



WESTCHESTER POLICE PENSION FUND

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

Keith Suchy
President

Bruce Lill
Vice President

Joe Manna
Secretary

Phil Grollo
Asst. Secretary

Bruce Horek
Trustee

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE WESTCHESTER POLICE PENSION FUND APRIL 16, 2019

A regular meeting of the Board of Trustees of the Westchester Police Pension Fund was held on **Tuesday, April 16, 2019 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 Suchy at 6:02 p.m.

ROLL CALL:

PRESENT: Trustees Keith Suchy, Joe Manna, Phil Grollo, Bruce Lill and Bruce Horek

ABSENT: None

ALSO PRESENT: Barb Brandt, Village Treasurer (*arrived at 6:03 p.m.*); Tom McShane, Graystone Consulting; Brian LaBardi, Reimer & Dobrovolsky, PC (R&D); James Ritchie and Allie Rysell, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *Regular Meeting – January 15, 2019:* The minutes of the January 15, 2019 regular meeting were reviewed by the Board. A motion was made by Trustee Grollo and seconded by Trustee Lill to approve the minutes from the January 15, 2019 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:* Mrs. Brandt reviewed the Village of Westchester Financial Report for the period December 31, 2018 through March 31, 2019. As of March 31, 2019, the balance in the BMO Harris Bank Money Market Account is \$510,510.88. As of March 31, 2019, the balance in the NOW Account is \$2,306.41. A motion was made by Trustee Horek and seconded by Trustee Manna to accept the Village Financial Report as presented. Motion carried by roll call vote.

AYES: Trustees Suchy, Grollo, Manna, Lill and Horek

NAYS: None

ABSENT: None

Review/Approve Disbursement Log: The Board reviewed the Village of Westchester Disbursement Log for the period December 31, 2018 through March 31, 2019, showing total disbursements in the amount of \$40,896.71. A motion was made by Trustee Lill and seconded by Trustee Grollo to approve the Disbursement Log in the amount of \$40,896.71 as presented. Motion carried by roll call vote.

AYES: Trustees Suchy, Grollo, Manna, Lill and Horek

NAYS: None

ABSENT: None

Status Update – Annual Audit Report: Mr. Ritchie and Mrs. Brandt provided an update concerning the status of the April 30, 2018 Audit Report. The draft report will be available for review at the next regular meeting.

Mrs. Brandt informed the Board that the audit findings revealed that the Village was deducting incorrect insurance amounts for pensioners of the Westchester Police Pension Fund. The Village notified all pensioners that were affected and their insurance deductions will be adjusted to the correct amount moving forward. All questions were answered by Mrs. Brandt. No action is needed by the Board.

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* Mr. Ritchie presented the Monthly Financial Report for the period ending February 28, 2019. As of February 28, 2019, the net position held in trust for pension benefits is \$26,619,653.29 with a change in position for the ten months ended February 28, 2019 of (\$364,336.24). 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 Lill and seconded by Trustee Horek 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 December 1, 2018 through February 28, 2019 in the amount of \$100,054.78, as prepared by L&A. A motion was made by Trustee Grollo and seconded by Trustee Lill to approve the disbursements shown on the Vendor Check Report in the amount of \$100,054.78. Motion carried by roll call vote.

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

Additional Bills, if any: Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued. A motion was made by Trustee Grollo and seconded by Trustee Manna to approve payment of the IDOI Compliance Fee upon receipt of the invoice. Motion carried by roll call vote.

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

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Investment Report:* Mr. McShane reviewed the Quarterly Investment Report for the period ending March 31, 2019. As of 03/31/2019, the quarter-to-date net return is 8.2%, the fiscal year-to-date return is 3.06% and the ending market value is \$26,632,468. The current asset allocation is as follows: Fixed Income at 32.86%, Equities at 64.67% and Cash Management at 2.47%. Mr. McShane reviewed the recent transactions and discussed cash flow needs for the upcoming quarter.

Discussion/Possible Action – Opportunistic Strategy in Market Weakness/Strength: Mr. McShane reviewed the Fund’s Opportunistic Strategy and noted that no changes are needed at this time.

Purchase/Sale of Investment Securities, Hiring or Termination of Investment Managers, and/or Rebalancing of Assets, if needed: The Board determined that there was no need to purchase or sell investment securities, hire or terminate investment managers or rebalance any assets at this time.

Review/Update Investment Policy: The Board discussed the Investment Policy and determined that no changes are required 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: *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest are due by May 1, 2019.

