



RIVER FOREST FIREFIGHTERS' PENSION FUND

400 Park Avenue ■ River Forest, Illinois 60305

Stephen Fischer
President

John Carter
Secretary

Lester Telkamp
Trustee

Sean Condon
Trustee

Joan Rock
Trustee

NOTICE OF A REGULAR MEETING OF THE RIVER FOREST FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES

The River Forest Firefighters' Pension Fund Board of Trustees will conduct a regular meeting on **Thursday, July 26, 2018 at 2:00 pm** at the Village Hall, 400 Park Avenue, River Forest, Illinois 60305 for the purposes set forth in the following agenda:

AGENDA

1. Call to Order
2. Roll Call
3. Public Comment
4. Approval of Meeting Minutes
 - a. Regular Meeting – April 26, 2018
 - b. Semi-Annual Review of Closed Session Meeting Minutes
5. Communications & Reports
 - a. Affidavits of Continued Eligibility
 - b. Active Member File Maintenance
6. Investment Report – AndCo Consulting
 - a. Quarterly Investment Report
 - b. Potential Sales or Purchases of Securities
 - c. Review/Update Investment Policy, if needed
7. Accountant's Report – Lauterbach & Amen, LLP
 - a. Monthly Financial Report
 - b. Presentation and Approval of Bills
 - c. Additional Bills, if any
 - i. AndCo
 - ii. RDK
 - iii. Segall Bryant & Hamill
8. Applications for Retirement/Disability Benefits
9. Applications for Membership/Withdrawals from Fund
10. Old Business
 - a. Discussion/Possible Approval – Updated Board Rules and Regulations: Benefit Date Eligibility
11. New Business
 - a. Discussion/Possible Action – Karlson Garza, LLC Retainer Agreement
 - b. Review/Approve – Pension Funding Policy
 - c. Review Preliminary Actuarial Valuation
 - d. IDOI Annual Statement
 - e. Discussion/Possible Action – Renewal of Fiduciary Liability Insurance
 - f. Board Officer Elections – President & Secretary
 - i. FOIA Officer & OMA Designee
 - g. Discussion/Possible Approval – Reimbursement of Legal Invoice
12. Trustee Training Updates
13. Attorney's Report
 - a. Legal Updates
14. Closed Session, if needed
15. Adjournment



RIVER FOREST FIREFIGHTERS' PENSION FUND

400 Park Avenue ■ River Forest, Illinois 60305

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MINUTES OF A REGULAR MEETING OF THE RIVER FOREST FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES APRIL 26, 2018

The regular meeting of the River Forest Firefighters' Pension Fund Board of Trustees was held on Thursday, April 26, 2018 at 2:00 pm. at the River Forest Village Hall, 400 Park Avenue, River Forest, Illinois, for the purpose of conducting regular business, pursuant to notice.

CALL TO ORDER: Trustee Fischer called the meeting to order at 2:06 pm.

ROLL CALL:

PRESENT: Trustees Stephen Fischer, John Carter, Sean Condon and Joan Rock

ABSENT: Trustee Lester Telkamp

ALSO PRESENT: Keith Karlson, Reimer Dobrovlny & Karlson, LLC (RDK); Mary Nye and Howard Pohl, AndCo LLC; Alex Michael and Sam Meyer, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *January 25, 2018 Regular Meeting Minutes:* The Board reviewed the minutes from the January 25, 2018 regular meeting. A motion was made by Trustee Carter and seconded by Trustee Rock to approve the January 25, 2018 regular meeting minutes. Motion carried unanimously by voice vote.

COMMUNICATIONS & REPORTS: *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest are due by May 1st.

Affidavits of Continued Eligibility: The Board noted that L&A will mail Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. A status update will be provided at the next scheduled meeting.

INVESTMENT REPORT – ANDCO CONSULTING: *Quarterly Investment Report:* Ms. Nye and Mr. Pohl presented the Quarterly Investment Report and discussed the long-term market value of the fund, along with the risk-reward analysis and current and projected market conditions. Ms. Nye presented the Quarterly Investment Report for the period ending March 31, 2018. As of March 31, 2018, the market value of the portfolio is \$15,094,884 and the investment depreciation is \$191,271 for the quarter. The portfolio composition is 40.5% in domestic equities, 17.6% in international equities, 33.5% in domestic fixed income, 4.7% in real estate and 3.6% in cash. Current asset allocations within the equity and fixed income funds were reviewed, as well as individual fund performance and investment fees. All questions were answered by Ms. Nye and Mr. Pohl.

International Equity Search Book: The Board discussed reallocating \$450,000 from Dodge & Cox and putting the proceeds into J.P. Morgan Investment Management if the firm will accept. If not accepted, the Board would like to reallocate the proceeds into Dimensional Fund Advisors. A motion was made by Trustee Rock and seconded by Trustee Condon to reallocate \$450,000 from Dodge & Cox and direct the proceeds as stated. Motion carried by roll call vote.

AYES: Trustees Carter, Fischer, Rock and Condon

NAYS: None

ABSENT: Trustee Telkamp

The Board discussed splitting the remaining balance of Dodge & Cox between Dodge & Cox and American Funds/Capital Research and Management. A motion was made by Trustee Rock and seconded by Trustee Carter to split the remaining balance as stated. Motion carried by roll call vote.

AYES: Trustees Carter, Fischer, Rock and Condon

NAYS: None

ABSENT: Trustee Telkamp

Discussion/Possible Action – New Target Allocations: There were no new allocations needed at this time.

Review/Update Investment Policy, if needed: There were no updates necessary to the Investment Policy at this time.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: Monthly Financial Report:

The Board reviewed the Monthly Financial Report for the eleven-month period ending March 31, 2018 as prepared by L&A. As of March 31, 2018, the net position held in trust for pension benefits is \$15,097,913.49 for a change in position of \$378,953.93. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Fischer and seconded by Trustee Condon to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the Vendor Checks Report for the period January 1, 2018 through March 31, 2018 listing disbursements in the amount of \$86,598.46.

Additional Bills: The Board reviewed the following additional bills for approval:

- Segall Bryant & Hamill management fee invoice #50007068 in the amount of \$3,172.96.
- RDK legal services rendered invoice #23555 in the amount of \$1,273.57.

A motion was made by Trustee Fischer and seconded by Trustee Condon to approve the disbursements listed on the Vendor Checks Report in the amount of \$86,598.46 and the additional bills as presented. Motion carried by roll call vote.

AYES: Trustees Carter, Fischer, Rock and Condon

NAYS: None

ABSENT: Trustee Telkamp

Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued and payment is due by June 30th. A motion

was made by Trustee Carter and seconded by Trustee Fischer to approve payment of the IDOI Compliance Fee, upon receipt of the invoice. Motion carried by roll call vote.

AYES: Trustees Carter, Fischer, Rock and Condon

NAYS: None

ABSENT: Trustee Telkamp

APPLICATIONS FOR RETIREMENT/DISABILITY/BENEFITS: There were no applications for retirement or disability benefits at this time.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: There were no applications or withdrawals at this time.

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Certify Board Election Results – Retired Member Position:* L&A conducted an election for the Retired Member position on the River Forest Firefighters' Pension Fund Board of Trustees. Lester Telkamp ran unopposed and was reelected for a three-year term expiring April 30, 2021. A motion was made by Trustee Carter and seconded by Trustee Fischer to certify the Retired Member election results. Motion carried unanimously by voice vote.

Appointed Member Term Expiration – Sean Condon: The Board noted that Trustee Condon's appointment expires April 30, 2018. The Board will contact the Mayor to seek reappointment for Trustee Condon.

Review/Possible Approval – Board Rules and Regulations: Mr. Karlson will provide the Board with updated Rules and Regulations prior to the next scheduled meeting for review. Further discussion will be held at the next scheduled meeting.

TRUSTEE TRAINING UPDATE: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to send any training certificates to L&A for recordkeeping.

ATTORNEY'S REPORT: Mr. Karlson reviewed his firm's fourth quarter *Legal and Legislative Update* newsletter with the Board and answered all questions.

CLOSED SESSION, IF NEEDED: There were no items to discuss in closed session.

ADJOURNMENT: A motion was made by Trustee Carter and seconded by Trustee Condon to adjourn the meeting at 3:27 pm. Motion carried unanimously by voice vote.

The next regular meeting of the River Forest Firefighters' Pension Fund is **Thursday, July 26, 2018 at 2:00 pm.**

Respectfully Submitted,

John Carter, Secretary

Date_____

River Forest Firefighters' Pension Fund

Monthly Financial Report

For the Month Ended

May 31, 2018

Prepared By



Lauterbach & Amen, LLP

CERTIFIED PUBLIC ACCOUNTANTS

River Forest Firefighters' Pension Fund

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Accountants' Compilation Report



June 21, 2018

River Forest Firefighters' Pension Fund
400 Park Avenue
River Forest, IL 60305

To Members of the Pension Board:

Management is responsible for the accompanying statement of net position - modified cash basis of the River Forest Firefighters' Pension Fund as of May 31, 2018 and the related statement of changes in net position - modified cash basis for the one month then ended and determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed the compilation engagement in accordance with Statements for Standards and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the accompanying financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures included in financial statements prepared in accordance with the modified cash basis of accounting. If the omitted disclosures were included in the financial statements and other supplementary information, they might influence the user's conclusions about the Pension Fund's assets, liabilities, net position, additions and deductions. Accordingly, these financial statements and other supplementary information are not designed for those who are not informed about such matters.

Other Matter

The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement. We have not audited or reviewed the other supplementary information nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the other supplementary information.

Cordially,

Lauterbach & Amen, LLP

Lauterbach & Amen, LLP



Financial Statements

River Forest Firefighters' Pension Fund
Statement of Net Position - Modified Cash Basis
As of May 31, 2018

Assets

Cash and Cash Equivalents	\$ 5,418.95
Investments at Fair Market Value	
Money Market Mutual Funds	384,054.11
Illinois Funds	59,797.49
Fixed Income	4,890,968.85
Insurance Contracts - Separate	727,064.72
Mutual Funds	8,922,994.89
Total Cash and Investments	<u>14,990,299.01</u>
Accrued and Past Due Interest	29,392.09
Prepays	<u>4,831.48</u>
Total Assets	<u>15,024,522.58</u>

Liabilities

Expenses Due/Unpaid	<u>5,454.80</u>
Total Liabilities	<u>5,454.80</u>

Net Position Held in Trust for Pension Benefits	<u><u>15,019,067.78</u></u>
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River Forest Firefighters' Pension Fund

Statement of Changes in Net Position - Modified Cash Basis

For the One Month Ended May 31, 2018

Additions

Contributions - Municipal	\$ 8,452.30
Contributions - Members	15,378.64
Total Contributions	<u>23,830.94</u>
Investment Income	
Interest and Dividends Earned	13,463.34
Net Change in Fair Value	102,273.82
Total Investment Income	<u>115,737.16</u>
Less Investment Expense	(584.89)
Net Investment Income	<u>115,152.27</u>
Total Additions	<u>138,983.21</u>

Deductions

Administration	4,631.05
Pension Benefits and Refunds	
Pension Benefits	148,136.96
Refunds	0.00
Total Deductions	<u>152,768.01</u>

