

**NILES FIREFIGHTERS' PENSION FUND
BOARD OF TRUSTEES MEETING
8360 DEMPSTER
NILES, IL 60714
MAY 24, 2018**

The meeting was called to order at 8:30 a.m. by President Byron Tull.

Trustees Present:

Bob Greiner, Byron Tull, Jim Grammas, and John Zeman. Absent was trustee Marimel Lim. Walter Blase was present but not a voting member.

Officials Present:

Tom Sawyer from Sawyer Falduto Asset Management, LLC, Investment Advisor to the Fund; Attorney Carolyn Clifford, Ottosen Britz; Trinette Gardner, Lauterbach & Amen, LLP; a representative from the Law Firm of Kahn, Swick, & Foti, LLC; and Rich Scipione, Pension Clerk for the Fund.

Public Comment:

No public comment.

Previous Minutes Approval:

On a motion by Tull, seconded by Grammas, the minutes from the February 8, 2018 meeting were approved by a unanimous voice vote.

President Byron Tull reviewed the closed meeting minutes as required semi-annually. The minutes reviewed were:

November 30, 2002	February 4, 2009
December 15, 2004	September 28, 2009
February 9, 2005	October 15, 2009
February 26, 2005	February 8, 2010
April 11, 2006	April 7, 2010
December 7, 2006	September 7, 2010
January 8, 2008	

On a motion by Tull, seconded by Grammas, to keep the listed meeting minutes closed for another six months.

AYES: Greiner, Tull, Zeman, and Grammas

NAYS: None

ABSENT: Lim

Motion carried.

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Presentation by Kahn, Swick & Foti, LLC

The Board heard a presentation from the law firm of Kahn, Swick, & Foti, LLC. "KSF" is a boutique law firm with offices in New York City, San Francisco, and Louisiana, dedicated solely to the practice of class action and individual investors securities litigation. They will monitor securities for shareholder fraud. The service is no cost to the Fund and is only charged when a settlement. Fee is one-third of the settlement. This law firm would be in addition to the service Chicago Clearing provides to the Fund. There was no Board action on this agenda item.

Presentation by Lauterbach and Amen LLP:

Trinette Gardner from Lauterbach & Amen reviewed the Niles Firefighters' Pension Fund Monthly Financial Report for the month ended April 30, 2018, which was also the fiscal year end report.

Total assets April 30, 2018	\$32,234,224.78
Liabilities April 30, 2018	\$5,180.75
Net Position Held in Trust for Pension Benefits	\$32,229,044.03

Trinette presented the bills and disbursements for February 7, 2018 through April 27, 2018 for a total of \$161,562.62, check numbers 30159-30175 and 50034.

A motion was made by Tull, seconded by Grammas, to approve the payment of the bills and disbursements and to approve the April 30, 2018 financial statement. Upon a call of the roll:

AYES: Greiner, Tull, Grammas, and Zeman

NAYS: None

ABSENT: Lim

Motion carried.

The Illinois Department of Insurance annual report is due October 31st. Lauterbach and Amen are completing the audit work and financials at this time. We are expected to have the report completed prior to the due date.

The actuarial report will be in draft form by the next quarterly meeting. Lauterbach and Amen are scheduled to present the draft in August.

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Jim Grammas discussed the rate of return for the upcoming actuarial studies. The Board and the Village of Niles should discuss lowering the rate of the return to a more appropriate rate. The Department of Insurance lowered its rate of return to 6.25% and the Board may need to adjust to this same level. Carolyn discussed having a meeting with the Fire Pension Board, Police Pension Board, and the Finance Committee regarding the importance of changing the rate of the return.

Jim McDonough contacted Bob Greiner about the state COLA raises for his disability pension. Jim requested that he receives his pension raise on his birthday. Bob Greiner instructed Jim that the pension increase begins on the January of the following year.

Investment Advisor's Report:

Tom Sawyer from Sawyer Falduto presented the Fund's March 31, 2018 "Quarterly Investment Performance Report."

The 2018 first quarter ending market value was \$31,993,847, with an investment loss of \$155,649.

The total account return for the first quarter was -0.46% versus the benchmark of -0.79%. The equity rate of return for the second quarter was -0.12% versus the blended benchmark of -0.67%. The fixed income rate of return was -1.04% versus the benchmark of -1.15%.

Our current portfolio allocation as of March 31, 2018: Equities at 56.4%, Fixed Income at 43.0%, and Cash Equivalent at 0.6%.

There are no pending changes to the Investment Policy.

A motion was made by Tull, seconded by Greiner, to approve the Quarterly Investment Performance Report for the quarter ending March 31, 2018.

AYES: Greiner, Tull, Grammas, and Zeman

NAYS: None

ABSENT: Lim

Tom presented the Annual Investment Professional Review and Oversight Checklist that he received from Carolyn. He provided all necessary documents and answered all questions from this checklist. This will be an annual exercise the Board and our Investment Advisor.

Old Business:

All trustees completed and submitted their economic interest statement for Cook County.