# WESTCHESTER POLICE PENSION FUND

10300 Roosevelt Road, Westchester, Illinois | 708-345-0060

| Keith Suchy | Bruce Lill | Joe Manna | Phil Grollo | Bruce Horek |
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| President | Vice President | Secretary | Asst. Secretary | Trustee |


## MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE WESTCHESTER POLICE PENSION FUND OCTOBER 16, 2018

A regular meeting of the Board of Trustees of the Westchester Police Pension Fund was held on **Tuesday, October 16, 2018 at 6:00 p.m.** at 10300 West Roosevelt Road, Westchester, Illinois, pursuant to Notice.

**CALL TO ORDER:** The meeting was called to order by Trustee Lill at 6:00 p.m.

**ROLL CALL:**

PRESENT: Trustees Joe Manna, Bruce Lill and Bruce Horek

ABSENT: Trustees Keith Suchy and Phil Grollo

ALSO PRESENT: Barb Brandt, Village Treasurer; Tom McShane, Graystone Consulting; Brian LaBardi, Reimer & Dobrovolny, PC (R&D); James Ritchie, Sam Meyer and Allie Rysell, Lauterbach & Amen, LLP (L&A)

**PUBLIC COMMENT:** There was no public comment.

**APPROVAL OF MEETING MINUTES:** *Regular Meeting – July 17, 2018:* The minutes of the July 17, 2018 regular meeting were reviewed by the Board. A motion was made by Trustee Horek and seconded by Trustee Manna to approve the minutes from the July 17, 2018 regular meeting as written. Motion carried unanimously by voice vote.

*Semi-Annual Review of Closed Session Meeting Minutes:* There were no closed session meeting minutes to review.

**TREASURER'S REPORT – BARB BRANDT:** *Village Financial Report:* Ms. Brandt reviewed the Village of Westchester Financial Report for the period June 30, 2018 through September 30, 2018. As of 09/30/18, the balance in the BMO Harris Bank Money Market Account is $367,196.27. As of 09/30/18, the balance in the NOW Account is $22,295.70.

*Review/Approve Disbursement Log:* The Board reviewed the Village of Westchester Disbursement Log for the period June 30, 2018 through September 15, 2018, showing total disbursements in the amount of $48,965.54.

A motion was made by Trustee Manna and seconded by Trustee Horek to accept the Village Financial Report as presented and to approve the Disbursement Log in the amount of $48,965.54. Motion carried by roll call vote.

AYES: Trustees Manna, Lill and Horek

NAYS: None

ABSENT: Trustees Suchy and Grollo

*Discussion/Possible Action – Fiduciary Liability Insurance Renewal:* The Board noted that the Fiduciary Liability Insurance Policy expires November 1, 2018 and Ms. Brandt has contacted Mesirow Insurance Services to request a renewal quote for the Board. A motion was made by Trustee Horek and seconded by

Trustee Manna to approve the renewal of the Pension Fund's Fiduciary Liability Insurance Policy, in an amount not to exceed $7,500. Motion carried by roll call vote.

AYES: Trustees Manna, Lill and Horek
NAYS: None
ABSENT: Trustees Suchy and Grollo

*Status Update – Morgan Stanley IRS Withholding Discrepancy:* Ms. Brandt and Mr. Ritchie provided a status update concerning the Morgan Stanley IRS withholding discrepancy. Mr. Ritchie noted that he is anticipating receipt of the IRS refund of $33,178.89 by the end November. A status update will be provided at the next regular meeting.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report:* Mr. Ritchie presented the Monthly Financial Report for the period ending September 30, 2018. As of 09/30/18, the net position held in trust for pension benefits is $27,555,106.56 with a change in position for the five months ended 09/30/18 of $575,228.17. The Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal were reviewed with the Board. All questions were answered by Mr. Ritchie. A motion was made by Trustee Horek and seconded by Trustee Lill to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

*Presentation and Approval of Bills:* The Board reviewed the Vendor Check Report for the period 07/01/18 through 09/30/18 in the amount of $116,210.03, as prepared by L&A.

A motion was made by Trustee Manna and seconded by Trustee Horek to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of $116,210.03. Motion carried by roll call vote.

AYES: Trustees Manna, Lill and Horek
NAYS: None
ABSENT: Trustees Suchy and Grollo

*Additional Bills, if any:* There were none at this time.

*Trustee Training Reimbursements:* There were none at this time.

*Status Update – Year-End Reports:* The Board noted that the IDOI Annual Statement and executed Certification Form will be submitted to the IDOI prior to the October 31st due date. Mr. Ritchie reviewed the results of the draft April 30, 2018 Audit Report. The Board will hold a special meeting in December to review the results of the final report.

**INVESTMENT REPORT – GRAYSTONE CONSULTING:** *Quarterly Investment Report:* The Board reviewed the Quarterly Investment Report for the period ending September 30, 2018. As of 09/30/2018, the market value of the portfolio is $27,234,575 with a quarter to date rate of return of 2.86% net of fees. The portfolio composition is 65.46% in Equities, 30.99% in Fixed Income and 3.55% in Cash & Cash Equivalents.

*Purchase/Sale of Investment Securities, if needed:* Mr. McShane reviewed his recommendations for rebalancing the portfolio with the Board. All questions were answered by Mr. McShane. A motion was made by Trustee Manna and seconded by Trustee Horek to direct Mr. McShane to sell $300,000 of the S&P 500 and to transfer the proceeds to the Cash Management Account. Motion carried by roll call vote.

