify disbursements for January, February, and March 2020. Motion was seconded by Board President Schultz. The motion was carried by unanimous voice vote.

VIII. INVESTMENT ACTIONS

None

IX. UNFINISHED BUSINESS

- A. Trustee Education: A new 4-hour course to address the consolidation of fire pension assets will be mandatory for all Trustees. IPPAC may offer training in September at the same time as the annual conference.

- B. Fire Chief Pension Participation: Board President Schultz presented a history of recent events regarding the participation of new Fire Chief Lance Harris. Several documents were provided to the board including an April 28 email to Chief Harris & his response, a May 21 email to VM Cavallaro requesting a copy of the employment agreement and job description & his response, and the June 3 letter from VM Cavallaro.

The board had a lengthy discussion regarding the topic. Board attorney discussed the topic of “may, shall, and must” as it pertains to statutory legal matters. In addition, the board discussed the definition of “firefighter” as it pertains to statutes and pension law.

No action was taken at the meeting. The Board agreed to reach out to Board Attorney Collins to discuss the best way to insulate the Pension Board from liability regarding this issue.

- C. Pension Finance Consolidation - Firefighters’ Pension Investment Fund: We are now approximately 6 months into the 30-month timeline for consolidation. There has been little news or direction.

X. NEW BUSINESS

- A. Trustee Elections: Board President Schultz presented the board with the Election ballots and results. Secretary Barreto was running for the active firefighter position. The ballots were canvased by Board members Festen and Danielson. Mike Barreto received 1 vote. No other candidates were presented or votes cast.

MOTION: Board President Schultz motioned to ratify the results of the elections. Motion was Seconded by Board member Guth. The motion was carried by unanimous voice vote.

- B. Officer Appointments: Board Attorney Mejia called for the nomination of Board President.

MOTION: Board member Guth nominated Randy Schultz and Board member Danielson seconded the nomination. The Board, having requested other nominations and seeing none voted unanimously for Randy Schultz to Board President.

In like manner Board Attorney Mejia called for the nomination of Board Secretary.

MOTION: Board member Guth nominated Mike Barreto and Board President Schultz Seconded the nomination. The Board, having requested other nominations and seeing none voted unanimously for Mike Barreto to Board Secretary.

- C. Fiduciary Liability Insurance Renewal: Board President Schultz presented the board with the renewal for fiduciary insurance by Euclid Specialty for an annual total of \$3544. This is an increase of \$18 from the previous year. Discussion by the board to bring in Greg Kieseswetter to discuss not holding investments in the future and if that may influence the insurance.

MOTION: Board member Guth motioned to approve the renewal of The Vanguard Fiduciary Liability Insurance policy with Euclid Specialty. Motion was Seconded by Board member Danielson. The motion was carried by unanimous voice vote.

- D. Simon Scholes Refund of Contributions: Simon Scholes has left full time employment. He has requested a refund of his contributions as a direct rollover to a 457 account.

MOTION: Board member Danielson motioned to approve his refund of contributions. Motion was Seconded by Board member Guth. The motion was carried by unanimous voice vote.

XI. ATTORNEY REPORT

Attorney Mejia reported there has been recent legislation that requires a Sustainability clause as part of the Board's Investment Policy. He provided a sample of the suggested language. A draft will be provided for approval at the August meeting.

XII. OTHER BUSINESS

None

XIII. ADJOURNMENT

By consensus, the meeting adjourned at 10:15.

Mark Guth