



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 WESTCHESTER POLICE PENSION FUND BOARD OF TRUSTEES JULY 16, 2019

A regular meeting of the Westchester Police Pension Fund Board of Trustees was held on Tuesday, July 16, 2019 at 6:00 p.m. at the Westchester Police Department, 10300 West Roosevelt Road, Westchester, Illinois 60154, pursuant to notice.

CALL TO ORDER: Trustee Suchy called the meeting to order at 6:05 p.m.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Tom McShane and Joe Buzinski, Graystone Consulting; Attorney Brian LaBardi, Reimer & Dobrovolny PC (R&D); Todd Schroeder, Sam Meyer and Allie Rysell, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *April 16, 2019 Regular Meeting:* The Board reviewed the April 16, 2019 regular meeting minutes. A motion was made by Trustee Grollo and seconded by Trustee Lill to approve the April 16, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

TREASURER'S REPORT – BARB BRANDT: *Village Financial Report:* Ms. Brandt was not at the meeting to present the Treasurer's Report.

Review/Approve Disbursement Log: Ms. Brandt was not at the meeting to present the Disbursement Log.

Status Update – Annual Audit Report: The Board tabled this item until the next regular meeting.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the one-month period ending May 31, 2019 prepared by L&A. As of May 31, 2019, the net position held in trust for pension benefits is \$26,527,527.87 for a change in position of (\$1,067,172.39). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period March 1, 2019 through May 31, 2019 for total disbursements of \$130,392.78. A motion was made by Trustee Horek seconded by Trustee Manna to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$130,392.78. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

IDOI Annual Statement: L&A informed the Board that the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

Trustee Grollo informed the Board that the yearly salary review indicated that the Village incorrectly withheld deductions for active members Jason R. Krejci, Russell E. Newton Jr., and Kristina M. Tountas while they were on non-pension disability. The Board discussed this finding with Attorney LaBardi. The Board directed L&A to determine the total amount each member owes to the Pension Fund, without interest, for Board review and discussion at the next regular meeting.

The yearly salary review also indicated that the Village incorrectly withheld deductions for Adam C. Rauglas. Trustee Grollo informed the Board that due to a clerical error made by the Village, Officer Rauglas overpaid into the Pension and a refund of excess contributions is due to the member in the amount of \$64.72. L&A inquired if the Board would like the Village to offset a future contribution deposit for the member, or if they would prefer that the refund is issued directly from the Pension Fund. A motion was made by Trustee Grollo and seconded by Trustee Manna to approve the refund of excess contributions to Adam C. Rauglas. 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 presented the Quarterly Investment Report for the period ending June 30, 2019. As of June 30, 2019, the quarter-to-date net return is 2.99%, the year-to-date net return is 11.4% and the ending market value is \$27,430,433.84 The current asset allocation is as follows: fixed income at 32.64%, equities at 63.65%, and cash management at 3.72%.

Mr. McShane reviewed the balance in the BMO Harris Bank Money Market Account and informed the Board that additional funds are needed for future pension payments for the 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: Mr. McShane reviewed the performance of the Emerging Market Index Fund and discussed his recommendations for rebalancing the portfolio with the Board. A motion was made by Trustee Horek and seconded by Trustee Grollo to liquidate the Emerging Market Index Fund and to reallocate the proceeds equally between the Harding Loevner EM Fund and American New World Fund. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Review/Update Investment Policy: The Board discussed the Investment Policy and determined that no changes are required at this time.

Mr. McShane informed the Board that Graystone Consulting's five-year engagement with the Westchester Police Pension Fund is expiring in October of 2019. Trustee Suchy will direct Ms. Brandt to prepare and

send Request for Proposals for Investment Consulting Services on behalf of the Board. Further discussion will be held at the next regular meeting.

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

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the June payroll cycle and a due date of July 31, 2019. To date, 10 affidavits remain outstanding. L&A will mail second request affidavits to the remaining outstanding pensioners that do not respond by the July 31, 2019 due date. A status update will be provided at the next regular meeting.

Active Member File Maintenance: The Board noted that L&A will prepare Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Review, Adopt and Publish the Decision and Order, Certificate of Payment and Certificate of Service for the Regular Retirement Benefits of Ronald J. Miklas:* The Board reviewed the Decision and Order, Certificate of Payment and Certificate of Service for the regular retirement benefits for Ronald J. Miklas prepared by R&D. A motion was made by Trustee Grollo and seconded by Trustee Lill to Adopt and Publish the Decision and Order for the regular retirement benefits for Ronald J. Miklas with a retirement date of May 4, 2019, effective date of pension May 5, 2019, 29 years of creditable service, applicable salary of \$96,521.25, applicable pension percentage of 72.5%, amount of originally granted monthly pension of \$5,831.49. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

The Board directed Trustee Suchy to mail the executed Decision and Order, Certificate of Payment and Certificate of Service for the regular retirement benefits for Ronald J. Miklas on behalf of the Board.

OLD BUSINESS: *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.

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

NEW BUSINESS: *Review Preliminary Actuarial Valuation:* The Board reviewed the preliminary Actuarial Valuation prepared by L&A. A motion was made by Trustee Lill and seconded by Trustee Horek to direct L&A to remove the statutory minimum calculation from their draft Actuarial Valuation. Motion carried unanimously by voice vote. The Final report will be viewed by the Board at the next regular meeting.

Fiduciary Liability Insurance Renewal: L&A informed the Board that their Fiduciary Liability Insurance Policy is expiring November 1, 2019. Further discussion will be held at the next regular meeting.

Board Officer Election – President, Vice President, Secretary and Assistant Secretary: The Board discussed Board Officer Elections and nominated the slate of Officers as follows: Trustee Suchy as President, Trustee Lill as Vice President, Trustee Manna as Secretary and Trustee Grollo as Assistant Secretary. A motion was made by Trustee Manna and seconded by Trustee Grollo to elect the slate of Officers as stated. Motion carried unanimously by voice vote.

FOIA Officer and OMA Designee: The Board discussed maintaining Trustee Manna and Trustee Grollo as the FOIA Officers and OMA Designees.

ATTORNEY’S REPORT – REIMER & DOBROVOLNY PC: *QILDRO – Jason Krejci:* Attorney LaBardi sent correspondence to the Village to inquire if the required \$50 processing fee was received and a response has not been received to date. Attorney LaBardi advised the Board to table approving the QILDRO for Jason Krejci until the Board receives confirmation that the required processing fee was received. Further discussion will be held at the next regular meeting.

Legal Updates: The Board reviewed the *Legal and Legislative Update* quarterly newsletter. Attorney LaBardi discussed recent court cases and decisions, as well as general pension matters with the Board.

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 7:51 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for Tuesday, October 15, 2019 at 6:00 p.m.

Board President or Secretary

Date Approved by Board

Minutes prepared by Sam Meyer, Pension Services Administrator, Lauterbach & Amen, LLP