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 regular meeting.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: There were no applications for membership or withdrawals from the Fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Ronald J. Miklas:* The Board reviewed the regular retirement benefit calculation for Ronald J. Miklas prepared by L&A. Patrol Officer Miklas had an entry date of April 5, 1990 retirement date of May 4, 2019 effective date of pension of May 5, 2019, 52 years of age at the date of retirement, 29 years of creditable service, applicable salary of \$96,521.25, applicable pension percentage of 72.50%, amount of originally granted monthly pension of \$5,831.49 and amount of originally granted annual pension of \$69,977.88. A motion was made by Trustee Grollo and seconded by Trustee Manna to approve Ronald J. Miklas' regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Suchy, Grollo, Manna, Lill and Horek

NAYS: None

ABSENT: None

The Board will review the written Decision & Order, Certificate of Payment and Certificate of Service for the regular retirement benefits of Ronald J. Miklas at the next regular meeting.

OLD BUSINESS: *Military Service Purchase – Victor M. Valle Jr.:* L&A prepared a military service purchase calculation for Victor M. Valle Jr.'s review. As of February 28, 2019, the balance due from Officer Valle Jr. to the Westchester Police Pension Fund is \$19,661.99 to transfer 18 months of military service. Mr. Ritchie informed the Board that L&A did not receive a response from the member regarding his intent to proceed or withdraw his military service purchase request. No further Board action is needed at this time.

Discussion/Possible Action – Trustee Portal Service – Lauterbach & Amen, LLP: L&A presented a proposal for the Trustee Portal Service. This service will allow the Board of Trustees of the Westchester Police Pension Fund to access an archive of current and historical Pension Fund documents through a secure online portal. All electronic data will be uploaded and maintained by L&A. The cost to the Pension Fund for the Trustee Portal Service is \$125 per month, for an annual cost of \$1,500. All questions were answered by L&A. A motion was made by Trustee Manna and seconded by Trustee Lill to engage L&A for the Trustee Portal Service effective May 1, 2019, and to approve the expenditures outlined on the proposal. Motion carried by roll call vote.

AYES: Trustees Suchy, Grollo, Manna, Lill and Horek

NAYS: None

ABSENT: None

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

NEW BUSINESS: *Certify 2019 Board Election Results:* L&A conducted an election for one of the active member positions on the Westchester Police Pension Fund Board of Trustees. Trustee Manna ran unopposed and was reelected for a two-year term expiring April 30, 2021. A motion was made by Trustee Horek and seconded by Trustee Lill to certify the active member election results. Motion carried unanimously by voice vote.

Appointed Member Term Expirations: The Board noted that Trustee Horek's appointed term expires April 30, 2019 and reappointment will be requested. Further discussion will be held at the next regular meeting.

Review/Possible Approval – Renewal of Lauterbach & Amen, LLP Engagement Letter: The Board reviewed the L&A five-year engagement letter. Mr. Ritchie noted that the engagement letter will be revised to include the addition of the Trustee Portal Service. A motion was made by Trustee Lill and seconded by Trustee Grollo to approve the L&A engagement letter as amended. Motion carried by roll call vote.

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

ATTORNEY'S REPORT – REIMER & DOBROVOLNY, PC: *Review/Approve – Revised Pension Fund Administrative Rules and Regulations:* The Board reviewed the revised Administrative Rules and Regulations as prepared by R&D. All questions were answered by Attorney LaBardi. A motion was made by Trustee Manna and seconded by Trustee Grollo to approve the Pension Fund's Administrative Rules and Regulations as presented. Motion carried unanimously by voice vote.

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.

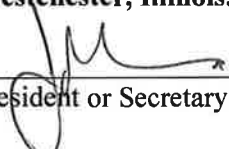
INVESTMENT REPORT – GRAYSTONE CONSULTING (CONTINUED): Mr. McShane informed the Board that the Cash Management Account that was established in 2007 was coded incorrectly and will need to be closed. A new Cash Management Account will be opened to absorb the balance of the funds in the old account. All questions were answered by Mr. McShane. A motion was made by Trustee Lill and seconded by Trustee Horek to authorize Mr. McShane to close the Cash Management Account and to transfer the funds to a new Cash Management Account. Motion carried by roll call vote.

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

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

ADJOURNMENT: A motion was made by Trustee Lill and seconded by Trustee Horek to adjourn the meeting at 7:19 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for Tuesday, July 16, 2019 at 6:00 p.m. at 10300 West Roosevelt Road, Westchester, Illinois.



Board President or Secretary

7-16-19

Date Approved by Board