



The Police Pension Fund

VILLAGE OF LOMBARD

235 EAST WILSON AVE. LOMBARD, IL 60148

MINUTES OF A REGULAR MEETING OF THE LOMBARD POLICE PENSION FUND BOARD OF TRUSTEES OCTOBER 21, 2019

A regular meeting of the Lombard Police Pension Fund Board of Trustees was held on Monday, October 21, 2019 at 1:30 p.m. in the Chief's Conference Room located at 235 E. Wilson Avenue, Lombard, Illinois 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; Ed Lavin and John Falduto, Sawyer Falduto Asset Management, LLC; Finance Director Tim Sexton, Jessica Nawracaj, and Margaret Cave, Village of Lombard; Michelle Rice, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *July 15, 2019 Regular Meeting:* The Board reviewed the July 15, 2019 regular meeting minutes. A motion was made by Trustee Spika and seconded by Trustee Wirsing to approve the July 15, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

July 15, 2019 Closed Session Meeting: The Board reviewed the July 15, 2019 closed session meeting minutes. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve the July 15, 2019 closed session minutes and to keep them closed due to pending matters. Motion carried unanimously by voice vote.

September 9, 2019 Special Meeting: The Board reviewed the September 9, 2019 special meeting minutes. A motion was made by Trustee Peterson and seconded by Trustee Brink to approve the September 9, 2019 special meeting minutes as written. Motion carried unanimously by voice vote.

September 9, 2019 Closed Session Meeting: The Board reviewed the September 9, 2019 closed session meeting minutes. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve the September 9, 2019 closed session minutes and to keep them closed due to pending matters. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the nine-month period ending September 30, 2019 prepared by L&A. As of September 30, 2019, the net position held in trust for pension benefits is \$71,823,138.46 for a change in position of \$7,225,078.20. The Board reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Wirsing and seconded by Trustee Peterson to accept the Monthly Financial Report as presented. Motion carried by roll call vote.

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

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period July 1, 2019 through September 30, 2019 for total disbursements of \$226,401.81. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve the disbursements shown on the Vendor Check Report in the amount of \$226,401.81. Motion carried by roll call vote.

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

Additional Bills, if any: There were no additional bills presented for approval.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending September 30, 2019. As of September 30, 2019, the third quarter net return is 1.24% versus the third quarter account benchmark of 1.51%. The investment return for the quarter is \$898,316 for an ending market value of \$70,570,100. The current asset allocation is as follows: Fixed Income at 50.2%, Equities at 49.7% and Cash Equivalents at 0.1%. Mr. Lavin reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board. A motion was made by Trustee Peterson and seconded by Trustee Brink to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

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

Review/Update Investment Policy: The Board discussed the Investment Policy and noted no updates are needed.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – John Fairbairn Jr., Kevin Kasher, Matthew Kazy-Garey, Adilene Ruiz and Heather Willis:* The Board reviewed the Applications for Membership submitted by John Fairbairn Jr., Kevin Kasher, Matthew Kazy-Garey, Adilene Ruiz and Heather Willis. A motion was made by Trustee Wirsing and seconded by Trustee Spika to accept John Fairbairn Jr. and Kevin Kasher effective March 25, 2019, Matthew Kazy-Gary effective May 28, 2019, Adilene Ruiz effective April 29, 2019 and Heather Willis effective March 18, 2019 into the Lombard Police Pension Fund effective their respective dates of hire as Tier II participants. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefit – Christopher Bakken:* The Board reviewed the regular retirement benefit calculation for Christopher Bakken prepared by L&A. Patrolman Bakken had an entry date of October 3, 1994, retirement date of October 4, 2019, effective date of pension of October 5, 2019, 50 years of age at date of retirement, 25 years of creditable service, applicable salary of \$103,483.93, applicable pension percentage of 62.50%, amount of originally granted monthly pension of \$5,389.79 and amount of originally granted annual pension of \$64,677.48. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve Christopher Bakken's regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

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

Approve Regular Retirement Benefit – James Schrepferman: The Board reviewed the regular retirement benefit calculation for James Schrepferman prepared by L&A. Patrolman Schrepferman had an entry date of June 20, 1988, retirement date of August 31, 2019, effective date of pension of September 1, 2019, 55 years of age at date of retirement, 31 years of creditable service, applicable salary of \$103,483.93, applicable pension percentage of 75%, amount of originally granted monthly pension of \$6,467.75 and amount of originally granted annual pension of \$77,613. A motion was made by Trustee Spika and seconded by Trustee Brink to approve James Schrepferman’s regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

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

Deceased Pensioner Eldred Denny/Approval of Surviving Spouse Benefits – Marianne Kroeger: The Board noted that Eldred Denny passed away July 9, 2019 and reviewed the surviving spouse benefit calculation for Marianne Kroeger for a monthly benefit of \$2,815.49 with no additional increases. A motion was made by Trustee Ranallo and seconded by Trustee Wirsing to approve the surviving spouse benefit for Marianne Kroeger calculated by L&A. Motion carried by roll call vote.

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

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

Approval of Trustee Training Registration Fees and Reimbursable Expenses: There were no trustee training registrations or reimbursable expenses presented for approval.

OLD BUSINESS: *IDOI Annual Statement:* The Board noted that the IDOI Annual Statement was filed prior to the June 30, 2019 deadline.

Portability – Alex Rojas: The Board discussed issuing \$266,416.84 to the Berkeley Police Pension Fund to transfer Alex Rojas’s creditable service. A motion was made by Trustee Wirsing and seconded by Trustee Spika to authorize L&A to issue payment in the amount of \$266,416.84 to the Berkeley Police Pension Fund. Motion carried by roll vote.

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

Attorney Atwell apprised the Board that the Francis Vivo matter is on appeal in the Circuit Court. Attorney Atwell will reach out to Mr. Vivo’s Attorney to discuss this matter and updates will be provided to the Board as they become available.

NEW BUSINESS: *Request for Proposals for Vendors:* The Board discussed requesting proposals for vendor services. A motion was made by Trustee Spika and seconded by Trustee Wirsing to direct L&A to solicit RFP’s on behalf of the Board for legal services. Motion carried unanimously by voice vote.

Fiduciary Liability Insurance Renewal: The Board noted that the fiduciary liability insurance has renewed through the Village. A motion was made by Trustee Ranallo and seconded by Trustee Spika to authorize payment of the fiduciary liability insurance invoice in the amount of \$8,000, upon receipt of the invoice. Motion carried by roll call vote.

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

Establish 2020 Board Meeting Dates: The Board discussed establishing the 2020 Board meeting dates as January 13, 2020; April 20, 2020; July 20, 2020; and October 19, 2020 at 1:30 p.m. in the Chief's Conference Room located at 235 E. Wilson Avenue, Lombard, Illinois 60148. A motion was made by Trustee Peterson and seconded by Trustee Wirsing to establish the 2020 Board meeting dates as stated. Motion carried unanimously by voice vote.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that one 2019 Affidavit of Continued Eligibility remains outstanding. Trustee Spika will reach out to the obtain the outstanding Affidavit and updates will be provided to the Board as they become available.

ATTORNEY'S REPORT – ATWELL & ATWELL: *Request for Review – Terry J. Olson:* Attorney Atwell apprised the Board that oral argument has been set for November 19, 2019. Updates will be provided to the Board as they become available.

Independent Medical Examination – Joseph Metallo: The Board noted that Joseph Metallo attended his annual independent medical examination and the report determined that Mr. Metallo remains disabled. A motion was made by Trustee Wirsing and seconded by Trustee Spika to continue Joseph Metallo's disability benefits based on the finding of his independent medical examination and subject to further examinations until age 50. Motion carried by roll call vote.

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

Legal Updates: Attorney Atwell apprised the Board on recent legislative news pertaining to Article 3 Pension Funds; including recent court cases and decisions, as well as general pension matters.

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

ADJOURNMENT: A motion was made by Trustee Ranallo and seconded by Trustee Spika to adjourn the meeting at 2:45 p.m. Motion carried by roll call vote.

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

The next regular meeting is scheduled for January 13, 2020 at 1:30 p.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 1/13/2020

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