Change in Position **(13,784.80)**

Net Position Held in Trust for Pension Benefits

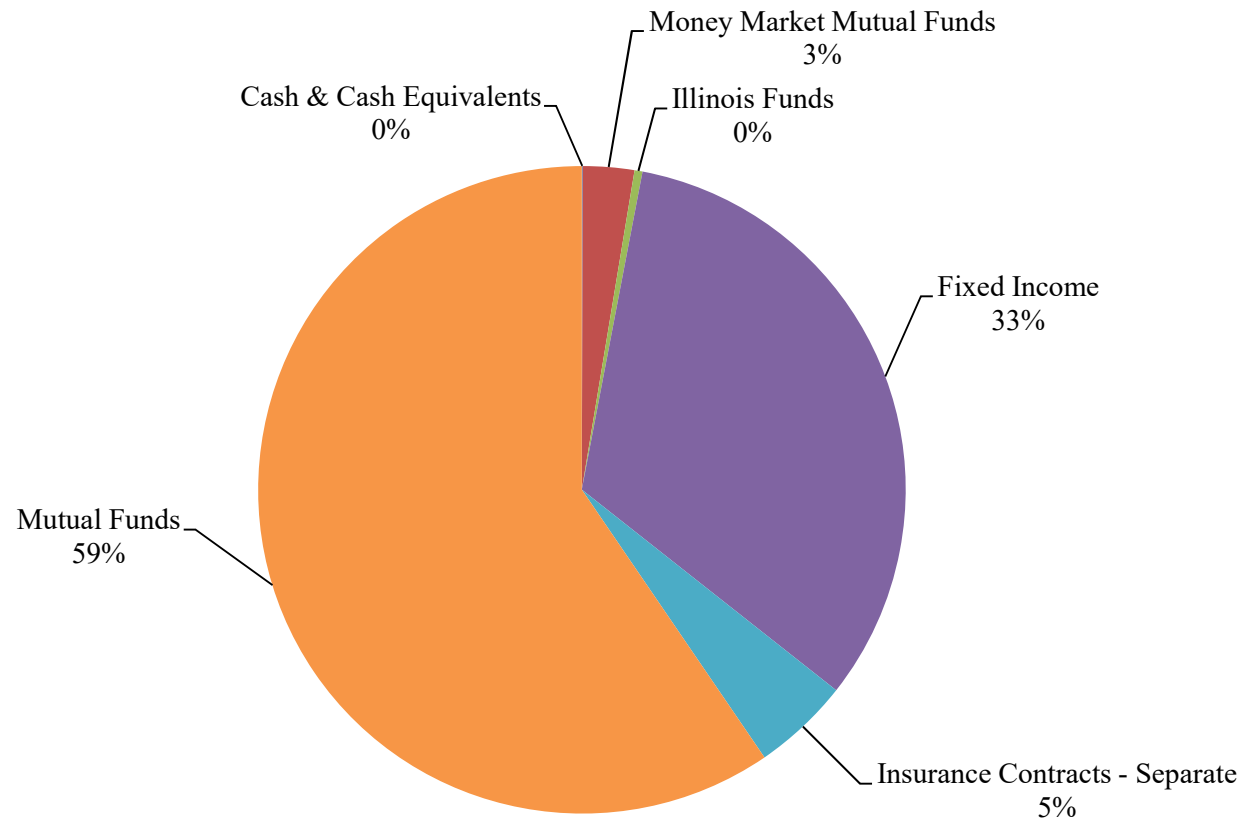
Beginning of Year	<u>15,032,852.58</u>
End of Period	<u>15,019,067.78</u>



Other Supplementary Information

River Forest Firefighters' Pension Fund

Cash and Investments



River Forest Firefighters' Pension Fund

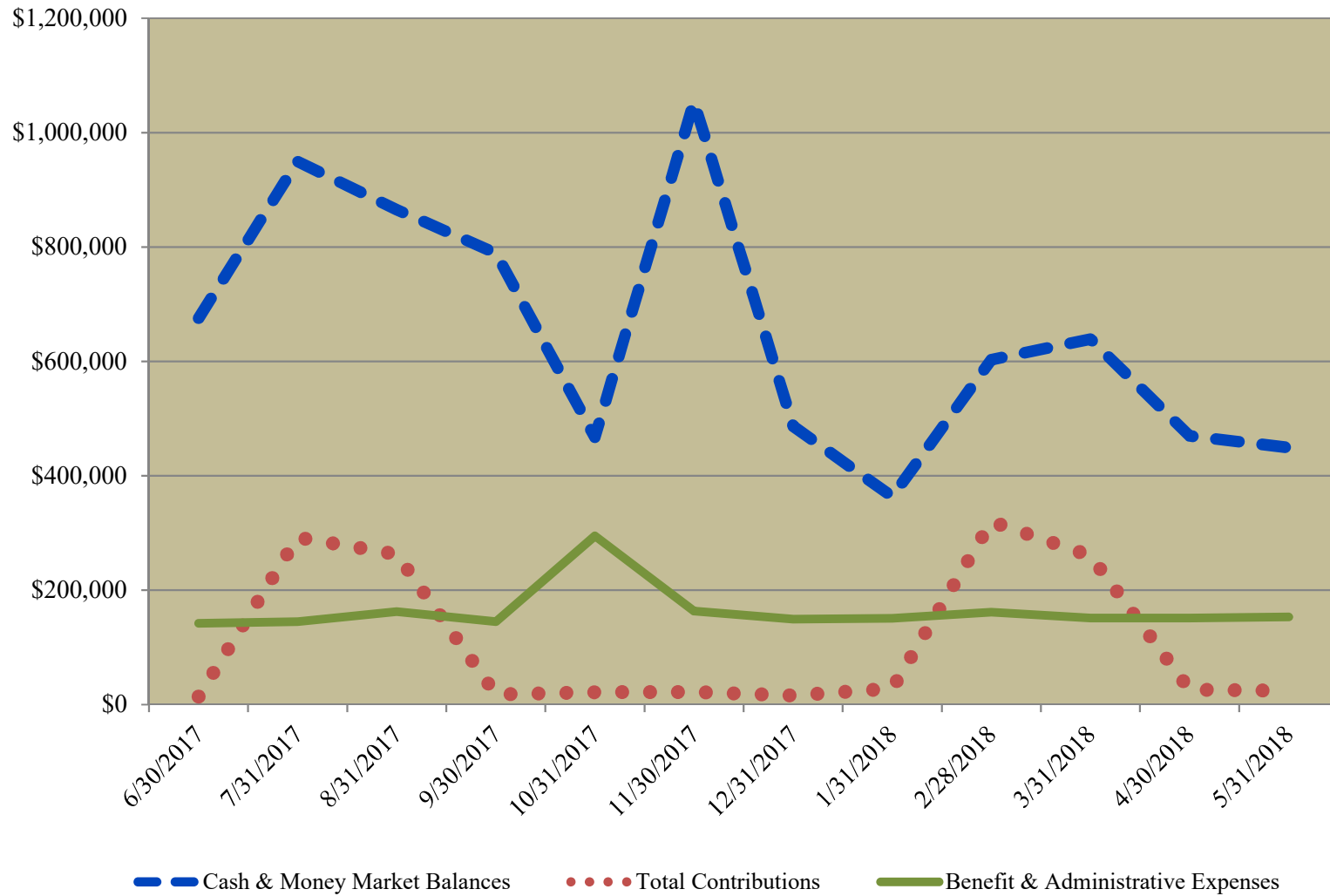
Cash Analysis Report

For the Twelve Periods Ending May 31, 2018

		<u>06/30/17</u>	<u>07/31/17</u>	<u>08/31/17</u>	<u>09/30/17</u>	<u>10/31/17</u>	<u>11/30/17</u>	<u>12/31/17</u>	<u>01/31/18</u>	<u>02/28/18</u>	<u>03/31/18</u>	<u>04/30/18</u>	<u>05/31/18</u>
<u>Financial Institutions</u>													
Harris Bank - CK	#3175551	\$ 8,279	7,490	3,394	5,488	10,040	10,000	10,000	20,618	10,135	7,341	8,315	5,419
		<u>8,279</u>	<u>7,490</u>	<u>3,394</u>	<u>5,488</u>	<u>10,040</u>	<u>10,000</u>	<u>10,000</u>	<u>20,618</u>	<u>10,135</u>	<u>7,341</u>	<u>8,315</u>	<u>5,419</u>
TD Ameritrade - MM	#927-005026	496,622	496,677	496,731	-	-	-	-	-	-	-	-	-
IMET - Convenience Fund	#20413-401	4,830	220,880	326,909	679,834	387,410	247,844	101,588	25,840	336,089	434,444	291,422	150,407
First Midwest - MM	#93-1000-01-2	7,483	6,141	6,519	7,345	6,757	7,071	236	258	258	258	-	-
First Midwest - MM	#93-1000-02-0	135,156	200,764	14,759	64,200	16,697	744,742	92,849	92,749	172,460	89,113	38,840	147,084
IMET - Liquidating Trust	#20413-401	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,456	2,348	2,348	2,348
IMET- Allowance for Unrealized Loss		(2,592)	(2,592)	(2,592)	(2,592)	(2,592)	(2,592)	(2,592)	(2,592)	(2,456)	(2,348)	(2,348)	(2,348)
First Midwest - MM	#93-1000-03-8	-	-	-	-	-	(50)	222,368	222,097	71,894	81,500	86,817	86,563
Illinois Funds - MM	#1600013412	23,306	17,460	16,867	32,468	46,258	44,702	59,154	2,083	12,056	26,498	44,345	59,797
		<u>667,397</u>	<u>941,922</u>	<u>861,785</u>	<u>783,847</u>	<u>457,122</u>	<u>1,044,309</u>	<u>476,195</u>	<u>343,027</u>	<u>592,757</u>	<u>631,813</u>	<u>461,424</u>	<u>443,851</u>
Total		<u>675,676</u>	<u>949,412</u>	<u>865,179</u>	<u>789,335</u>	<u>467,162</u>	<u>1,054,309</u>	<u>486,195</u>	<u>363,645</u>	<u>602,892</u>	<u>639,154</u>	<u>469,739</u>	<u>449,270</u>
<u>Contributions</u>													
Current Tax		-	278,327	249,126	2,258	7,696	4,595	1,105	13,470	305,553	245,531	7,982	8,452
Contributions - Current Year		<u>13,949</u>	<u>13,699</u>	<u>13,917</u>	<u>15,582</u>	<u>13,755</u>	<u>17,264</u>	<u>14,399</u>	<u>14,406</u>	<u>14,420</u>	<u>14,420</u>	<u>17,800</u>	<u>15,379</u>
		<u>13,949</u>	<u>292,026</u>	<u>263,043</u>	<u>17,840</u>	<u>21,451</u>	<u>21,859</u>	<u>15,504</u>	<u>27,876</u>	<u>319,973</u>	<u>259,951</u>	<u>25,782</u>	<u>23,831</u>
<u>Expenses</u>													
Pension Benefits		140,021	140,021	140,021	140,021	296,194	144,483	144,483	141,860	151,846	146,853	147,603	148,137
Refunds/Transfers of Service		-	-	-	-	-	-	-	4,221	-	-	-	-
Administration		<u>1,954</u>	<u>4,974</u>	<u>22,325</u>	<u>4,783</u>	<u>(1,346)</u>	<u>19,213</u>	<u>5,063</u>	<u>4,738</u>	<u>9,442</u>	<u>4,405</u>	<u>3,541</u>	<u>5,216</u>
		<u>141,975</u>	<u>144,995</u>	<u>162,346</u>	<u>144,804</u>	<u>294,848</u>	<u>163,696</u>	<u>149,546</u>	<u>150,819</u>	<u>161,288</u>	<u>151,258</u>	<u>151,144</u>	<u>153,353</u>
Total Contributions less Expenses		<u>(128,026)</u>	<u>147,031</u>	<u>100,697</u>	<u>(126,964)</u>	<u>(273,397)</u>	<u>(141,837)</u>	<u>(134,042)</u>	<u>(122,943)</u>	<u>158,685</u>	<u>108,693</u>	<u>(125,362)</u>	<u>(129,522)</u>

River Forest Firefighters' Pension Fund

Cash Analysis Summary



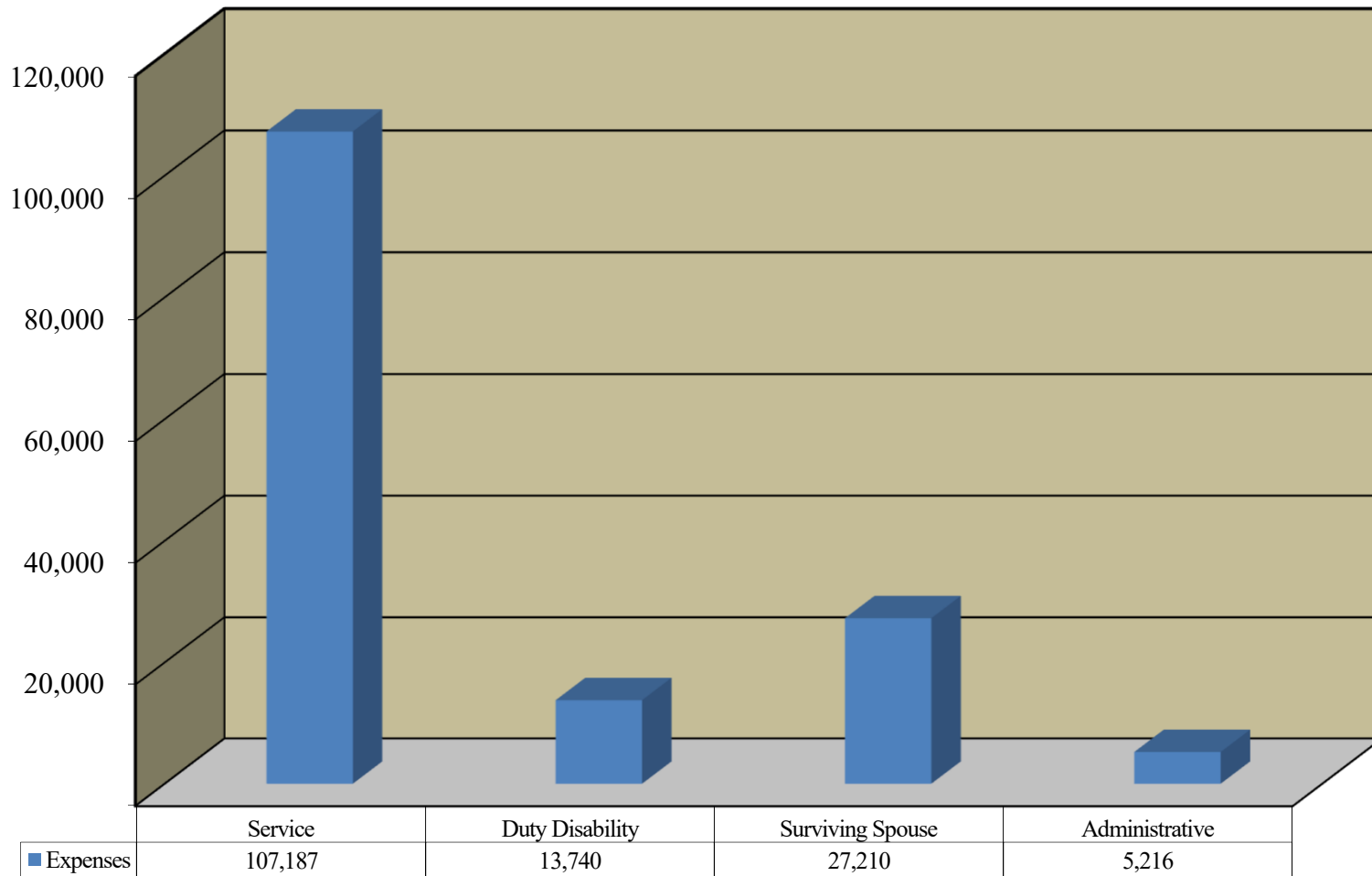
River Forest Firefighters' Pension Fund

Revenue Report as of May 31, 2018

		<u>Received this Month</u>	<u>Received this Year</u>
<u>Contributions</u>			
Contributions - Municipal			
41-210-00 - Current Tax		\$ 8,452.30	8,452.30
		<u>8,452.30</u>	<u>8,452.30</u>
Contributions - Members			
41-410-00 - Contributions - Current Year		<u>15,378.64</u>	<u>15,378.64</u>
		15,378.64	15,378.64
Total Contributions		<u>23,830.94</u>	<u>23,830.94</u>
<u>Investment Income</u>			
Interest and Dividends			
43-105-05 - IMET - Convenience Fund	#20413-401	354.33	354.33
43-106-01 - Illinois Funds - Money Market	#1600013412	73.48	73.48
43-252-08 - First Midwest - Fixed Income	#93-1000-02-0	24,468.83	24,468.83
43-450-07 - First Midwest - Stock Equities	#93-1000-01-2	0.21	0.21
43-550-12 - First Midwest - Mutual Funds	#93-1000-03-8	<u>113.16</u>	<u>113.16</u>
		25,010.01	25,010.01
Gains and Losses			
44-252-08 - First Midwest - Fixed Income	#93-1000-02-0	18,841.10	18,841.10
44-400-01 - Principal - Insurance	#530704	4,600.54	4,600.54
44-550-12 - First Midwest - Mutual Funds	#93-1000-03-8	<u>78,832.18</u>	<u>78,832.18</u>
		102,273.82	102,273.82
Other Income			
45-200-00 - Reverse/Record Accrued and Past Due Interest		(11,604.81)	(11,604.81)
49-000-01 - Other Income		50.00	50.00
49-000-02 - Other Investment Income		<u>8.14</u>	<u>8.14</u>
		(11,546.67)	(11,546.67)
Total Investment Income		<u>115,737.16</u>	<u>115,737.16</u>
Total Revenue		<u>139,568.10</u>	<u>139,568.10</u>

River Forest Firefighters' Pension Fund

Pension Benefits and Expenses



River Forest Firefighters' Pension Fund

Expense Report as of May 31, 2018

	<u>Expended this Month</u>	<u>Expended this Year</u>
<u>Pensions and Benefits</u>		
51-020-00 - Service Pensions	\$ 107,186.62	107,186.62
51-040-00 - Duty Disability Pensions	13,739.99	13,739.99
51-060-00 - Surviving Spouse Pensions	27,210.35	27,210.35
Total Pensions and Benefits	<u>148,136.96</u>	<u>148,136.96</u>
<u>Administrative</u>		
Professional Services		
52-170-03 - Accounting & Bookkeeping Services	900.00	900.00
52-170-06 - PSA/Court Reporter	785.00	785.00
	<u>1,685.00</u>	<u>1,685.00</u>
Investment		
52-190-02 - Custodial Fees	584.89	584.89
	<u>584.89</u>	<u>584.89</u>
Other Expense		
52-290-34 - IDOI Filing Fee Expense	2,946.05	2,946.05
	<u>2,946.05</u>	<u>2,946.05</u>
Total Administrative	<u>5,215.94</u>	<u>5,215.94</u>
Total Expenses	<u>153,352.90</u>	<u>153,352.90</u>

River Forest Firefighters' Pension Fund
Member Contribution Report
As of Month Ended May 31, 2018

Name	Thru Prior Fiscal Year	Current Fiscal Year	Service Purchase	Refunds	Total Contributions
Basa, Matthew D.	\$ 2,818.01	481.49	0.00	0.00	3,299.50
Bencik, Jason E.	23,082.60	575.88	0.00	0.00	23,658.48
Bochenek, David M.	80,181.79	1,771.36	0.00	0.00	81,953.15
Bohlmann, Kurt B.	188,022.67	1,204.88	0.00	0.00	189,227.55
Boyd, Quentin A.	52,360.38	745.83	0.00	0.00	53,106.21
Buchholz, Jonathan P.	4,259.51	476.76	0.00	0.00	4,736.27
Carter, John E.	139,034.50	895.61	0.00	0.00	139,930.11
Doran, Christopher C.	78,233.11	745.04	0.00	0.00	78,978.15
Finfrock, Lucas J.	49,405.24	745.04	0.00	0.00	50,150.28
Fischer, Stephen G.	118,103.38	753.70	0.00	0.00	118,857.08
Howe, Adam J.	21,395.92	575.88	0.00	0.00	21,971.80
Howe, Edward F.	119,396.52	890.50	0.00	0.00	120,287.02
Krall, Matthew K.	23,082.58	575.88	0.00	0.00	23,658.46
McKenna, Brian T.	7,907.31	509.80	0.00	0.00	8,417.11
Nolan, Brian M.	125,266.43	750.54	0.00	0.00	126,016.97
Rose, John M.	171,863.52	920.56	0.00	0.00	172,784.08
Seablom, Adam R.	10,998.78	509.80	0.00	0.00	11,508.58
Smith, Michael P.	121,481.19	745.83	0.00	0.00	122,227.02
Viera, Adan	68,627.46	745.83	0.00	0.00	69,373.29
Zipperich, Paul B.	117,221.57	758.43	0.00	0.00	117,980.00
Totals	1,522,742.47	15,378.64	0.00	0.00	1,538,121.11

Batches 30073

River Forest Firefighters' Pension Fund

Multiple Batch Report

Check Date 5/31/2018 1

SSN	Family ID	Employee Name Alt Payee Name	ACH? Retro? Check #	Net Amount	Member Gross	Medical Insurance	Dental Insurance	Life Insurance	Federal Tax
<u>Duty Disability</u>									
***-**-2182									
	109397	Fahy, Patrick J.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$1,915.39	\$1,915.39	\$0.00	\$0.00	\$0.00	\$0.00
			***-**-2182 Subtotal:	\$1,915.39	\$1,915.39	\$0.00	\$0.00	\$0.00	\$0.00
***-**-2299									
	109396	Rausch, Richard R.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$4,538.98	\$4,604.97	\$0.00	\$61.04	\$4.95	\$0.00
			***-**-2299 Subtotal:	\$4,538.98	\$4,604.97	\$0.00	\$61.04	\$4.95	\$0.00
***-**-2110									
	109398	Schejbal, James F.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$3,333.15	\$3,399.14	\$0.00	\$61.04	\$4.95	\$0.00
			***-**-2110 Subtotal:	\$3,333.15	\$3,399.14	\$0.00	\$61.04	\$4.95	\$0.00
***-**-1469									
	109399	Schejbal, John E.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$3,815.54	\$3,820.49	\$0.00	\$0.00	\$4.95	\$0.00
			***-**-1469 Subtotal:	\$3,815.54	\$3,820.49	\$0.00	\$0.00	\$4.95	\$0.00
			Duty Disability Subtotal:	\$13,603.06	\$13,739.99	\$0.00	\$122.08	\$14.85	\$0.00
<u>Service</u>									
***-**-7938									
	110935	Daugherty, William J.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$5,270.41	\$6,855.34	\$418.11	\$0.00	\$0.00	\$1,066.82

See Accountants' Compilation Report

Batches 30073

River Forest Firefighters' Pension Fund

Multiple Batch Report

Check Date 5/31/2018 1

SSN	Family ID	Employee Name Alt Payee Name	ACH? Check #	Retro?	Net Amount	Member Gross	Medical Insurance	Dental Insurance	Life Insurance	Federal Tax
***-**-2389	110935	Payment to Access Credit Union, Daugherty -	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
				0						
		***-**-7938 Subtotal:			\$5,370.41	\$6,855.34	\$418.11	\$0.00	\$0.00	\$1,066.82
***-**-2389	111043	Finnegan, Mark T.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$5,417.37	\$7,257.95	\$1,181.17	\$117.92	\$0.00	\$541.49
				0						
		***-**-2389 Subtotal:			\$5,417.37	\$7,257.95	\$1,181.17	\$117.92	\$0.00	\$541.49
***-**-8188	106826	Gerard III, Bernard F.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$4,158.17	\$4,163.12	\$0.00	\$0.00	\$4.95	\$0.00
				0						
		***-**-8188 Subtotal:			\$4,158.17	\$4,163.12	\$0.00	\$0.00	\$4.95	\$0.00
***-**-8444	106833	Law, Dennis J.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$3,514.06	\$3,519.01	\$0.00	\$0.00	\$4.95	\$0.00
				0						
		***-**-8444 Subtotal:			\$3,514.06	\$3,519.01	\$0.00	\$0.00	\$4.95	\$0.00
***-**-8043	112495	Law, Michael D.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$4,119.70	\$4,462.11	\$0.00	\$0.00	\$0.00	\$342.41
				0						
		***-**-8043 Subtotal:			\$4,119.70	\$4,462.11	\$0.00	\$0.00	\$0.00	\$342.41
***-**-6763	106828	Lidinsky, Richard T.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$6,999.76	\$7,816.49	\$0.00	\$0.00	\$0.00	\$766.73
				0						

See Accountants' Compilation Report

Batches 30073

River Forest Firefighters' Pension Fund

Multiple Batch Report

Check Date 5/31/2018 1

SSN	Family ID	Employee Name Alt Payee Name	ACH? Check #	Retro?	Net Amount	Member Gross	Medical Insurance	Dental Insurance	Life Insurance	Federal Tax
***-**-0172	106828	Payment to Access Credit Union, Lidinsky -	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$50.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
			0							
		***-**-6763 Subtotal:			\$7,049.76	\$7,816.49	\$0.00	\$0.00	\$0.00	\$766.73
***-**-0172	106827	Marrocco, Timothy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$96.11	\$96.11	\$0.00	\$0.00	\$0.00	\$0.00
			0							
		***-**-0172 Subtotal:			\$96.11	\$96.11	\$0.00	\$0.00	\$0.00	\$0.00
***-**-4999	111666	Newberry, John J.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$3,627.61	\$5,214.85	\$1,060.68	\$80.56	\$2.85	\$443.15
			0							
		***-**-4999 Subtotal:			\$3,627.61	\$5,214.85	\$1,060.68	\$80.56	\$2.85	\$443.15
***-**-1107	110549	Nortier, Robert A.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$5,938.85	\$8,157.28	\$1,229.94	\$117.92	\$2.85	\$867.72
			0							
		***-**-1107 Subtotal:			\$5,938.85	\$8,157.28	\$1,229.94	\$117.92	\$2.85	\$867.72
***-**-1730	106819	Nummer, Russell W.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$5,605.79	\$9,009.55	\$959.12	\$0.00	\$2.85	\$1,041.79
			0							
	106819	Payment to Access Credit Union, Nummer -	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$1,400.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
			0							
		***-**-1730 Subtotal:			\$7,005.79	\$9,009.55	\$959.12	\$0.00	\$2.85	\$1,041.79

See Accountants' Compilation Report

Batches 30073

River Forest Firefighters' Pension Fund

Multiple Batch Report

Check Date 5/31/2018 1

SSN	Family ID	Employee Name Alt Payee Name	ACH? Retro? Check #	Net Amount	Member Gross	Medical Insurance	Dental Insurance	Life Insurance	Federal Tax
***-**-1514									
	106829	Powell Sr, Richard H.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$4,861.99	\$7,476.20	\$0.00	\$0.00	\$4.95	\$901.26
	106829	Payment to Access Credit Union, Powell -	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$1,478.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	106829	Blue Cross Blue Shield of Illinois	<input type="checkbox"/> <input type="checkbox"/> 121	\$230.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		***-**-1514 Subtotal:		\$6,569.99	\$7,476.20	\$0.00	\$0.00	\$4.95	\$901.26
***-**-4376									
	106834	Riley, Thomas B.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$5,065.68	\$5,794.37	\$0.00	\$23.74	\$4.95	\$700.00
		***-**-4376 Subtotal:		\$5,065.68	\$5,794.37	\$0.00	\$23.74	\$4.95	\$700.00
***-**-5659									
	106821	Schoff, Robert H.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$6,997.32	\$8,208.03	\$0.00	\$23.74	\$0.00	\$1,186.97
		***-**-5659 Subtotal:		\$6,997.32	\$8,208.03	\$0.00	\$23.74	\$0.00	\$1,186.97
***-**-5896									
	106823	Stamm, Paul J.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$7,082.60	\$7,790.22	\$0.00	\$0.00	\$0.00	\$707.62
		***-**-5896 Subtotal:		\$7,082.60	\$7,790.22	\$0.00	\$0.00	\$0.00	\$707.62

Batches 30073

River Forest Firefighters' Pension Fund

Multiple Batch Report

Check Date 5/31/2018 1

SSN	Family ID	Employee Name Alt Payee Name	ACH? Retro? Check #	Net Amount	Member Gross	Medical Insurance	Dental Insurance	Life Insurance	Federal Tax
***-**-7868									
	106824	Telkamp, Lester H.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$5,197.54	\$6,835.45	\$627.16	\$35.61	\$0.00	\$975.14
		***-**-7868 Subtotal:		\$5,197.54	\$6,835.45	\$627.16	\$35.61	\$0.00	\$975.14
***-**-4199									
	106830	Vondracek, Arthur W.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$5,151.30	\$6,800.99	\$533.09	\$23.74	\$2.85	\$1,090.01
		***-**-4199 Subtotal:		\$5,151.30	\$6,800.99	\$533.09	\$23.74	\$2.85	\$1,090.01
***-**-6387									
	106825	Witken, David B.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$6,428.37	\$7,729.55	\$418.11	\$106.05	\$0.00	\$777.02
		***-**-6387 Subtotal:		\$6,428.37	\$7,729.55	\$418.11	\$106.05	\$0.00	\$777.02
		Service Subtotal:		\$88,790.63	\$107,186.62	\$6,427.38	\$529.28	\$31.20	\$11,408.13
<u>Surviving Spouse</u>									
***-**-9623									
	108225	Barth, Charlotte B.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$1,988.44	\$2,494.96	\$0.00	\$0.00	\$0.00	\$256.52
	108225	Payment to Access Credit Union, Barth -	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		***-**-9623 Subtotal:		\$2,238.44	\$2,494.96	\$0.00	\$0.00	\$0.00	\$256.52

See Accountants' Compilation Report

Batches 30073

River Forest Firefighters' Pension Fund

Multiple Batch Report

Check Date 5/31/2018 1

SSN	Family ID	Employee Name Alt Payee Name	ACH? Retro? Check #	Net Amount	Member Gross	Medical Insurance	Dental Insurance	Life Insurance	Federal Tax
***-**-8921									
	108223	Bentel, Loretta H.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$4,765.26	\$7,364.35	\$627.16	\$0.00	\$0.00	\$1,171.93
	108223	Payment to MB Financial , Bentel -	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
		***-**-8921 Subtotal:		\$5,565.26	\$7,364.35	\$627.16	\$0.00	\$0.00	\$1,171.93
***-**-6579									
	106832	Bentel, Ruth M.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$5,433.31	\$6,490.65	\$0.00	\$35.61	\$0.00	\$1,021.73
		***-**-6579 Subtotal:		\$5,433.31	\$6,490.65	\$0.00	\$35.61	\$0.00	\$1,021.73
***-**-9173									
	109394	Daudelin, Evelyn	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$1,727.28	\$1,732.23	\$0.00	\$0.00	\$4.95	\$0.00
		***-**-9173 Subtotal:		\$1,727.28	\$1,732.23	\$0.00	\$0.00	\$4.95	\$0.00
***-**-2973									
	106831	Diebold, Linda L.	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$4,416.29	\$4,992.69	\$0.00	\$0.00	\$0.00	\$576.40
		***-**-2973 Subtotal:		\$4,416.29	\$4,992.69	\$0.00	\$0.00	\$0.00	\$576.40
***-**-0510									
	106822	Hlavaty, Evelyn	<input checked="" type="checkbox"/> <input type="checkbox"/> 0	\$3,635.47	\$4,135.47	\$0.00	\$0.00	\$0.00	\$500.00
		***-**-0510 Subtotal:		\$3,635.47	\$4,135.47	\$0.00	\$0.00	\$0.00	\$500.00

See Accountants' Compilation Report

Batches 30073

River Forest Firefighters' Pension Fund

Multiple Batch Report

Check Date 5/31/2018 1

SSN	Family ID	Employee Name	ACH?	Retro?	Net Amount	Member Gross	Medical Insurance	Dental Insurance	Life Insurance	Federal Tax
		Alt Payee Name		Check #						
Surviving Spouse Subtotal:					\$23,016.05	\$27,210.35	\$627.16	\$35.61	\$4.95	\$3,526.58

Batches 30073

River Forest Firefighters' Pension Fund

Multiple Batch Report

Check Date 5/31/2018 1

SSN	Family ID	Employee Name	ACH?	Retro?	Net Amount	Member Gross	Medical Insurance	Dental Insurance	Life Insurance	Federal Tax
		Alt Payee Name		Check #						
Totals										
ACH Flag	Payments	Net Payment Total		Gross	Medical Insurance		Dental Insurance	Life Insurance		Federal Tax
Yes	33	\$125,179.74		\$148,136.96	\$7,054.54		\$686.97	\$51.00		\$14,934.71
No	1	\$230.00		\$0.00	\$0.00		\$0.00	\$0.00		\$0.00
Grand Total	34	\$125,409.74		\$148,136.96	\$7,054.54		\$686.97	\$51.00		\$14,934.71

River Forest Firefighters' Pension Fund

Quarterly Vendor Check Report

All Bank Accounts
March 1, 2018 - May 31, 2018

Check		Vendor Name	Invoice	Check
Date	Number		Amount	Amount
03/05/18	30248	Lauterbach & Amen, LLP		
		52-170-03 #26628 01/18 Accounting & Benefits	900.00	
		52-170-06 #26628 01/18 PSA	785.00	
		ACH Amount (Direct Deposit)		<u>1,685.00</u>
03/15/18	50163	First Midwest Bank Wealth Management		
		52-190-02 Custodial/Trust Fee - 02/18	0.01	
		Check Amount		<u>0.01</u>
03/15/18	50164	First Midwest Bank Wealth Management		
		52-190-02 Custodial/Trust Fee - 02/18	379.72	
		Check Amount		<u>379.72</u>
03/15/18	50165	First Midwest Bank Wealth Management		
		52-190-02 Custodial/Trust Fee - 02/18	210.24	
		Check Amount		<u>210.24</u>
03/29/18	30251	Lauterbach & Amen, LLP		
		52-170-03 #27290 02/18 Accounting & Benefits	900.00	
		52-170-06 #27290 02/18 PSA	785.00	
		52-170-03 #26999 FYE17 1099's	445.00	
		ACH Amount (Direct Deposit)		<u>2,130.00</u>
03/30/18	30249	Village of River Forest - Insurance		
		20-220-00 Medical Insurance - 03/18	7,054.54	
		20-220-00 Dental Insurance	686.97	
		20-220-00 Life Insurance	51.00	
		ACH Amount (Direct Deposit)		<u>7,792.51</u>
03/30/18	30250	Internal Revenue Service		
		20-230-00 Internal Revenue Service	14,711.47	
		ACH Amount (Direct Deposit)		<u>14,711.47</u>
04/04/18	30252	Reimer Dobrovolny & Karlson, LLC		
		52-170-05 C2252 F23555 Legal Service	1,123.57	
		52-170-05 Previous Balance	150.00	
		Check Amount		<u>1,273.57</u>
04/13/18	50166	First Midwest Bank Wealth Management		
		52-190-02 Custodial/Trust Fee - 03/18	371.92	
		Check Amount		<u>371.92</u>
04/13/18	50167	First Midwest Bank Wealth Management		
		52-190-02 Custodial/Trust Fee - 03/18	210.94	
		Check Amount		<u>210.94</u>

River Forest Firefighters' Pension Fund

Quarterly Vendor Check Report

All Bank Accounts
March 1, 2018 - May 31, 2018

Date	Check Number	Vendor Name	Invoice Amount	Check Amount
04/13/18	50168	First Midwest Bank Wealth Management 52-190-02 Custodial/Trust Fee - 03/18	0.01	
			Check Amount	<u>0.01</u>
04/27/18	30255	Lauterbach & Amen, LLP 52-170-03 #27807 03/18 Accounting & Benefits 52-170-06 #27807 03/18 PSA	900.00 785.00	
			ACH Amount (Direct Deposit)	<u>1,685.00</u>
04/30/18	30253	Village of River Forest - Insurance 20-220-00 Medical Insurance - 04/18 20-220-00 Dental Insurance 20-220-00 Life Insurance	7,054.54 686.97 51.00	
			ACH Amount (Direct Deposit)	<u>7,792.51</u>
04/30/18	30254	Internal Revenue Service 20-230-00 Internal Revenue Service	14,817.31	
			ACH Amount (Direct Deposit)	<u>14,817.31</u>
05/15/18	50169	First Midwest Bank Wealth Management 52-190-02 Custodial/Trust Fee - 04/18	375.10	
			Check Amount	<u>375.10</u>
05/15/18	50170	First Midwest Bank Wealth Management 52-190-02 Custodial/Trust Fee - 04/18	209.79	
			Check Amount	<u>209.79</u>
05/17/18	30258	Illinois State Treasurer 52-290-34 FYE19 DOI Fee G31062	2,946.05	
			Check Amount	<u>2,946.05</u>
05/30/18	30259	Lauterbach & Amen, LLP 52-170-03 #28384 04/18 Accounting & Benefits 52-170-06 #28384 04/18 PSA	900.00 785.00	
			ACH Amount (Direct Deposit)	<u>1,685.00</u>
05/31/18	30256	Village of River Forest - Insurance 20-220-00 Medical Insurance - 05/18 20-220-00 Dental Insurance 20-220-00 Life Insurance	7,054.54 686.97 51.00	
			ACH Amount (Direct Deposit)	<u>7,792.51</u>
05/31/18	30257	Internal Revenue Service 20-230-00 Internal Revenue Service	14,934.71	
			ACH Amount (Direct Deposit)	<u>14,934.71</u>
			Total Payments	<u>81,003.37</u>

See Accountants' Compilation Report



AndCo
4901 Vineland Road, Ste 600
Orlando, FL 32811

Date	Invoice #
5/4/2018	25048

Bill To:

River Forest Firefighters Pension Fund
Joan Rock

Description	Amount
Consulting services and performance evaluation billed quarterly (April 2018)	1,875.00
Consulting services and performance evaluation billed quarterly (May 2018)	1,875.00
Consulting services and performance evaluation billed quarterly (June 2018)	1,875.00
<p>If you prefer to make a payment via ACH, following is our ACH Payment Information:</p> <p>Bank Name: CenterState Bank, Winter Haven, FL Routing Number: 063114030 Account Number: 0411070601</p>	
It is our pleasure to provide 100% independent consulting advice ALWAYS putting clients first!	Balance Due \$5,625.00

REIMER DOBROVOLNY & KARLSON LLC

A Public Safety Law Firm

*15 Spinning Wheel Road, Suite 310
Hinsdale, IL 60521
(630) 654-9547*

Lt. John Carter, Secretary
River Forest Firefighters' Pension Board
400 Park
River Forest, Illinois 60305

OK to Pay
PC

Apr 30, 2018

PLEASE INDICATE CLIENT # 2252
23697

Payments Received: \$1,273.57

RE: LEGAL SERVICES RENDERED

DUE UPON RECEIPT

<u>DATE</u>	<u>ATY</u>	<u>DESCRIPTION</u>	<u>HOURS</u>	<u>RATE</u>	<u>AMOUNT</u>
MATTER:		2252-003			
RE:		General			
03/29/18	KAK	Reviewed Carter disabled child medical records from providers	1.25	\$175.00	\$218.75
	KAK	Emailed with member regarding Carter documents	0.25	\$175.00	\$43.75
		MATTER TOTALS:	1.50		\$262.50
MATTER:		2252-008			
RE:		Finnegan Dependent Child			
03/05/18	KAK	Correspondence to medical provider with release for medical records	0.50	\$175.00	\$87.50
		MATTER TOTALS:	0.50		\$87.50

<u>DISBURSEMENTS</u>	<u>AMOUNT</u>
MATTER:	2252-008
RE:	Finnegan Dependent Child
Mar-15-18	Medical Records Fee Presence Resurrection MC 92.01
	Medical Records Fee Advocate Medical 31.54
Mar-26-18	Duplication of medical records produced electronically 25.35
MATTER TOTALS:	\$148.90

TOTAL FEES	\$350.00
TOTAL DISBURSEMENTS	\$148.90
AMOUNT DUE THIS BILL	<hr/> \$498.90
PREVIOUS BALANCE	\$0.00
RETAINER AMOUNT APPLIED	<hr/> \$0.00
TOTAL AMOUNT DUE	\$498.90

RETAINER BALANCE \$0.00



April 25, 2018

Joan Rock
400 Park Ave
River Forest, IL 60305
United States

Cust: First Midwest Bank
Acct: 931000020
Code: 50007068

MANAGEMENT FEE: River Forest Firefighters Pension Fund

3/31/2018 Portfolio Value:		\$ 5,021,789.67
0.25% on the first \$1,000,000,000 (\$ 5,021,790)	\$ 3,138.62	
Fee: for the period 4/1/2018 through 6/30/2018		<u>\$ 3,138.62</u>

Please make checks payable to Segall Bryant & Hamill, LLC

Mail:

Segall Bryant & Hamill, LLC
C/O Billing Department
540 W. Madison Street, Suite 1900
Chicago, IL 60661

Wire:

The Private Bank & Trust Company
Segall Bryant & Hamill, LLC
ABA# 071006486
Account# 2194952
(Please reference account name)

A handwritten signature in blue ink, appearing to read 'OK to pay', with a large flourish at the end.

QUARTERLY RETAINER LEGAL SERVICES AGREEMENT

This agreement is entered on _____, 2018 between the law firm of Karlson Garza LLC and the Board of Trustees of the River Forest Firefighters' Pension Fund (hereinafter "Pension Board") to provide legal services under the following terms and conditions:

Payment for Services

Pension Board agrees to pay Karlson Garza LLC, in consideration for the services rendered upon its behalf in the following manner:

In exchange for the Pension Board paying a quarterly retainer, an attorney will attend quarterly meetings in person or by telephone. If you so elect, an attorney will personally attend your Board's quarterly meetings. When attending by telephone, an attorney will be available for a call lasting the duration of the Pension Board's quarterly, monthly, and/or special meetings. An attorney will attend all disability and other administrative hearings in person.

In-Person retainer (\$750 per quarter)

Includes:

- ❖ in-person attendance by an attorney at all quarterly meetings and one special meeting;
- ❖ routine inquiries by phone and email;
- ❖ administrative rules and regulations;
- ❖ annual audit letters;
- ❖ annual levy request letter.

By virtue of the retainer agreement the following hourly rates apply:

Partner time:	\$175 per hour
Associate time:	\$150 per hour
Support staff time:	\$75 per hour

In exchange for Pension Board paying its quarterly retainer, it receives a discounted hourly rate and is not billed for: routine telephone calls, reviewing/editing administrative rules & regulations, examining vendor agreements, review the Board's investment policy, filing IDOI legal compliance documents (excluding audit responses), issuing levy request to the City, and other routine matters. Processing disabilities, QILDROs, hearings, responding to subpoenas and FOIA requests, answering IDOI audits, litigation, and other non-routine work will be billed at an hourly rate.

The Pension Board will be billed in quarter hour increments and on a monthly basis. In addition, the Pension Board is responsible for all other reasonable out-of-pocket expenses. Expenses include: postage and shipping, photocopy costs, any medical records fees, witness and/or mileage fees, expert witness fees, court reporter costs, filing fees, and other reasonable out-of-pocket expenses.

Each month, the Pension Fund will pay all sums owed to Karlson Garza LLC, whether for attorney's fees earned or costs incurred. An itemized statement of fees earned and costs incurred will be sent to the Client each month, although in some instances the intervals between billings may be longer.

Termination

This agreement may be terminated by either party, by serving written notice to the party. Any amount of the retainer that has been prepaid will be prorated and a refund will be issued. Both parties further agree that Illinois law will control the disposition of any disagreements between the parties. No representations have been made to the client concerning the probability of obtaining a settlement, judgment, or dismissal in the client's favor. By signing below the parties agree to be bound by the terms of this Agreement.

ATTORNEYS:
KARLSON GARZA LLC

By:

Keith A. Karlson, Esq.

By affixing the signatures of the President and Secretary the Pension Board below, the Pension Board affirms: at an open meeting, with proper notice posted on an agenda, in compliance with the Open Meetings Act and other applicable law, and with full authority, the Board of Trustees of the River Forest Firefighters' Pension Fund, have voted to retain the law firm of Karlson Garza LLC to serve as counsel for the Pension Board under the terms described in this Agreement.

BY SIGNING BELOW, THE PENSION BOARD FURTHER ACKNOWLEDGES THAT ON _____, 2018, THE PENSION BOARD HAS READ AND UNDERSTANDS THE TERMS OF THIS AGREEMENT, CONSENTS TO ITS TERMS, THAT THERE ARE NO EXCEPTIONS THERETO, AND THAT ANY MODIFICATIONS OF THIS AGREEMENT MUST BE IN WRITING AND AGREED TO BY ALL PARTIES.

CLIENT:

**BOARD OF TRUSTEES OF THE
RIVER FOREST FIREFIGHTERS' PENSION FUND**

By:

Pension Board President

By:

Pension Board Secretary

Lauterbach & Amen, LLP
668 N. River Road
Naperville, IL 60563

Actuarial Funding Policy Statement



VILLAGE OF RIVER FOREST FIREFIGHTERS' PENSION FUND

Effective Date:

April 30, 2018

LAUTERBACH & AMEN, LLP

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PURPOSE OF THE ACTUARIAL FUNDING POLICY STATEMENT

General Purpose

This Actuarial Funding Policy Statement sets forth the procedures that the Pension Board of Trustees for the Village of River Forest Firefighters' Pension Fund and the Village of River Forest have adopted to make funding contributions to the Firefighters' Pension Fund in compliance with the Illinois Pension Code. The policy identifies goals and objectives of the Pension Board of Trustees and the Village. The policy sets out the decision-making process for handling various aspects of pension funding and defines the ongoing items to be reviewed in assessing the ongoing effectiveness of this policy.

Goals and Objectives

The key goals and objectives considered in the preparation of the investment policy are noted below:

- Make sure that benefits are secure for fund participants now and in the long-term.
- Keep the recommended costs of the plan stable across generations of taxpayers.
- Develop recommendations that are more cost-effective in the long-term.
- Provide year-to-year contribution stability/budgeting for the Village.
- Address any transition items needed at the policy implementation.

Operation of the Policy

It is the intention of the Pension Board of Trustees and the Village to review the policy on an annual basis. The intention is to review the effectiveness of the policy and determine if it continues to meet the goals and objectives as set forth.

The Pension Board of Trustees and the Village retain the right to amend the policy, as necessary, to keep the policy in line with the goals and objectives.

THE ACTUARIAL COST METHOD

General Purpose

The intent of any Actuarial Cost Method is to set aside the appropriate number of dollars during an employee's working career so that the Pension Fund has the dollars necessary to make payments at retirement. The Actuarial Cost Method will set the pattern by which contributions are made to the Funds during the working career of the employee and provide two key measures for reporting:

- Normal Cost – The amount of money to contribute for each active employee for the upcoming year of service.
- Accrued Liability – The amount of money that is expected to be in the Pension Fund already, based on all past service already worked by members of the Fund.

Selection

The Entry Age Normal (EAN) Cost Method (Level Percent of Pay) has been chosen to measure the Normal Cost and Accrued Liability for the Fund.

The EAN Method is a cost-based actuarial method which focuses on budgeting annual costs during the working career of an employee. The Normal Cost level is set with the expectation that it will increase annually at the same rate as expected payroll increases during an employee's working career.

UNFUNDED ACCRUED LIABILITY

General Purpose

The Actuarial Cost Method will provide a method for setting the annual contribution pattern for current year services, as well as setting the expected level of assets needed to be on budget for past services rendered by employees. When the Pension Fund's actuarial assets do not match the expected assets under the budget, an unfunded/overfunded liability exists.

Unfunded liability comes from two broad types of events:

Short-Term events are a product of measuring liability and asset returns at specific points in time and are expected to come up annually. For example, the assets may return 5.0% in the long-term but in any given measurement year, we will likely see returns that exceed or fall below that level. The key to managing short-term unfunded liability is to make sure that plan assumptions are as accurate as possible so that short-term fluctuations over time create both gains and losses, and effectively offset each other. Contribution adjustments are made to control short-term fluctuations but are anticipated to be offsetting adjustments in the long-term.

Systematic events are changes in unfunded liability caused by specific outside actions. The increase or decrease in unfunded liability that results is a "permanent" change in liability that will not necessarily offset another change over time. Therefore, the key to managing systematic changes in unfunded liability is to recognize a corresponding change required to the annual contribution for some set period of time.

Unfunded Liability – Existing at Implementation

As of April 30, 2018, the unfunded liability balance as of April 30, 2018 will be paid off over 22 years using level dollar payments, targeting 90% funding. The remaining 10% of the unfunded liability will continue to be separately identified and monitored. This amount will grow over time and will be monitored annually.

Unfunded Liability – New Changes

Changes in the unfunded liability subsequent to April 30, 2014 will be paid off over the remaining years from the initial 26-year period. Each valuation year, these changes to unfunded liability will be identified and the Pension Board of Trustees will recommend how to handle them. Changes in unfunded liability can be used to offset past unfunded liability or separate amortization periods setup to handle them through contributions. Amortization into future contribution recommendations will be done on a level dollar basis.

ACTUARIAL VALUE OF ASSETS

General Purpose

The Actuarial Value of Assets is the figure used annually to determine the level of underfunding in the Pension Fund. The Actuarial Value of Assets does not necessarily equal the fair Market Value of Assets. While the Actuarial Value of Assets does not represent dollars that are available on that day to make benefit payments, use of an Actuarial Value of Assets recognizes that assets will not all be distributed at a single point in time.

The objective of using an Actuarial Value of Assets that differs from the Market Value of Assets is to redistribute contributions over the life of the Pension Fund in a manner that is less volatile. The overall level of contributions over the life of the Fund is not expected to change. To achieve this, gains and losses on the Market Value of Assets are recognized in the Actuarial Value of Assets over a period of time. In order to be successful as part of long-term funding, the Actuarial Value of Assets should be equally likely to fall above or below the market value of assets.

Key parameters:

- Years – the number of years to smooth market value gains and losses.
- Corridor – A limitation placed on the Actuarial Value of Assets. This parameter will limit the Actuarial Value of Assets in relation to Market Value of Assets.

Selection

The Actuarial Value of Assets will be equal to the Market Value of Assets, with unexpected gains and losses on the Market Value of Assets smoothed over a 5-year period.

