



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 APRIL 21, 2020

A regular meeting of the Westchester Police Pension Fund Board of Trustees was held on Tuesday, April 21, 2020 at 7:00 p.m. via teleconference in accordance with Section 5 of Governor Pritzker's Executive Order 2020-18 (COVID-19 Executive Order No. 16) pursuant to notice.

CALL TO ORDER: Trustee Suchy called the meeting to order at 7:02 p.m.

PLEDGE OF ALLEGIANCE: The Board recited the Pledge of Allegiance and entered into a moment of silence for fallen military personnel and first responders.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Tom McShane, Graystone Consulting; Attorney Brian LaBardi, Reimer & Dobrovolny PC; Treasurer Barb Brandt, Village of Westchester; Active Member Jeff Bataglia, Westchester Police Department; Sam Meyer, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *January 21, 2020 Regular Meeting Minutes:* The Board reviewed the January 21, 2020 regular meeting minutes. A motion was made by Trustee Horek and seconded by Trustee Lill to approve the January 21, 2020 regular meeting minutes as written. Motion carried unanimously by voice vote.

TREASURER'S REPORT – BARB BRANDT: *Village Financial Report:* Ms. Brandt reviewed the Village of Westchester Financial Report for the period December 31, 2019 through March 31, 2020. As of March 31, 2020, the balance in the BMO Harris Bank Money Market Account is \$711,179.60. As of March 31, 2020, the balance in the NOW Account is \$32,048.83. A motion was made by Trustee Grollo and seconded by Trustee Manna to accept the Village Financial Report as presented. Motion carried by roll call vote.

AYES: Trustees Suchy, Manna, Grollo, 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, 2019 through March 31, 2020, showing total disbursements in the amount of \$28,233.48. A motion was made by Trustee Manna and seconded by Trustee Grollo to approve the Disbursement Log in the amount of \$28,233.48 as presented. Motion carried by roll call vote.

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

COMMUNICATION AND REPORTS: *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest are due by May 1, 2020.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the ten-month period ending February 29, 2020 prepared by L&A. As of February 29, 2020, the net position held in trust for pension benefits is \$26,889,271.69 for a change in position of (\$722,122.71). 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 December 1, 2019 through February 29, 2020 for total disbursements of \$128,493.81. A motion was made by Trustee Lill and seconded by Trustee Grollo to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$128,493.81. Motion carried by roll call vote.

AYES: Trustees Suchy, Manna, Grollo, 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 Lill to approve payment of the IDOI Compliance Fee, upon receipt of the invoice. Motion carried by roll call vote.

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

NEW BUSINESS: *Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter:* The Board reviewed the engagement letter prepared by L&A. Attorney LaBardi recommended the Board request a the engagement letter to be revised with language stating the Board can terminate agreement within 30 days of signature as well as exclude the statutory minimum calculation service provided by the actuary. Further discussion will be held at the next regular meeting.

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Investment Report:* Mr. McShane presented the Quarterly Investment Report for the period ending March 31, 2020. As of March 31, 2020, the quarter-to-date net return is (14.15%), the year-to-date net return is (14.15%) and the ending market value is \$23,941,218.37. The current asset allocation is as follows: fixed income at 38.54%, equities at 60.18% and cash management at 1.29%. Mr. McShane reviewed the recent transactions and discussed cash flow needs for the upcoming quarter.

Discussion/Possible Action – Opportunistic Strategy in Market Weakness/Strength: There were no recommendations at this time.

Purchase/Sale of Investment Securities, Hiring or Termination of Investment Managers, and/or Rebalancing of Assets, if needed: The Board discussed the current equity portfolio. Mr. McShane recommended the following:

- Liquidating iShares S&P 500 ETF IVV and reallocating the proceeds to Vanguard 500 Index Admiral VFIAX.
- Liquidating iShares Core S&P ETF IJH and reallocating the proceeds into the Vanguard MidCap VIMAX.
- Liquidating iShares Core S&P Small Cap ETF IJR and reallocating the proceeds into Vanguard Small Cap Admiral VSFAX.

A motion was made by Trustee Lill and seconded by Trustee Grollo to liquidate the funds and relocate the proceeds as recommended. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

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

COMMUNICATIONS AND REPORTS (CONTINUED): *Affidavits of Continued Eligibility:* The Board noted that due to the health and safety concerns associated with COVID-19, L&A will not issue Affidavits of Continued Eligibility to pensioners with the April payroll cycle. L&A informed the Board that they will continue to monitor the ongoing situation and maintain communication with the Board, in order to issue Affidavits of Continued Eligibility as soon as reasonably possible. A status update will be provided to the Board as more information becomes available.

INVESTMENT REPORT (CONTINUED): *Review/Update Investment Policy:* Mr. McShane informed the Board that due to the Illinois Sustainable Investment Act, the investment policy will have to be revised. Mr. McShane stated he is working with Attorney LaBardi on language and an updated investment policy will be distributed to the Board for review and approval at the next regular meeting.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: There were no applications for retirement or disability benefits.

TRUSTEE TRAINING UPDATES: The Board reviewed upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

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

OLD BUSINESS: *Discussion/Possible Action on Authorization to Request Comptroller Intercept of Funds Pursuant to Section 3-125 of the Pension Code:* This item was tabled until the next regular meeting.

NEW BUSINESS (CONTINUED): *Certify Board Election Results – Active & Retired Member Positions:* L&A conducted an election for the active and retired member positions on the Westchester Police Pension Fund Board of Trustees. Trustee Bataglia ran unopposed and was elected for the active member position for a two-year term expiring May 12, 2022. Trustee Lill also ran unopposed and was reelected for the retired member position for a two-year term expiring May 12, 2022. A motion was made

by Trustee Horek and seconded by Trustee Manna to certify the active and retired member election results. Motion carried unanimously by voice vote.

ATTORNEY’S REPORT – REIMER & DOBROVOLNY PC: *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: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Horek and seconded by Trustee Manna to adjourn the meeting at 8:32 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for July 21, 2020 at 6:00 p.m.

Board President or Secretary

Approved by the Board of Trustees on _____

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