



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 JULY 15, 2019

A regular meeting of the Lombard Police Pension Fund Board of Trustees was held on Monday, July 15, 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 Peterson called the meeting to order at 1:30 p.m.

ROLL CALL:

PRESENT: Trustees Jerry Peterson, Richard Spika, Tom Wirsing and Dan Brink

ABSENT: Trustee Benny Ranallo

ALSO PRESENT: Attorney Charles Atwell, Atwell & Atwell; Tom Sawyer and John Falduto, Sawyer Falduto Asset Management, LLC; Village Accountant Michael Whaley and Jessica Nawracaj, Village of Lombard; Michelle Rice, Lauterbach & Amen, LLP (L&A); Attorney Thomas Duda, Law Offices of Thomas W. Duda; Pensioner Francis Vivo, Lombard Police Department

PUBLIC COMMENT: There was no public comment.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve, Adopt and Publish Written Decision and Order – Francis Vivo:* Attorney Atwell reviewed the written Decision and Order for Francis Vivo's duty disability benefit and discussed the fees for the applicant's attorney.

CLOSED SESSION, IF NEEDED: A motion was made by Trustee Wirsing and seconded by Trustee Spika to enter into closed session at 2:08 p.m. under 5 ILCS 120/2 (c)(4) of the Open Meetings Act. Motion carried by roll call vote.

AYES: Trustees Peterson, Spika, Wirsing and Brink

NAYS: None

ABSENT: Trustee Ranallo

A motion was made by Trustee Wirsing and seconded by Trustee Brink to resume open session at 2:30 p.m. Motion carried by roll call vote.

AYES: Trustees Peterson, Spika, Wirsing and Brink

NAYS: None

ABSENT: Trustee Ranallo

The Board discussed the written Decision and Order prepared by Atwell & Atwell. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve, adopt and publish the written Decision and Order for Francis Vivo as prepared. Motion carried by roll call vote.

AYES: Trustees Peterson, Spika, Wirsing and Brink

NAYS: None

ABSENT: Trustee Ranallo

Approve Duty Disability Benefit – Francis Vivo: The Board reviewed the duty disability benefit calculation for Francis Vivo prepared by L&A. Officer Vivo had an entry date of September 18,

2006, disability date of March 22, 2017, effective date of pension of March 23, 2017, 45 years of age at date of disability, 10 years of creditable service, applicable salary of \$96,361.20, applicable pension percentage of 65%, amount of originally granted monthly pension of \$5,219.57 and amount of originally granted annual pension of \$62,634.84. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve Francis Vivo's duty disability benefit calculated by L&A, and to approve the retro benefit due to Mr. Vivo in the amount of \$103,044.41 for the period October 2017 through May 23, 2019, with the attorney fees to be settled at the next regular meeting. Motion carried by roll call vote.

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

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending June 30, 2019. As of June 30, 2019, the second quarter net return is 3.06% versus the second quarter account benchmark of 3.53%. The investment return for the quarter is \$2,106,544 for an ending market value of \$69,706,637. The current asset allocation is as follows: Fixed Income at 49.0%, Equities at 50.1% and Cash Equivalents at 0.8%. Mr. Sawyer 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 Wirsing and seconded by Trustee Brink to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

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

Review/Update Investment Policy: Mr. Falduto presented an updated investment policy prepared by Sawyer Falduto Asset Management, LLC. The Board reviewed and discussed the proposed policy. Policy updates include updated formatting, definitions, equity diversification and the fixed income allocation. A motion was made by Trustee Peterson and seconded by Trustee Wirsing to adopt and execute the updated investment policy as presented and to direct L&A to file the investment policy with the Illinois Department of Insurance within 30 days of execution. Motion carried by roll call vote.

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

Mr. Sawyer left the meeting at 2:53 p.m.

APPROVAL OF MEETING MINUTES: *April 8, 2019 Regular Meeting:* The Board reviewed the April 8, 2019 regular meeting minutes. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve the April 8, 2019 regular meeting minutes as written. Motion carried by roll call vote.

