



The Police Pension Fund

VILLAGE OF LOMBARD

235 EAST WILSON AVE. LOMBARD, IL 60148

MINUTES OF THE REGULAR MEETING JANUARY 14, 2019

A regular meeting of the Lombard Police Pension Fund Board of Trustees was held on Monday, January 14, 2019 at 1:30 p.m. in the Chief's Conference Room located at 235 E. Wilson Avenue, Lombard, IL 60148, pursuant to notice.

CALL TO ORDER: Trustee Ranallo called the meeting to order at 1:30 p.m.

ROLL CALL:

PRESENT: Trustees Benny Ranallo, Jerry Peterson, Richard Spika, Tom Wirsing, and Dan Brink

ABSENT: None

ALSO PRESENT: Attorney Charles Atwell, Atwell & Atwell; Tom Sawyer and John Falduto, Sawyer Falduto Asset Management, LLC; Jessica Nawracaj and Michael Whaley, Village of Lombard; Michelle Rice, Lauterbach & Amen, LLP (L&A); Francis Vivo, Disability Applicant

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *October 15, 2018 Regular Meeting:* The Board reviewed the minutes from the October 15, 2018 regular meeting. A motion was made by Trustee Wirsing and seconded by Trustee Peterson to approve the October 15, 2018 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink

NAYS: None

ABSENT: None

Semi-Annual Review of Closed Session Meeting Minutes: The Board discussed the closed session meeting minutes. A motion was made by Trustee Wirsing and seconded by Trustee Spika to not release the closed session minutes at this time due to pending matters. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink

NAYS: None

ABSENT: None

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board was presented with the Monthly Financial Report for the twelve-month period ending December 31, 2018. As of December 31, 2018, the net position held in trust for pension benefits is \$64,604,560.26 with a change in position of (\$2,885,283.68). The Board reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. The Board also reviewed the Vendor Check Report for the period October 1, 2018 through December 31, 2018 for a total disbursement of \$210,145.68. A motion was made by Trustee Peterson and seconded by Trustee Spika to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$210,145.68. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink
NAYS: None
ABSENT: None

Additional Bills, if any: The Board reviewed the following additional bill for approval:

- IPPFA invoice #1882 in the amount of \$795 for 2019 Membership Dues

A motion was made by Trustee Ranallo and seconded by Trustee Spika to approve the additional bill as presented. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink
NAYS: None
ABSENT: None

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending December 31, 2018. As of December 31, 2018, the quarter-to-date total net return is (6.15%) for an investment return of (\$4,108,300) and an ending market value of \$63,233,522. The current asset allocation is as follows: Fixed Income at 53.5%, Equities at 46.2% and Cash Equivalents at 0.2%. Mr. Sawyer reviewed the Market Commentary, Equity and Fixed Income Portfolios, Transaction Ledger Report with the Board and noted that the AQR Large Cap Defensive Style I and MSF International Growth Fund were added to the portfolio. A motion was made by Trustee Spika and seconded by Trustee Ranallo to accept the Quarterly Investment Performance Report ending December 31, 2018 as presented by Sawyer Falduto. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink
NAYS: None
ABSENT: None

Sawyer Falduto discussed introducing corporate bonds into the portfolio. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve reallocation of assets to corporate bonds within the current Investment Policy guidelines. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink
NAYS: None
ABSENT: None

Review/Update Investment Policy: Sawyer Falduto will have an updated Investment Policy for review and approval at the next regular meeting.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Cory Cairo:* The Board reviewed the Application for Membership submitted by Cory Cairo. A motion was made by Trustee Ranallo and seconded by Trustee Wirsing to accept Cory Cairo into the Lombard Police Pension Fund effective 10/29/2018 as a Tier II participant, pending an update to the Application for Membership to show the corrected previous Artilec 3 service. Motion carried unanimously by voice vote.