It is anticipated that the Actuarial Value of Assets will not stray too far from the Market Value of Assets with the 5-year smoothing parameter. Therefore, no corridor has been set at this time.

OPERATIONAL PROCEDURES

Funding Recommendations

The Pension Board of Trustees will use the policies and procedures set forth in this document to recommend a contribution amount to be made by the Village to the Pension Fund each year.

State of Illinois Minimum Funding Requirement

The State of Illinois provides funding policy parameters that must be used in determining the minimum amount of money that should be contributed to the Fund on an annual basis. The Pension Board of Trustees and the Village will review this amount each year. Notwithstanding anything else in this policy, in no event will the Pension Board of Trustees recommend a contribution that is less than the minimum contribution required under State law.

Actuarial Assumptions

The Pension Board of Trustees will review the actuarial assumptions used for determining the Fund's costs at least every 3-5 years. The Pension Board of Trustees and Village will use assumptions that are the best estimate of the future anticipated experience under the plan. By getting the best estimate on actuarial assumptions, short-term changes in unfunded liability are expected to be offset over a long-term period of time. Review of the assumptions every 3-5 years will help to minimize the impact of assumption changes that have deviated from actual experience over a long period of time.

If any events occur that could impact assumptions immediately (for example, a change in the Investment Policy or strategy), the Pension Board of Trustees will assess the associated assumption on a more immediate basis and will not be limited by the 3-5 year cycle.

See Addendum 1 for current selections.

Monitoring the Funding Policy

The Pension Board of Trustees and the Village will review, on an annual basis, a report that is intended to monitor the progress of the Funding Policy. This review will include but not be limited to:

- A review of the progress being made on the unfunded liability that exists at implementation.
- A review of the anticipated gains and losses that will be recognized in the upcoming actuarial value of assets under the funding policy.
- An analysis of cash flow to monitor the continuous ability of the funds to pay benefits.
- An analysis of the causes of any changes in unfunded liability over the preceding year.
- An analysis of the actuarial expectations versus actual experience over the past year.

ADDENDUM 1 – CURRENT ACTUARIAL ASSUMPTIONS

Economic Assumptions

<u>Assumption</u>	<u>Selection</u>	<u>Reason</u>
Expected Rate of Return on Assets	7.00%	Based on the current target allocation in the Pension Fund and Discussion with the Investment Consultant.
Pay Increases	3.00%-10.11%	Service-based pay rates are intended to capture increases granted early in an employee's working career and cost of living adjustments. Long-term increases are intended to capture average increases for inflation and merit/promotions.
Total Payroll Increases	3.50%	Based on the current employee population.

Demographic Assumptions

<u>Assumption</u>	<u>Selection</u>	<u>Reason</u>
Active Mortality	RP-2014 with Blue Collar Adjustment, Improved Generationally using MP-2016	Based on national studies of mortality rates and mortality improvement rates.
Retiree Mortality	L&A 2016, Experience Weighted with Active Mortality Rates	Based on a study of the actual experience for active and retired Firefighters' in the state of Illinois, blended with a national study of mortality rates and mortality improvement rates.
Disabled Mortality	RP-2014 for Disabled Participants with Blue Collar Adjustment, Improved Generationally using MP-2016	Based on national studies of mortality rates for disabled individuals and mortality improvement rates.

Demographic Assumptions - Continued

Spouse Mortality	RP-2014, Improved Generationally using MP- 2016	Based on national studies of mortality rates and mortality improvement rates.
Termination Rates	L&A 2016	Long-term anticipated experience for the Firefighters' Pension Fund, based on a study of the actual experience for active and retired Firefighters' in the state of Illinois.
Disability Rates	L&A 2016	Long-term anticipated experience for the Firefighters' Pension Fund, based on a study of the actual experience for active and retired Firefighters' in the state of Illinois.
Retirement Rates	L&A 2016	Long-term anticipated experience for the Firefighters' Pension Fund, based on a study of the actual experience for active and retired Firefighters' in the state of Illinois.
Percent Married	80%	Represents the anticipated percentage of time death benefits will be paid by the Pension Fund.

ANNUAL STATEMENT

For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

- A01.** At the time of filing this report, did the board of the pension fund have an actuarial valuation produced by a consulting actuary using data from the fiscal year being reported?
- A01a.** If yes, did the pension fund submit the actuarial statement as required by 40 ILCS 5/1A-111? (Upload a copy applicable to the fiscal year being reported in Document Submissions.)
- A01b.** What is the assumed interest rate used by the consulting actuary? Enter the percentage.
- A01c.** What is the total normal cost (Entry Age Normal) calculated by the consulting actuary? Enter the dollar amount. Enter 0 if the actuary did not calculate the total normal cost using the Entry Age Normal cost method.
- A01d.** What is the total normal cost (Projected Unit Credit) calculated by the consulting actuary? Enter the dollar amount. Enter 0 if the actuary did not calculate the total normal cost using the Projected Unit Credit cost method.
- A01e.** What is the total normal cost as a percentage of payroll (Entry Age Normal) calculated by the consulting actuary? Enter the percentage. Enter 0 if the actuary did not calculate the total normal cost using the Entry Age Normal cost method.
- A01f.** What is the total normal cost as a percentage of payroll (Projected Unit Credit) calculated by the consulting actuary? Enter the percentage. Enter 0 if the actuary did not calculate the total normal cost using the Projected Unit Credit cost method.
- A01g.** What is the accrued liability (Entry Age Normal) calculated by the consulting actuary? Enter the dollar amount. Enter 0 if the actuary did not calculate the total normal cost using the Entry Age Normal cost method.
- A01h.** What is the accrued liability (Projected Unit Credit) calculated by the consulting actuary? Enter the dollar amount. Enter 0 if the actuary did not calculate the total normal cost using the Projected Unit Credit cost method.
- A02.** At the time of filing this report, does the fund and/or the municipality intend to hire a consulting actuary to determine the funding requirement using data from the fiscal year being reported?
- A02a.** When does the pension fund expect to submit the Actuarial Statement as required by 40 ILCS 5/1A-111?
- A02b.** What is the name of the actuary performing the actuarial valuation?
- A03.** For the current filing year, did the board submit an annual report on the condition of the pension fund to the municipality in accordance with 40 ILCS 5/3-143 or 40 ILCS 5/4-134?
- A04.** Did the municipality levy a property tax for the funding of the pension fund during the fiscal year being reported?
- A05.** Does the pension fund have receivables which are one year or older?

ANNUAL STATEMENT

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Interrogatory Statement

- A05a. If yes, list the type and amount of each receivable which is one year or older?
- A05b. If yes, when does the pension fund expect to convert the receivable to cash/investments?
- A06. Does the pension fund intend to use the actuarial valuation report as supplied by DOI for this fiscal year's filing when it is available for the tax levy?
- A06a. If no, what amount will be presented for the tax levy? Enter the dollar amount.
- A06b. Who estimated this amount? How was this amount estimated?
- I01. Did the board adopt a new investment policy during the fiscal year being reported? (Upload the most recent copy in Document Submissions.)
- I02. Did the board approve any new contracts related to the services of an investment manager, adviser, and/or consultant during the fiscal year being reported? (Upload the most recent copy in Document Submissions.)
- I02a. If yes, enter the contact information for each investment company.
- I03. Did the board approve any new contracts related to the services of a custodian for the fund's assets during the fiscal year being reported? (Upload the most recent copy in Document Submissions.)
- I03a. If yes, enter the financial institution's name and address.
- I04. Do the investment assets fall within the allowable percentage limitations based on net assets per the definition in 40 ILCS 5/1-113.1?
- I04a. If no, were the percentage limitations in compliance per 40 ILCS 5/1-113.10 at the time of purchase?
- M01. Did the board adopt new rules and regulations during the fiscal year being reported? (Upload the most recent copy in Document Submissions.)
- M02. When did the board last adopt or update rules and regulations?
- M03. Does the board have policies in place for awarding disability and annual medical reviews?
- M04. Does the board have policies in place for calculating the salary attached to rank?
- M05. Does the board have policies in place for completing the annual statement?
- M06. Did the board hold meetings for the administration of the fund during the fiscal year being reported?

ANNUAL STATEMENT

For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

- M06a.** If yes, submit board minutes. If no, explain why the board did not hold meetings during the year.
- M06b.** If yes, enter the dates of the board meetings.
- M07.** Do trustees or the treasurer receive salary from the fund for services performed as a board member?
- M07a.** If yes, identify the board member(s) or the treasurer receiving compensation.
- M07b.** If yes, list services for which the board member(s) or the treasurer receive compensation. List the amount of compensation.
- M08.** Does the board retain an attorney?
- M08a.** If yes, submit contact information for each attorney.
- M09.** Did newly elected or newly appointed board trustees complete the initial 32 hours of required training per 40 ILCS 5/1-109.3(a) during this or the preceding fiscal year?
- M09a.** If yes, submit the training certifications for any training which was completed. If no, explain who did not complete the required training and the reason for not completing it.
- M10.** Did board trustees complete the 16 hours of required continuing education, including or in addition to the 8 hours of ethics training per 40 ILCS 5/1-109.3?
- M10a.** If yes, submit the training certifications for any training which was completed. If no, explain who did not complete the required training and the reason for not completing it.
- M11.** What actions does the board take to guarantee that all trustees complete the required training on time?
- M12.** How does the Board guarantee that the approved training is reasonable (cost) and necessary?
- M13.** How often does the board review mistakes in pension benefits per 40 ILCS 5/3-148 or 40 ILCS 5/4-138.10?
- M14.** Does the board address mistakes in benefits after a benefit had been approved?
- M14a.** How does the board address mistakes in a benefit after the board had already begun paying the benefit?
- M14b.** Does the board correct the benefit going forward?
- M14c.** Does the board collect the difference?
- M15.** Does the Treasurer verify benefit calculations for new beneficiaries?

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For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

- M15a. If no, explain why the Treasurer does not verify benefit calculations approved by the board?
- M16. Does the board review payroll records when approving new benefits?
- M17. Does the board review contributions collected on pensionable components (items) of salary when approving new benefits?
- M18. Does the board review creditable service when approving new benefits?
- M19. Does the board review the labor contract when approving new benefits?
- M20. Does the board review the municipal salary appropriation ordinance when approving new benefits?
- M21. Does the board review the salary amount appropriated for the firefighter/police officer when approving new benefits?
- M22. Are all board trustees aware of the consequences of breaching their fiduciary duties as outlined in ILCS 40 5/1-114?
- M23. Has an annual audit been conducted by an independent CPA for the fiscal year being reported?
- M23a. If yes, provide the contact information of the independent CPA who conducted the annual audit.
- M23b. If yes, submit a copy of the annual audit.
- M24. If applicable, explain why an annual audit was not conducted by an independent CPA for the fiscal year being reported. If not applicable, enter N/A.
- M25. Is line 1.3 on the annual statement, adjustment to the beginning balance, greater than \$10.00?
- M25a. If yes, explain.
- M26. Are there any lawsuits pending against the board of the pension fund?
- M26a. If yes, explain.
- M27. Are all board trustees aware of the regulatory changes, if applicable, during the fiscal year?
- M28. If applicable, did the board of the pension fund give notice to the municipality after the municipality failed to transmit to the fund contributions required of it for more than 90 days after the payment of those contributions was due during the fiscal year being reported? ILCS 40 5/3-125 (c)(3) or ILCS 40 5/4-118(b-5)

ANNUAL STATEMENT

For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

M28a. If yes, did the board of the pension fund certify to the Comptroller the amounts of the delinquent payments?

M28a1. If yes, what amount was certified?

M29. What actions does the board take to identify annuitants who are deceased?

P01. What is the board's definition of 'salary attached to rank'?

P02. Which components of compensation (base, longevity, holiday, education, etc.) make up 'salary attached to rank'?

P03. Does the board compare the salary used amount to the salary in payroll records and to the salary outlined in the labor contract and/or ordinance establishing salary when calculating pension benefits?

P03a. If no, explain why the board does not compare final salary calculation used for pension benefit to payroll records.

P04. Did the board collect the statutorily required contributions on all components of 'salary attached to rank'?

P04a. If no, explain why the board did not collect the statutorily required contributions on all pensionable items.

P05. Does the board collect contributions over retroactive pay?

P06. Do the amounts reported in FYE annual salary and/or salary used include any one-time additions?

P06a. If yes, what are the one-time additions to FYE annual salary and/or salary used related to?

P07. Does the board maintain the salary information of all members?

P07a. If yes, explain how the pension fund stores this information?