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

Semi-Annual Review of Closed Session Meeting Minutes: The Board discussed the closed session minutes. A motion was made by Trustee Wirsing and seconded by Trustee Spika to not release the closed session meeting minutes at this time due to pending matters. Motion carried by roll call vote.

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

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the five-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 \$67,329,255.53 for a change in position of \$2,731,195.27. The Board 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 \$219,947.64. A motion was made by Trustee Spika and seconded by Trustee Wirsing to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$219,947.64. Motion carried by roll call vote.

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

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

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS (CONTINUED): *Approve Regular Retirement Benefit – Peter Panagiotaros:* The Board reviewed the regular retirement benefit calculation for Peter Panagiotaros prepared by L&A. Officer Panagiotaros had an entry date of June 20, 1988, retirement date of July 5, 2019, effective date of pension of July 6, 2019, 57 years of age at date of retirement, 31 years of creditable service, applicable salary of \$103,908.93, applicable pension percentage of 75%, amount of originally granted monthly pension of \$6,494.31 and amount of originally granted annual pension of \$77,931.72. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve Peter Panagiotaros’ regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

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

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 – Abigail Lauer: The Board discussed Abigail Lauer’s transfer of creditable service. A motion was made by Trustee Wirsing and seconded by Trustee Spika to accept Abigail Lauer’s transfer as paid in full in the amount of \$96,784.40 from the Hanover Park Police Pension Fund to the Lombard Police Pension Fund and to revise Abigail Lauer’s date of hire from February 11, 2019 to March 25, 2013. Motion carried by roll call vote.

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

Portability – Alex Rojas: The Board noted that Alex Rojas submitted a request to transfer his time from the Lombard Police Pension Fund to the Berkeley Police Pension Fund. L&A is currently in the process of preparing a portability calculation and will provide it to the Board for review upon completion. Further discussion will be held at the next regular meeting.

NEW BUSINESS: *Board Officer Elections – President, Vice President, Secretary and Assistant Secretary:* The Board discussed Board Officer elections and nominated the following slate of Officers: Trustee Ranallo as President, Trustee Peterson as Vice President, Trustee Wirsing as Secretary and Trustee Spika as Assistant Secretary. A motion was made by Trustee Peterson and seconded by Trustee Wirsing to elect the slate of Officers as stated. Motion carried by roll call vote.

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

FOIA Officer and OMA Designee: The Board discussed maintaining Trustee Wirsing as the FOIA Officer and OMA Designee. A motion was made by Trustee Peterson and seconded by Trustee Spika to maintain the FOIA Officer and OMA Designee as stated. Motion carried by roll call vote.

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

Review/Approve – Actuarial Valuation and Tax Levy Request: The Board reviewed the Actuarial Valuation prepared by Nyhart. Based on data and assumptions, the recommended municipal contribution is \$3,049,764 and the statutory minimum contribution is \$2,374,859. A motion was made by Trustee Wirsing and seconded by Trustee Spika to accept the Actuarial Valuation as prepared and to request a tax levy in the amount \$3,049,764 from the Village, based on the recommended amount stated in the Actuarial Valuation prepared by Nyhart. Motion carried by roll call vote.

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

Ms. Nawracaj apprised the Board that the Village of Lombard will be contributing an additional \$300,000 to the Lombard Police Pension Fund.

Review/Adopt – Municipal Compliance Report: The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Trustee Spika and seconded by Trustee Brink to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried by roll call vote.

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

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. 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.

ATTORNEY'S REPORT – ATWELL & ATWELL: *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.

Request for Review – Terry J. Olson: Attorney Atwell apprised the Board that Terry J. Olson filed an appeal to the second district appellate court and the brief is due by July 26, 2019. Updates will be provided to the Board as they become available.

Independent Medical Examination – Joseph Metallo: Attorney Atwell informed the Board that correspondence was sent to Joseph Metallo regarding his annual independent medical examination, but no response has been received. Further discussion will be held at the next regular meeting.

ADJOURNMENT: A motion was made by Trustee Spika and seconded by Trustee Peterson to adjourn the meeting at 3:17 p.m. Motion carried by roll call vote.

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

The next regular meeting is scheduled for October 21, 2019 at 1:30 p.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 10-21-19

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