

**NILES FIREFIGHTERS' PENSION FUND
BOARD OF TRUSTEES MEETING
8360 DEMPSTER
NILES, IL 60714
MAY 12, 2020**

The Board of Trustees of the Niles Firefighters' Pension Fund conducted its regular meeting via teleconference in accordance with Section 6 of Governor Pritzker's Executive Order 2020-07 (COVID-19 Executive Order No. 5), as extended by Executive Order 2020-33 (COVID-19 Executive Order No. 31). The meeting was called to order at 8:29 a.m. by President Byron Tull.

Trustees Present:

Bob Greiner, Byron Tull, and Rich Teper

Trustees Present Via Conference Call:

Marimel Lim and Jim Grammas

Officials Present:

Rich Scipione, Pension Clerk

Officials Present Via Conference Call:

Tom Sawyer from Sawyer Falduto Asset Management, LLC, Investment Advisor to the Fund; Attorney Carolyn Clifford, Ottosen DiNolfo; Trinette Garner, Lauterbach & Amen, LLP

Public Comment:

No public comment.

Previous Minutes Approval:

On a motion by Greiner, seconded by Tull, the minutes from the February 3, 2020 meeting were approved.

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

NAYS: None

ABSENT: None

Motion carried.

Presentation by Lauterbach and Amen LLP:

Trinette Gardner from Lauterbach & Amen reviewed the Niles Firefighters' Pension Fund Monthly Financial Report for the month ended March 31, 2020.

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Total assets March 31, 2020	\$32,272,602.15
Liabilities March 31, 2020	\$5,406.00
Net Position Held in Trust for Pension Benefits	\$32,267,196.15

Trinette presented the bills and disbursements for January 1, 2020 through March 31, 2020 for a total of \$183,754.19, check numbers 30273-30289 and 50041.

A motion was made by Tull, seconded by Greiner, to approve the March 31, 2020 financial statement. Upon a call of the roll:

AYES: Greiner, Tull, Teper, Grammas, and Lim
NAYS: None
ABSENT: None

Motion carried.

A motion was made by Tull, seconded by Grammas, to approve the payment of the bills and disbursements of checks 30273-30289 and 50041 in the amount of \$183,754.19. Upon a call of the roll:

AYES: Greiner, Tull, Teper, Grammas, and Lim
NAYS: None
ABSENT: None

Motion carried.

The Illinois Department of Insurance Annual Statement 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 actuary will then begin work on this year's actuarial valuation. The recommended contribution is expected to increase due to Lauterbach and Amen's updated mortality table and the increase to the Tier 2 benefits that occurred as part of the consolidation law earlier this year.

Bob Greiner was scheduled to attend a conference through IPPFA that was cancelled. IPPFA was instructed to keep the refund as a credit for future conferences.

Investment Advisor's Report:

Tom Sawyer from Sawyer Falduto presented the Fund's March 31, 2020 "Quarterly Investment Performance Report."

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The 2020 first quarter ending market value was \$32,246,043, with an investment loss of \$4,386,410.

The total account return for the first quarter was negative 11.89% versus the benchmark of negative 12.89%. The equity rate of return for the second quarter was negative 21.59% versus the blended benchmark of negative 22.83%. The fixed income rate of return was 4.95% versus the benchmark of 4.13%.

Our current portfolio allocation as of March 31, 2020: Equities at 58.9%, Fixed Income at 40.9%, and Cash Equivalent at 0.2%.

A motion was made by Tull, seconded by Teper, to approve the Quarterly Investment Performance Report for the quarter ending March 31, 2020. Upon a call of the roll:

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

NAYS: None

ABSENT: None

Motion Carried.

Tom Sawyer presented three recommended changes to our Investment Policy. The first recommendation is to comply with the Illinois Sustainable Investing (Public Act 101-0473). The new proposed language: "The Board recognizes that material, relevant, and decision-useful sustainability factors have been or are regularly considered by the Board, within the bounds of financial and fiduciary prudence, in evaluating investment decisions. Such factors include, but are not limited to: (1) corporate governance and leadership factors; (2) environmental factors; (3) social capital factors; (4) human capital factors; and (5) business model and innovation factors, as provided under the Illinois Sustainable Investing Act. (40 ILCS 5/1-113.6 and 1-113.17)."

The next recommendation is to change the fixed income and money market benchmark. The recommendation is to use a blended fixed income benchmark that includes the following; Barclays US Treasury Intermediate, Barclays U.S. Agency 7-10 Year, Barclays Taxable Municipal Intermediate, and Barclays Corporate Intermediate.

The final recommendation includes changes to the Cash/Short Term benchmark. Tom is requesting that we change to the Morningstar Manager Benchmark Taxable Money Market Index. This benchmark will provide a better benchmark to compare both performance and risk.

A motion was made by Tull, seconded by Grammas, to direct Sawyer and Falduto to start using the three recommendations with final investment policy change to be presented to the Board for at its August meeting. Upon a call of the roll: