

**MINUTES OF THE FIRE PENSION  
REGULAR MEETING  
TUESDAY, JANUARY 11, 2011**

**BOARD OF TRUSTEES**

*CHIEF BRYZGALSKI, PRESIDENT - 2009/2012 - Elected  
LT. BERGHAUS, SECRETARY - 2008/2011- Elected  
DAN FREDERICK RETIRED - 2010/2013- Elected  
LOU CIPPARRONE, VILLAGE TREASURER - 2008/2011 - Appointed  
ALEX KRAMER, TRUSTEE – 2010/2012 - Appointed*

**CALL TO ORDER**

Lt. Bryzgalski called the meeting to order at 0804 hours.

Roll Call by Joan Sietz, Recording Secretary

Present: President William Bryzgalski, Village Treasurer Lou Cipparrone, Dan Frederick-Retired, Alex Kramer, Secretary Todd Berghaus

Absent:

Richard D. Barrett, Jessie J. Barrett; Barrett Group of Wells Fargo Advisors, Joan Sietz, Recording Secretary were also present.

**SECRETARY'S REPORT**

A motion by Lou Cipparrone to accept the October 12, 2010, minutes as presented, seconded by Dan Frederick, and carried unanimously by voice vote.

**TREASURER'S REPORT**

Lou Cipparrone reviewed the monthly financial report dated December 31, 2010, with the Board. COPY ATTACHED.

Taxes were significantly delayed this year. We are showing 85 % received for the year. We are still going to receive \$100,000. Investment income has done better.

Dick Barrett and Jessie Barrett reviewed the Wells Fargo Investments with the Board. COPY ATTACHED.

HB 4348 passed December 31, 2010. Changes – New hires after January 1, 2011. This bill does not affect current members.

Dick Barrett - The Board might want to entertain at this time, taking on an appropriate bond manager who would specifically manage the bond segment. I would like to have some people come in and talk with the Board just to get some perspective with regard to the bond component of what we are doing. DISCUSSION FOLLOWED

A motion by Dan Frederick to ratify the transactions of the funds and approve the Treasurer's report as presented, seconded by Lou Cipparrone, and carried unanimously by voice vote.

### **OLD BUSINESS**

Chief – We received the final decision and order for Jarett Chorzempa disability and we are continuing him on disability pension until his next physical. DISCUSSION FOLLOWED

A motion by Lou Cipparrone to accept the Decision and Order on Jarett Chorzempa disability as presented, seconded by Todd Berghaus, and carried unanimously by voice vote.

### **NEW BUSINESS**

Lou Cipparrone will check with Tim Sharpe to see where some other funds are in terms of disabilities as a percentage of there overall retirees. The 7 members receiving a disability pension all went on disability within ten years. DISCUSSION FOLLOWED

A motion by Lou Cipparrone to approve the expenditure of \$300, quarterly retainer, Law Offices of Cary Collins, seconded by Alex Kramer, and carried unanimously by voice vote.

A motion by Lou Cipparrone to approve the expenditure of \$500.70, for expenses for Jarett Chorzempa extended stay in Chicago for his doctor appointment, seconded by Dan Frederick and carried unanimously by voice vote.

A motion by Alex Kramer to approve the expenditure of \$2,293.93 as presented, Law Office of Cary Collins for services regarding the Jarett Chorzempa case from 1/12/2010 to 10/7/2010, seconded by Dan Frederick, carried unanimously by voice vote.

Alex Kramer will put together a strategic model for future financial planning for the Fund.

Lou Cipparrone reviewed the FY 2011—12 Proposed Pension Budget with the Board.  
DISCUSSION FOLLOWED COPY ATTACHED

Lou Cipparrone will present the budget to the Village Board. Budget approval will be at our May 2011 meeting.

A motion by Todd Berghaus to accept the Pension Increases effective January 1, 2011, as presented, seconded by Dan Frederick, and passed unanimously by voice vote.

Lou Cipparrone reviewed the Illinois Department of Insurance Pension Fund Audit with the Board. Delgretta Douglas did the examination. The examination of this pension fund covers the period beginning May 1, 2007 and ending April 30, 2009. This examination dated October 21, 2010, was performed by qualified examiners of the Illinois Department of Insurance, State of Illinois, as authorized under 40 ILCS 5/1A-104.

