

**NILES FIREFIGHTERS' PENSION FUND
BOARD OF TRUSTEES MEETING
8360 DEMPSTER
NILES, IL 60714
August 19, 2020**

The Board of Trustees of the Niles Firefighters' Pension Fund conducted its regular meeting via video and teleconference in accordance with Section 7(e) of the Open Meetings Act (5 ILCS 120/7(e)), recently amended by Public Act 101-0640 (Government Emergency Administration Act) as a result of the State's disaster declaration regarding the COVID-19 pandemic and the Board President's determination that an in-person meeting was not practical or prudent, pursuant to notice.

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

Trustees Present:

Bob Greiner, Marimel Lim, Jim Grammas, and Byron Tull. Absent was Rich Teper.

Officials Present:

Tom Sawyer from Sawyer Falduto Asset Management, LLC, Investment Advisor to the Fund; Attorney Carolyn Clifford, Ottosen DiNolfo; Rich Scipione, Pension Clerk to the Fund; Trinette Gardner, Accountant to the Fund, Lauterbach & Amen, LLP; and James Ritchie, Lauterbach & Amen, LLP.

Public Comment:

No public comment.

Previous Minutes Approval:

On a motion by Greiner, seconded by Grammas, the minutes from the May 12, 2020 meeting were approved.

AYES: Greiner, Tull, Lim, and Grammas

NAYS: None

ABSENT: Teper

Motion carried.

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

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January 8, 2008

On a motion by Tull, seconded by Greiner, to keep the listed closed meeting minutes closed for another six months, as the need for confidentiality still exists.

AYES: Greiner, Tull, Lim, and Grammas

NAYS: None

ABSENT: Teper

Motion carried.

Lauterbach and Amen, LLC Report

Trinette Gardner from Latuerbach & Amen presented the July 31, 2020 Monthly Financial Report. At the end of July 31, 2020, the net position held in trust for pension benefits was \$38,649,691.14. The Fund held total assets of \$38,655,197.47 and total liabilities of \$5,506.33. Total additions to the Fund in the last three months was \$4,609,266.88 and total deductions of \$1,141,925.22.

The Fund paid checks numbered 30290-30314 (Harris account) and 50042 and 50043 (Schwab account) from April 3, 2020 through July 31, 2020, for a total of \$272,602.26.

A motion was made by Tull, seconded by Grammas, to approve the financial report as presented. Upon a call of the roll:

AYES: Greiner, Tull, Lim, and Grammas

NAYS: None

ABSENT: Teper

Motion carried.

A motion was made by Tull, seconded by Grammas, to approve the bills and disbursements as presented. Upon a call of the roll:

AYES: Greiner, Tull, Lim, and Grammas

NAYS: None

ABSENT: Teper

Motion carried.

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The Illinois Department of Insurance Annual Statement is in draft format, awaiting the Village of Niles audit completion. Lauterbach & Amen is scheduled to file the Annual Statement by the October 31 deadline.

The affidavits of eligibility have all been received and is complete.

The Village of Niles audit is ongoing and on track to be completed in October.

Actuarial Study

James Ritchie, a member of the actuarial team from Lauterbach & Amen, presented the preliminary actuarial valuation as of May 1, 2020. The actuarial cost method will continue to be entry age normal. The current method for funding will be 100% funded by the year 2037, as opposed to the Illinois statutory minimum contribution of 90% by the year 2040, using the projected unit cost method. The Village of Niles pension payment will be amortized using level percent funding instead of level dollar cost averaging as in the past with a five-year smoothed market value.

The recommended contribution has increased \$612,220 from prior year due to assumption changes (including improved mortality) and Tier II benefit improvements. The recommended contribution is \$4,981,958. The recommended contribution as a percent of payroll has increased to 81.14% versus last year's valuation of 76.77%

Our current actuarial investment return is 7.00% versus our current return on investment at 1.31% net of administrative expenses. The actuarial value return on investment is 4.94% net of administrative expenses. The actuarial liability is \$87,445,013. The actuarial value of assets was 42.05% and the market value of assets was 40.23%. The employer normal cost contribution is \$1,331,329, the statutory minimum contribution is \$3,947,161, and the actuary contribution recommendation is \$4,981,958.

James reported that the Niles Firefighters' Pension Fund GASB 67/68 Report is not yet available and will be forwarded as soon as it is completed.

Investment Advisor's Report:

Tom Sawyer from Sawyer Falduto presented the Fund's June 30, 2020 "Second Quarterly Investment Report."

The 2020 second quarterly ending market value was \$36,413,315, with an investment return of \$4,355,132 year to date.

The total account return for the second quarter was 13.48% versus the benchmark of 13.94%. The equity rate of return for the second quarter was 21.48% versus the blended benchmark of 21.0%. The fixed income rate of return was 2.16% versus the benchmark of 2.79%. The cash equivalent return was 0.