Contribution Refund – Alex S. Rojas: The Board noted that Alex S. Rojas resigned from the Lombard Police Department effective 12/31/2018. Mr. Rojas has submitted paperwork requesting a refund of his contributions. L&A is currently processing the paperwork and will issue a refund of contributions. A motion was made by Trustee Wirsing and seconded by Trustee Peterson to table this item for discussion until the next regular meeting. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink
NAYS: None
ABSENT: None

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Scott D. Klecka:* The Board reviewed the regular retirement benefit calculation for Scott D. Klecka prepared by L&A. Officer Klecka had an entry date of 10/05/1991, retirement date of 01/02/2019, effective date of pension of 07/10/2022, 50 years of age at date of retirement, 27 years of creditable service, applicable salary of \$103,883.86, applicable pension percentage of 67.50%, amount of originally granted monthly pension of \$5,843.47 and amount of originally granted annual pension of \$70,121.64. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve Scott D. Klecka’s regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink
NAYS: None
ABSENT: None

Approve Regular Retirement Benefits – Angela N. Lawson: The Board discussed the regular retirement benefits for Angela N. Lawson. A motion was made by Trustee Ranallo and seconded by Trustee Wiring to table this item for discussion until the next regular meeting. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink
NAYS: None
ABSENT: None

Disability Application Status Update – Officer Francis Vivo: Attorney Atwell informed the Board that all medical reports have been received and noted that the Village will be scheduling depositions of the Board selected independent medical physicians. The Board directed Attorney Atwell to provide the Board with copies of the independent medical reports for review. Further discussion will be held at the next regular meeting.

Francis Vivo left the meeting at 2:15 p.m.

Deceased Pensioner – Paul G. Nolan: The Board noted that pensioner Paul G. Nolan passed away 12/16/2018 and his pension benefits have ceased.

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

OLD BUSINESS: The Board discussed the finding from the IDOI regarding Chief Raymond Byrne’s stipend. Attorney Atwell will send Chief Raymond Bryne notice that the Board intends to reaffirm the action taken at the 10/15/2018 meeting, at the next regular meeting.

Jessica Nawracaj left the meeting at 2:25 p.m.

NEW BUSINESS: *QILDRO – Eric R. Gouty:* The Board noted that a QILDRO Order and Consent has been received for Eric R. Gouty and the documentation has been placed in his file.

Fiduciary Liability Insurance Renewal: The Board reviewed the fiduciary liability insurance renewal provided by Euclid Insurance. A motion was made by Trustee Ranallo and seconded by Trustee Peterson to approve payment of the fiduciary liability insurance renewal effective 02/01/2019 through 02/01/2020 in the amount of \$6,461. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink
NAYS: None
ABSENT: None

Annual Cost of Living Adjustments (COLAs) for Pensioners: The Board reviewed the 2019 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Ranallo and seconded by Trustee Wirsing to approve the 2019 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink
NAYS: None
ABSENT: None

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Wirsing is expiring April 2019. Trustee Wirsing expressed his desire to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member positions.

IDOI Annual Statement: L&A apprised the Board that the IDOI Annual Statement is currently in process. Updates will be provided to the Board as they become available.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers must be submitted to the County by the Village by February 1, 2019. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2019.

2019 IRS Mileage Rate: The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.58 per mile effective January 1, 2019.

Review/Approve – Death Audit Service Authorization: The Board discussed the Death Audit Service offered through IPPFA and L&A. A motion was made by Trustee Peterson and seconded by Trustee Brink to authorize the Death Audit Service as discussed and to execute the Death Audit Service Authorization form provided by L&A. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink
NAYS: None
ABSENT: None

ATTORNEY’S REPORT: *Request for Review – Terry J. Olson:* Attorney Atwell informed the Board that a hearing with the Circuit Court is scheduled for January 16, 2019. An update will be provided at the next regular meeting.

Legal Updates: Attorney Atwell apprised the Board on recent legislative news.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Spika and seconded by Trustee Wirsing to adjourn the meeting at 2:42 p.m. Motion carried by roll call vote.

AYES: Trustees Peterson, Ranallo, Wirsing, Spika, and Brink

NAYS: None

ABSENT: None



Board President or Secretary

Minutes approved by the Board of Trustees on 1-18-19 (date).

The next regular meeting is scheduled for April 17, 2019 at 1:30 p.m.

Minutes prepared by Michelle Rice, Pension Services Administrator, Lauterbach & Amen, LLP