

**NILES FIREFIGHTERS' PENSION FUND
BOARD OF TRUSTEES MEETING
8360 DEMPSTER
NILES, IL 60714
FEBRUARY 8, 2018**

The meeting was called to order at 8:31 a.m. by President Byron Tull.

Trustees Present:

Bob Greiner, Byron Tull, Walter Blase, Marimel Lim, and James Grammas.

Officials Present:

Tom Sawyer from Sawyer Falduto Asset Management, LLC, Investment Advisor to the Fund; Attorney Meganne Trela, Ottosen Britz; Trinette Gardner, Lauterbach & Amen, LLP; Rich Scipione, Pension Clerk to the Fund.

Public Comment:

No public comment.

Previous Minutes Approval:

On a motion by Tull, seconded by Blase, the minutes from the November 2, 2017 meeting were approved by a unanimous voice vote.

Presentation by Lauterbach and Amen LLP

The Board reviewed the Monthly Financial Report for the month ending January 31, 2018. As of January 31, 2018, the Fund held total assets of \$33,527,563.61 and total liabilities of \$5,180.75. The Net Position Held in Trust for Pension Benefits is \$33,522,382.86.

Byron Tull presented the list of bills and disbursements. The Fund paid checks numbered 30145-30158; 50033, record from November 13, 2017 through January 30, 2018, for a total of \$162,714.81.

A motion was made by Tull, seconded by Greiner, to approve the financial report, and authorize payment of the bills and disbursements as presented. Upon a call of the roll:

AYES: Greiner, Tull, Blase, Lim, and Grammas

NAYS: None

ABSENT: None

Motion carried.

Trinette Gardner presented the revised 2018 annual pension benefit increases, as calculated by Lauterbach and Amen.

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On a motion by Tull, seconded by Greiner, to accept the 2018 annual benefit increases as presented by Lauterbach & Amen.

AYES: Greiner, Tull, Blase, Lim, and Grammas

NAYS: None

ABSENT: None

Motion carried.

The active member statements will be distributed in the near future.

Investment Advisor's Report

Tom Sawyer from Sawyer Falduto presented the Fund's December 31, 2017 "Quarterly Investment Report." The Investment Policy Guidelines were reviewed.

The 2017 fourth quarterly ending market value was \$32,114,554, with an investment return of \$1,024,318. The 2017 year-to-date investment return is \$3,792,250.

The total account return for the fourth quarter was 13.28% versus the benchmark of 12.12%. The equity rate of return for the second quarter was 22.12% versus the blended benchmark of 20.80%. The fixed income rate of return was negative 2.75% versus the benchmark of 2.30%.

Our current portfolio allocation as of December 31, 2017 is Equities at 56.6%, Fixed Income at 42.0%, and Cash Equivalent at 1.4%.

Our fixed income duration is 5.09 years versus the benchmark of 6.13 years.

There are no pending changes to the Investment Policy and/or Asset Allocation Parameters.

On a motion by Tull, seconded by Blase, to approve the Investment Advisor's Report.

AYES: Greiner, Tull, Blase, Lim, and Grammas

NAYS: None

ABSENT: None

Motion carried.

Old Business

There was no old business presented.

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New Business

Norbert Ludkowski passed away on December 17, 2017. He had a surviving spouse, Antoinette Ludkowski, who is entitled to a spousal benefit of \$3,310.75.

On a motion by Tull, seconded by Grammas, to approve Antoinette Ludkowski's application for surviving spouse benefit of \$3,310.75 per month.

AYES: Greiner, Tull, Blase, Lim, and Grammas

NAYS: None

ABSENT: None

Motion carried.

Byron and Bob sent the list of required filers for statements of economic interests to Cook County and received documentation that they received the information. Meganne explained that all trustees must file a Statement of Economic Interest with Cook County by May 1.

Byron presented the Confirmation of Tax Levy amount from the Village of Niles of \$3,799,026.

On a motion by Tull, seconded by Grammas, to approve the confirmation of tax levy in the amount of \$3,799,026 from the Village of Niles fiscal year 2017.

AYES: Greiner, Tull, Blase, Lim, and Grammas

NAYS: None

ABSENT: None

Motion carried.

Meganne presented the quarterly insights article. The article states the Department of Insurance's new actuary, GRS, is changing the assumptions for the DOI valuations. The new applicable investment return for funds over \$10 million will be 6.5%. Grammas stated the Niles Police Pension Fund is considering changing the rate of return to lower percentage point. The Fire Pension Fund should also consider lowering the rate of return to 6.5%. The DOI rate of return had been 7.0% for years, and was lowered to 6.75% a few years ago when Foster & Foster began handling the valuations for the DOI.

The Board reviewed the 2017 filings and the annual timeline for 2018. Byron confirmed that all required documents were filed on time in 2017. Megan distributed the updated 2018 "Timeline Requirements for Article 3 Police Pension Funds and Article 4 Firefighter Pension Funds."