P07b. If yes, how many years of salary information does the pension fund retain?

P08. Does the employer pick up contributions per 40 ILCS 5/3-125.2 or 40 ILCS 5/4-118.2?

P08a. If yes, explain why the employer picks up contributions and for whom.

S01. How does the board confirm the creditable service time awarded at the time of the pension approval? Include the types of documents the board reviews prior to approving the benefit amount.

ANNUAL STATEMENT

For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

- S02.** What documentation does the board require and review prior to the awarding of additional creditable service for time spent in the military?
- S03.** What documentation does the board require and review prior to the awarding of additional creditable service for time transferred from another pension fund?
- S04.** What documentation does the board require and review prior to the awarding of additional creditable service for any other type of transfer?
- S05.** When does the board record a police officer's transferred creditable service time to the fund? If not applicable, enter N/A.
- S06.** If applicable, does the board have procedures in place to meet the portability reporting requirement under Section 4401.130?
- S06a.** If no, explain why the board does not have the procedures in place.
- S07.** Were the additional statutorily required contributions under Section 4-109.3(i)(reciprocity) and interest, where applicable, collected on participants who intend to retire under the provisions of Section 4-109.3?
- S07a.** If no, explain why the statutorily required contributions were not collected?
- S08.** What procedures are in place to verify that the firefighter's communication of intent to receive benefits under the provisions of Section 4-109.3 (reciprocity) occurred within 21 months of the hire date?

Certified Trustee Training

Organization: **River Forest Fire Pension Fund**

Year: **2018**

Stephen Fischer

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	IPFA Trustee Training	8	11/4/2016	X
2					
3					
4					
5					
6					

John Carter

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	IPFA Trustee Training	8	11/4/2016	X
2					
3					
4					
5					
6					

Lester Telkamp

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	IPFA Fall Seminar	8	11/3/2017	X
2					
3					
4					
5					
6					

Sean Condon

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	IPFA Trustee Training	16		
2					
3					
4					
5					
6					

Joan Rock

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	IPPFA Midwest Pension Conference	1.5	10/6/2017	X
2		IPPFA Fall 2017	16	10/6/2017	X
3					
4					
5					
6					

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1					
2					
3					
4					
5					
6					

2018 MidAmerican Pension Conference

Grand Geneva Resort in Lake Geneva, WI



Tuesday, Oct. 02, 2018 – Friday, Oct. 05, 2018

For over 30 years the IPPFA has offered Public Pension Trustees the best and latest in trustee training. With the recent far reaching changes in pension law and with the difficult challenges yet to come, the IPPFA strives to prepare pension trustees for the future. Please join us for Training in Ethics, Investment Procedures, Fiduciary Responsibilities, Legal and Legislative Updates, and much, much more and all with nationally renowned speakers.

The Trustee Workshop will be offered on Tuesday October 2th, designed for those trustees that need a refresher or are new to a board. And as every year the IPPFA Golf Outing will be held before the conference on **October 2nd**.

2018 IPPFA MidAmerican Pension Conference:

- IPPFA MidAmerican Pension Conference will be held at the Grand Geneva Resort in Lake Geneva, WI.
- October 2nd – 5th, 2018.
- The IPPFA rate is \$138.00 per night plus taxes and fees.
- Call the Grand Geneva Resort & Spa direct at 1-800-558-3417.

Off-site Accommodations:

- **Holiday Inn Club Vacations at Lake Geneva Resort**
- 1-866-915-4224
- Group Name: IPPFA, Group Code: IPP
- Rate: \$147.00 per night plus taxes & fees
- Minimum of three nights
- To book the MAIN DATES of 10/2/18 to 10/5/18, please use the following link: [Holiday Inn](#)
- To book the MAIN DATES PLUS THE SHOULDER DATES of 10/1/2018 to 10/6/2018, please use this link and adjust the arrival and departure date as necessary:
- [Holiday Inn](#)
- Please be advised that this link will not work on a mobile device such as a tablet or smart phone, you must use a desktop.

- **Harbor Shores of Lake Geneva**
- Group Code: IPPFA
- Lakeview Room Rate: \$99 per night plus taxes & fees
- Parkview Room Rate: \$79 per night plus taxes & fees
- ****IMPORTANT NOTE:** Reservations **MUST** be made over the phone through Harbor Shores on Lake Geneva directly at 262-248-9181 or 888-746-7371.

****Don't see what you're looking for?** Call 630-784-0406 x106 and we can customize a package to fit your budget.

2018 IPPFA Trustee Training Opportunities

IPPFA 2018 REGIONAL SEMINARS

WHEN: Wednesday, November 14, 2018
7:00 AM – 4:00 PM (registration begins at 7:00 am)

WHERE: **John A. Logan - Carterville**
700 Logan College Drive
Carterville, IL 62918
618-985-2828

COST: IPPFA MEMBER: \$175.00
IPPFA NON-MEMBER: \$350.00

-satisfies 8 hours of the required continuing pension trustee training

IPPFA ONLINE SEMINAR COURSES

WHEN: Ongoing
• Online 8 hr seminar (Recorded Spring, 2016)

WHERE: IPPFA Website:
www.ippfa.org/education

COST: IPPFA MEMBER: \$250.00/seminar
IPPFA NON-MEMBER: \$450.00/seminar

-each online seminar satisfies 8 hours of the required continuing pension trustee training

WHEN: Ongoing
• Online 8 hr seminar (Recorded Fall, 2014)

WHERE: IPPFA Website:
www.ippfa.org/education

COST: IPPFA MEMBER: \$250.00/seminar
IPPFA NON-MEMBER: \$450.00/seminar

-each online seminar satisfies 8 hours of the required continuing pension trustee training



2018 IPFA FALL PENSION SEMINAR
Friday November 2, 2018 Red Shift
Empress Banquets 200 East Lake Street Addison, IL 60101 630-279-5900



SEMINAR REGISTRATION FORM

Municipality,
District, or
Firm:

(please print or type)

Address: _____

City: _____, IL Zip: _____ Phone: _____

SEMINAR FEES: **IPFA Members: \$ 140.00** **Non - Members: \$ 180.00** **Walk-In Registration: \$ 190.00**

Avoid the walk-in surcharge – register on or before Monday, October 29, 2018

First Name:	Last Name:	e-mail Address:	Member	Non-Member
_____	_____	_____	\$_____.	\$_____.
_____	_____	_____	\$_____.	\$_____.
_____	_____	_____	\$_____.	\$_____.
_____	_____	_____	\$_____.	\$_____.
_____	_____	_____	\$_____.	\$_____.
TOTAL CHECK ENCLOSED			\$_____.	

Payment must accompany this Registration Form and be received in our office **on or before** Monday, October 29th to qualify for lower rates. Reservations received after the above date will be charged walk-in registration fee. Requests for refunds also must be received on or before Monday, October 29th for full fee refunds. **No refunds** of seminar fees after this date. Please mail the completed form to IPFA, 188 Industrial Drive, Suite 134, Elmhurst, IL 60126-1608, fax it to 630-833-2412, or scan & e-mail to ipfa@aol.com. Any questions, call 630-833-2405. For Tax Reporting Purposes our Federal I.D. Number is: 36-2650496.

The Illinois Pension Statute requires continuing education for all pension board members. This seminar provides up to 8 hours of credits.

For IPFA Office Use: Date: _____ Check #: _____ Amount: _____ Payer: _____

RESPONSE TIME

QUARTERLY NEWS FOR FIRST RESPONDERS



- Last Chance Means Just That
- “Public Entity” Under FOIA Further Defined
- Retroactive Application of Divestiture of a License for a Prior Felony Conviction
- Driving Around is Different from “Patrol”
- Meet The Team
- Beneficiary Must Pay Back Overpaid Benefits
- Actuary Timothy W. Sharpe Publicly Disciplined and Sued
- 4th Quarter Agenda Items
- Karlson Garza LLC News

July 2018 Vol. 1 Iss. 1

Karlson Garza LLC Joins the Fight

Welcome aboard. On June 1, 2018, Karlson Garza LLC opened its doors. Founding partners, Keith A. Karlson and Raymond G. Garza were joined by associate Anthony R. Martin. Our office is located in Palos Heights, Illinois. Our clients are found across Illinois and Indiana. We hope you enjoy this first issue of our firm’s quarterly newsletter.

Why do we do this?

Our firm primarily represents public safety professionals. We fight to win and preserve fair working conditions and wages for police officers and firefighters. Toward that same end, our firm is dedicated to preserving meaningful retirement security for first responders. Whether at the bargaining table, in the press, or in the legislature, benefits are under attack.

Public pensions and collective bargaining are not separate concepts. Both are under siege by the same powerful interests. These interests attempt to impose their will with a Wall Street money driven campaign aimed at the general public’s ignorance and apathy. Now, more than ever, first responders require the protections they began fighting for more than a century ago. Unions and pensions are the best safety net for our public safety professionals.

Remember, these dangerous professions are uniquely different from other private sector dangerous occupations. For instance, most firefighters and police officers are not participating in Social Security. Even if they do participate, they receive a diminished benefit. Furthermore, pension funds do not only provide a retirement benefit, they provide for disabled first responders, and, in the case of death, survivor benefits for their children and/or spouse.

Our firm is dedicated to joining our first responder clients in the fight to protect their benefits. Pension Boards have a fiduciary obligation to their participants. They are required to administer their plans in compliance with applicable laws and regulations. Part of that obligation requires Pension Boards to retain competent professionals, including attorneys. Our firm provides a bevy of experience. That experience is fueled by a passion and informed by knowing we are on the right side of the battle. We are up to the task and will stand shoulder to shoulder with you.

Last Chance Means Just That

AFSCME Council 31, AFL-CIO; and AFSCME Local 3477 v. Timothy C. Evans 2018 IL App (1st) 171217-U

Anthony Jordan was suspended from work in October of 2011 for poor performance. After the 30 days suspension, Jordan, his employer, and the Union signed a Last Chance Agreement (“LCA”) stating “that ‘[a]ny singular recurrence of such non-compliance with department standards will result in’ his termination.” It also included a provision waiving rights to “grieve corrective action.” All parties signed the LCA.

In 2014, Jordan was temporarily suspended by the Employer for not fulfilling work duties, and thus violating the LCA. The Union filed a grievance on Jordan’s behalf, stating that “Employer failed to notify it and conducted an investigatory hearing of Jordan without it present.” The matter moved through the grievance process.

In February 2015, the Employer terminated Jordan. The Union contested Jordan’s termination and moved the grievance to the arbitration step. However, the Employer refused to arbitrate the matter because they believed the LCA waived Jordan’s right to go to arbitration, thus making the matter not arbitrable.

The matter proceeded to litigation in trial court, where the court found the LCA “unclear” regarding whether it was a court’s decision or an arbitrator’s decision to determine if Jordan violated the LCA. The trial court referred the situation “to an arbitrator for a determination as to the dispute’s arbitrability.” The Employer appealed.

The Appellate Court held the Union does have in its Collective Bargaining Agreement a broad clause regarding arbitration and grievances. However, the LCA, considered a supplemental piece of the CBA, signed away Jordan’s rights to arbitration based on previous performance issues. He had been given that as “one last chance.” The LCA clearly stated, “any singular non-compliance with these conditions will cause his immediate termination from the department without the recourse of the collective bargaining grievance procedures.”

The Union attempted to argue a new CBA was signed after the LCA was executed took precedence and rendered Jordan’s LCA invalid. The Appellate Court held the LCA was still valid because the new CBA is meant to be broad and LCA’s are specialized for individual employees. The Court reasoned, invalidating the LCA in favor of the broad CBA’s “would render LCA’s meaningless.” The Appellate Court reversed the trial courts order because the discipline imposed did not fall within in the Arbitration clause.

“Public Entity” Under FOIA Further Defined

City of Danville v. Lisa Madigan and Kevin Flynn 2018 IL App (4th) 170182-U No. 4-17-0182

In December of 2014, the Housing Task Force met to identify housing issues in Danville. The team was comprised of eighteen community members and four City employees and used City resources to create and implement a five-year housing plan. The team had meetings and communications from December 2014 to July 2015, where on the 24th they submitted their final report to the city. On August 31, 2015, Kevin Flynn requested documents pursuant to the Illinois Freedom of Information Act (FOIA) regarding the Danville Housing Task Force and was subsequently denied. Flynn sought review with the Illinois Attorney General who then issued a binding opinion that Danville wrongly denied Flynn of the documents. The City then sought administrative review in the circuit court who subsequently affirmed the decision of the Attorney General. The City then appealed.