AYES: Trustees Manna, Lill and Horek
NAYS: None
ABSENT: Trustees Suchy and Grollo

Mr. McShane recommended the Board terminate Lazard Emerging Markets Fund due to poor performance and to transfer the proceeds to the Emerging Markets Index Fund. All questions were answered by Mr. McShane. A motion was made by Trustee Manna and seconded by Trustee Horek to terminate Lazard Emerging Markets Fund and to transfer the proceeds to the Emerging Markets Index Fund. Motion carried by roll call vote.

AYES: Trustees Manna, Lill and Horek
NAYS: None
ABSENT: Trustees Suchy and Grollo

Mr. McShane briefly reviewed the results of the Emerging Markets Manager Search with the Board. The Board will review the results in more detail at the next regular meeting.

*Review/Update Investment Policy:* There were no changes to the Investment Policy at this time.

A motion was made by Trustee Lill and seconded by Trustee Manna to accept the Investment Report as presented. Motion carried unanimously by voice vote.

**COMMUNICATIONS AND REPORTS:** *Annual Affidavits of Continued Eligibility:* The Board noted that all 2018 Affidavits of Continued Eligibility have been received by L&A. The originals were presented to the Board for their records.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND:** *Application for Membership – Cristian Aguirre:* The Board reviewed Cristian Aguirre's Application for Membership. Officer Aguirre had a date of hire of June 25, 2018 as a Tier II participant. A motion was made by Trustee Manna and seconded by Trustee Lill to accept Cristian Aguirre into the Westchester Police Pension Fund effective 06/25/18 as a Tier II participant. Motion carried unanimously by voice vote.

*Deceased Pensioner – Kevin A Keag:* The Board noted that pensioner Kevin A. Keag passed away on July 26, 2018 and he leaves a surviving spouse, Donna L. Keag.

*Approval of Surviving Spouse Benefits – Donna L. Keag:* The Board reviewed the benefit calculation for Donna L. Keag, surviving spouse of Kevin A. Keag. Mrs. Keag started receiving a monthly benefit of $7,799.42 effective July 27, 2018 with no further increases. Her prorated benefit for the month of July 2018 was $1,257.97. A motion was made by Trustee Lill and seconded by Trustee Horek to approve the surviving spouse benefits to Donna L. Keag as presented. Motion carried by roll call vote.

AYES: Trustees Manna, Lill and Horek
NAYS: None
ABSENT: Trustees Suchy and Grollo

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** There were none at this time.

**OLD BUSINESS:** *Military Service Purchase – Victor M. Valle Jr.:* The Board noted that the military service purchase calculation request submitted by Victor M. Valle Jr. will be prepared once the April 30, 2018 Actuarial Valuation is approved by the Board. L&A reminded the Board that Officer Valle Jr. has not accrued any interest since the date he submitted his service purchase calculation request. Further discussion will be held at the next regular meeting.

*Appointed Member Term Expirations – Keith Suchy and Bruce Horek:* The Board reviewed Resolution No. 2018-625 reappointing Trustee Suchy to the Board of Trustees of the Westchester Police Pension Fund for a

term expiring April 30, 2020 and reappointing Trustee Horek to the Board of Trustees of the Westchester Police Pension Fund for a term expiring April 30, 2019.

*Status Update – Records Retention & Destruction – Lauterbach & Amen, LLP:* L&A provided a status update to the Board concerning the Pension Fund's records retention and destruction process. All questions were answered by L&A. Further discussion will be held at the next regular meeting.

*Trustee Training Update:* The Board reviewed the Trustee Training Summary and upcoming opportunities for continuing education. Trustees were reminded to submit all certificates of completion to L&A for recordkeeping.

**NEW BUSINESS:** *Review/Approve – Actuarial Valuation and Tax Levy Request:* Mr. Ritchie reviewed the draft Actuarial Valuation with the Board.

*Review/Adopt – Municipal Compliance Report:* The Board reviewed the draft Municipal Compliance Report prepared by L&A.

Mr. Ritchie noted that the Actuarial Valuation and Municipal Compliance Report will be finalized once the Village Audit is complete. The Board will hold a special meeting in December to approve the Actuarial Valuation, Tax Levy Request and Municipal Compliance Report once the Village Audit is complete.

*Discussion/Possible Action – Lauterbach & Amen Trustee Portals:* The Board tabled the review of the proposal for the L&A Trustee Portal service until the next regular meeting, when all Trustees are present.

*Establish 2019 Board Meeting Dates:* The Board discussed establishing the 2019 Board meeting dates as January 15th, April 16th, July 16th and October 15th at 6:00 p.m. at 10300 West Roosevelt Road, Westchester, Illinois. A motion was made by Trustee Manna and seconded by Trustee Horek to establish the 2019 Board meeting dates as stated. Motion carried unanimously by voice vote.

**ATTORNEY'S REPORT – REIMER & DOBROVOLNY, PC:** *Legal Updates:* The quarterly *Legal and Legislative Update* newsletter was distributed to all Trustees with information regarding recent case decisions and legislation pertaining to Article 3 and 4 Pension Funds. All questions were answered by Attorney LaBardi.

*Review/Approve – Revised Pension Fund Administrative Rules and Regulations:* The Board will review the revised Administrative Rules and Regulations at the next regular meeting, when all Trustees are present.

**CLOSED SESSION, IF NEEDED:** Closed session was not needed.

**ADJOURNMENT:** A motion was made by Trustee Manna and seconded by Trustee Horek to adjourn the meeting at 7:23 p.m. Motion carried unanimously by voice vote.

**The next regular meeting is scheduled for Tuesday, January 15, 2019 at 6:00 p.m. at 10300 West Roosevelt Road, Westchester, Illinois.**

Joe Manna, Board Secretary

Date Approved by Board 01/15/19

*Minutes prepared by Allie Rysell, Pension Services Administrator, Lauterbach & Amen, LLP*