The first issue is disability benefits for Joshua & Jordan Hoekendorf both children are under age of 18, were entitled to receive a child disability benefit of \$20 including 3% increases beginning in January 1, 2006. Donald Hoekendorf is receiving \$20 for each of his two dependents, a total of \$40. However no increases were granted. A total retroactive amount of \$218.50 is owed. In December, 2010, his monthly pension payment would be increased to \$3,480.76 and subsequently each January thereafter the child benefits would be increased by 3%, until his dependents turn age 18. They only checked a few records so I therefore assume we will have to go back and adjust Jarett Chorzempa child disability benefit.

The second issue is surviving spouse pensions were affected by the changes made to Section 4-114, which was effective July 1, 2004. Mary Geboo is being paid \$1,277.42 (54% of \$27,276), which was 54% Donald Geboo salary. However, the new legislation provides that the spouse is entitled to 100% of the monthly retirement pension earned by the deceased firefighter at the time of death. As a result, her monthly pension payment has been understated since July 1, 2004. At the time of his death his monthly benefit was \$1,477.45. Total amount owed as of 11/30/10 is \$19,252.31. Mary is entitled to the enhanced benefit because the cause of death is directly related to his disability. Her new pension amount would be \$1,477.45.

ILLINOIS DEPARTMENT OF INSURANCE PENSION FUND AUDIT  
DATE: NOVEMBER 24, 2010. COPY ATTACHED

### SUMMARY OF FINDINGS

The findings of the examiners, based upon the financial statement and supporting information contained in this report of examination are summarized as follows:

1. Election results of board of trustees are not being documented in recorded proceedings of meetings. (Management)
2. The fund should ensure that the treasurer is a required signer on all accounts. (Management)
3. Donald Hoekendorf is receiving child disability benefits. However, no increases were granted. (Contributions and Benefits)

4. Mary Geboo, a surviving spouse, is being paid a monthly pension of \$1,277.42. (Contributions & Benefits)
5. Minutes of board meetings should be expanded to include those items listed in the "Corporate Records" section of this report. DISCUSSION FOLLOWED

A motion by Lou Cipparrone to approve the lump sum retroactive payment of \$19,252.31, and readjust Mary Geboo monthly pension payment to \$1,477.45, seconded by Dan Frederick, and carried unanimously by voice vote.

Lou will do the calculation for Jarett Chorzempa retroactive payment. We have the calculation for Don Hoekendorf. We will review both Jarett and Don's Issues.

A motion by Lou Cipparrone to issue Jarett Chorzempa a retroactive lump sum payment and adjust his January distribution seconded Todd Berghaus and carried unanimously by voice vote.

A motion by Lou Cipparrone to issue Donald Hoekendorf a retroactive lump sum payment and adjust his January distribution, seconded by Todd Berghaus, and carried unanimously by voice vote.

Chief – Other issues: The Board did not always elect a Board of Officers on an annual basis which we do in January for election of Secretary and President. We will be doing that at this meeting. The appointed board trustees were not always documented in recorded proceedings. We need a Treasurer bond for \$50,000.

A motion by Alex Kramer to adopt and address the issues in the Illinois Department of Insurance 2010 audit as presented, seconded by Lou Cipparrone, and carried unanimously by voice vote.

The Board will send a response letter to the Illinois Department of Insurance Audit results.

The Board will send retired pension members their January update forms.

Chief distributed information on the IPPAC Spring Conference and Training Seminar on May 18, 19, 20, 2011, Rock Island Illinois to all the Board Members.

A motion by Lou Cipparrone to nominate the Board positions as, Chief Bryzgalski, President; Lou Cipparrone, Treasurer; Todd Berghaus as Secretary, seconded by Alex Kramer, and carried unanimously by voice vote. There are no more nominations

Secretary Berghaus strikes a vote in favor of the motion and by acclamation the Board is re-elected.

INVESTMENT COMMITTEE  
FOR 2011 – Chief Bryzgalski, Lou Cipparrone, and Alex Kramer.

A motion by Chief Bryzgalski to accept the members of the Investment Committee as presented, Chief Bryzgalski, Lou Cipparrone and Alex Kramer, seconded by Alex Kramer, and carried unanimously by voice vote.

We will have an election in April when Todd Berghaus term expires.

**COMMUNICATIONS**

**ADJOURNMENT**

A motion by Dan Frederick to adjourn at 1033 hours seconded by Todd Berghaus, and carried unanimously by voice vote.

Respectfully Submitted,

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Joan Sietz, Recording Secretary  
2011 PENSIONMINUTES 01-11-11 .doc  
**BOARD APPROVED**