The City appealed, claiming the Housing Task Force was not a “public body.” Likewise, the City claimed, the requested documents are not “public records” as defined by the Illinois Freedom of Information Act.

The Housing Task Force was tasked with objectives pertaining to “developing housing strategies specifically for the City.” The City is clearly defined as a public body for FOIA purposes. According to documents relating to the Task Force’s purpose, it was transacting public business. When referencing some of the Task Force’s documents, the Court wrote,

“This document expressly provides that the Housing Task Force’s recommendations are intended to set forth the City’s housing strategy for the 2015-20 planning period and guide the daily decisions of City officials. The City’s housing strategies and the daily decisions of City officials in such matters clearly pertain to public or community interests—not private affairs.” In addition to relating to the transaction of public business, the AG and the Appellate Court found the City was in possession of the records. Therefore, the Appellate Court held the documents were subject to disclosure under FOIA.

Retroactive Application of Divestiture of a License for a Prior Felony Conviction

Shakari v. Department of Financial and Professional Regulation 2018 IL App (1st) 170285

The appellate court upheld the Department of Financial and Professional Regulation’s (“Department”) decision to revoke Batu Shakari’s RN license.

In 1975, at the age of 21, Batu Shakari was convicted of attempted murder. After completing his probation, he went on to pursue a career in nursing. He received his LPN in 1981 and his RN in 1989. In order to receive both of these licenses, he had to disclose his previous conviction. Both times the State nursing committee reviewed and approved him to move forward with the process. He renewed his license every year, until 2015, and was “never subject to disciplinary action” under either of his licenses during that time.

In 2011, the General Assembly passed a law (section 2105-165) stating in part:

[w]hen a licensed health care worker *** (3) has been convicted of a forcible felony[,] *** the license of the health care worker shall by operation of law be permanently revoked without a hearing.”

On July 31, 2012, the law became effective. After the passing of the law, but before its enforcement, the Department had already renewed Shakari’s license for the term.

On August 17, 2015, the Department notified Shakari it “intended to permanently revoke” his license based on Section 2105-165. His license was then officially revoked on September 30, 2015.

Shakari filed a complaint for admin review in the Circuit Court claiming his conviction was before he became licensed and thus he was not covered by the law. However, the Circuit Court, concluded it did not matter when conviction occurred, only that it had in fact occurred.

Shakari appealed, again claiming the law did not apply to him and that since his license was renewed after the law was passed and enacted, “the Department was estopped from revoking his license.” The Appellate Court affirmed the Circuit Court’s decision to include those previously convicted of a forcible felony, regardless of when that conviction occurred.

The Appellate Court explained, “the revocation of certain health care workers’ licenses ‘by operation of law,’ eliminated the Department’s discretion to renew the licenses of such individuals. The Department’s unauthorized renewal of Mr. Shakari’s license after the law’s effective date cannot give rise to a defense of collateral or equitable estoppel.”

The Appellate Court found Shakari’s due process argument unavailing. Shakari argued it is impermissible to retroactively punish a person for something occurring prior to the effective date of the law (i.e. *ex post facto*). The Appellate Court found Shakari’s due process rights were not implicated because the law only impacted renewal of his license in the future. The Court reasoned that made the law prospective only.

Meet the Team:

MaryKate Hresil is the friendly and helpful person on the other end of the phone when you call our office. MaryKate comes from a southside family -- with many police officers and firefighters. She graduated (in 3 ½ years) from St. Joseph’s College in 2015. She holds degrees in English - Creative Writing and Political Science. Prior to working at Karlson Garza LLC, she worked at a real estate brokerage firm handling national retail clients. In her free time, she can be found volunteering with the Rotaract Club of Chicago and reading towards her goal of 100 books this year.

Driving Around is Different from “Patrol”

Michael Hurd v. The Board of Trustees of the Maywood Police Pension Fund 2018 IL App (1st) 163368-U No. 1-16-3368

On July 28, 2010, Michael Hurd, a Maywood Police Officer, was on-duty, driving his squad car, and became injured in a traffic crash. The traffic crash caused Hurd to hit his elbow on the computer in his car and suffered from pain

in his elbow, back, and knee and his “whole basically right side.” He finished his shift, went home, and sought medical treatment the following day. Since then, he has had four surgeries as a result of his injuries.

Hurd testified he complained of his injuries to his supervisors on the day of the crash. However, on cross examination, the supervisor he claimed to have reported to was not even on duty. The supervisor further testified she had no knowledge of Hurd reporting the injury. A different supervisor completed a vehicle crash report on the shift following Hurd’s accident because “the reporting officer on plaintiff’s shift did not complete it.” Hurd was asked if he was in his assigned area at the time of his accident. Hurd testified, “I don’t even remember what my area was at that time.”

The Board denied Hurd’s line-of-duty claim on the grounds he failed to prove he was engaged in any act of duty. Instead, the Board found he was simply “simply driving around, much like a taxi driver, delivery driver, or other civilian who is driving around town.” Specifically, the Board found Hurd failed to prove he was on “patrol.”

The Appellate Court held, “The record shows that there was no evidence that plaintiff was responding to a call, had engaged in an investigation before the accident, was heading to investigate a matter, or was driving in his assigned patrol area, as he could not remember ‘what [his] area was at that time.’” Based upon the evidence before the Pension Board, the Pension Board’s decision was upheld.

This case demonstrates the differing opinions regarding what constitutes “patrol” by our appellate courts. For instance, the Fifth Circuit’s recent *Martin v. Shiloh PPB* decision

seems to have conflated “on duty” with “line of duty.” It is hard to reconcile cases like *Hurd*, *Fedorski*, and *Filskov*, with cases like *Martin*. Even cases favorable to applicants claiming they were disabled while engaging in “routine patrol,” like *Rose* and *Jones*, required applicants to demonstrate they were engaged in “patrol.” All of these cases, except *Martin*, seem to require the Applicant to prove they were not simply driving around. Instead, they had to demonstrate they were distracted or their equipment made their driving more dangerous than the rest of the motoring public. We will continue to monitor this area of law as the concept of “special risk” is further defined (or muddied) by the courts. One thing is clear though, the lack of clarity provided by the *Martin* court invites more litigation of this issue.

Beneficiary Must Pay Back Overpaid Benefits

Pete Almeida v Board of Trustees of the Elgin Police Pension Board, et al. 2018 IL App (2nd) 180129-U No. 2-18-0129

On April 16, 2018, the Second District Appellate Court issued an unpublished decision.

Police Officer Pete Almeida was granted a non-duty disability pension in 2009. Annually, Almeida submitted to mandatory medical exams to determine whether he continued to be disabled. On June 26, 2014, based on the exams, the Pension Board found he had recovered from his disability and terminated his disability pension.

On December 30, 2014, Almeida filed a complaint for administrative review of the decision and the court decided in favor of

Almeida and reversed the Board's decision. The trial court reversed the Pension Board's decision and concluded Almeida remained disabled. The Pension Board appealed.

On October 16, 2015 the decision made by the trial court was overturned. The Appellate Court found Almeida was no longer disabled. Therefore, Almeida was no longer eligible for a disability pension. Following the Appellate Court's affirmation of the Pension Board's decision, on November 17, 2017, Almeida was notified his disability pension from before had been overpaid by \$57,625.74 and that they would reduce that amount from his retirement benefits.

In January of 2018, Almeida filed a complaint for breach of contract and preliminary injunction. The Circuit Court granted Almeida's request and enjoined the Pension Board from reducing his retirement benefits. The Appellate Court reversed the trial court. The Appellate Court held Section 3-144.2 of the Pension Code empowered the Fund recoup overpaid benefits by deducting the amount of the remaining benefits. Subsection (c) of Section 3-144.2 reads:

If the benefit was mistakenly set too high, the Fund may recover the amount overpaid from the recipient thereof, either directly or by deducting such amount from the remaining benefits payable to the recipient as is indicated by the recipient. If the overpayment is recovered by deductions from the remaining benefits payable to the recipient, the monthly deduction shall not exceed 10% of the corrected monthly benefit unless otherwise indicated by the recipient.

However, if (i) the amount of the benefit was mistakenly set too high, and (ii) the error was undiscovered for 3 years or longer, and (iii) the error was not the result of fraud committed by the affected participant or beneficiary, then upon discovery of the mistake the benefit shall be adjusted to the correct level, but the recipient of the benefit need not repay to the Fund the excess amounts received in error." 40 ILCS 5/3-144.2 (West 2016).

The requirements for a preliminary injunction, according to the Appellate Court, was not met because there 3 of the 4 requirements to justify an injunction were not met. The Appellate Court found there was: (1) no irreparable harm as he was not eligible to receive pension for eight years, (2) monetary damages were in fact a remedy at law for this case as it was a case about money, and (3) Almeida did not in fact have a good likelihood of success based on the pension code. In light of those findings, the Pension Board's decision stood. However, this battle may be waged again when Almeida reaches retirement age.

There are a variety of means by which the Pension Board could have avoided some of the consequences in this case. The Pension Board in this case was not represented by an IPPFA affiliated firm. It is always important to have skilled and experienced pension counsel. Again, this is an unpublished opinion – meaning, it cannot be cited as binding authority.

Actuary Timothy W. Sharpe Publicly Disciplined and Sued

Sharpe v American Academy of Actuaries Civil Action No. 2017-0258 (DC 2018)

At one time, Timothy W. Sharpe probably performed more actuarial studies for Article 3 and 4 Funds (or their related employers) than any other actuary in Illinois. It has been a rough couple of years for Mr. Sharpe. Bad press, at least one lawsuit, and public discipline by the American Academy of Actuaries may have played a role in the declining number of Illinois public pension funds using Mr. Sharpe's services.

In January 2018, following several internal procedural steps (e.g. hearings and appeals) the American Academy of Actuaries issued a "Notice of Public Discipline" regarding the actuarial practices of Mr. Sharpe. The Notice stated, "The Academy hereby publicly reprimands Mr. Sharpe for materially failing to comply with Precepts 1, 2, 3, and 4 of the *Code of Professional Conduct*."

Precept 1 requires an actuary to perform their work with competence. Precept 2 requires an actuary to only accept work they are qualified to undertake. Precept 3 requires an actuary to "satisfy the applicable standards of practice." Precept 4 requires an actuary to make certain communications and disclosures. The Academy found Sharpe violated each of the four precepts when he performed actuarial

services for the City of Melrose Park. These services related to non-pension retirement benefits. A copy of the Public Notice can be obtained on the Public Discipline section of the Academy's website www.actuary.org. That site indicates only 32 actuaries have been publicly disciplined by the Academy.

Public concern over Mr. Sharpe's methods was featured in a, July 8, 2018, *New York Times* article entitled, "Bad Math and the Coming Pension Crisis." The article included concerns from an Illinois pension fund trustee who questioned whether Mr. Sharpe was using an outdated mortality table. Using an old mortality table may result in an artificially lowered levy for the municipality.

In addition to the public discipline and bad press, at some point, Mr. Sharpe filed suit against the Academy. Largely, he complained the allegations made against him should not have been made public. On January 12, 2018, a Federal Judge sitting in the D.C. District Court dismissed Sharpe's lawsuit for "failure to state a claim."

Sharpe is also currently being sued by at least one downstate police pension fund alleging actuarial malpractice. That matter is still pending in Illinois Circuit Court. It must be noted Sharpe has not been charged with any crime. Currently, Sharpe remains credentialed and is legally permitted to perform actuarial services. Pension Boards should closely scrutinize the qualifications of any professional services provider.

October-December (4th Quarter) Agenda Items

- Trustee Training Reimbursements (*if necessary for Fall Conference expenses*)
- IDOI Annual Statement (April Year Ends)
- Review/Approve - Actuarial Valuation and Tax Levy
- Review/Adopt - Municipal Compliance Report
- Establish 2019 Board Meeting Dates
- Annual Independent Medical Examinations

News

- On May 7th Keith Karlson taught Legal Aspects of the Use of Force for Indiana HIDTA in Hammond, Indiana.
- On June 1st Karlson Garza, LLC opened its doors.
- On July 29th Keith Karlson was invited to participate in the Pension Attorneys portion of the IPPFA National Roundtable.
- On September 29th Keith Karlson and Ray Garza will be speaking at the MAP Union Steward's Education Seminar.



Keith's July Craft Beer Recommendation: Surly Citra Pale Ale. It's hot. This low ABV pale ale is flavorful without the high octane of other craft beers. It's perfect for the summer months. Also, it can be found at most grocery stores.

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