



# 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 JANUARY 13, 2020

A regular meeting of the Lombard Police Pension Fund Board of Trustees was held on Monday, January 13, 2020 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 Ranallo called the meeting to order at 1:30 p.m.

#### **ROLL CALL:**

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

**ABSENT:** None

**ALSO PRESENT:** Attorney Charles Atwell, Atwell & Atwell; Ed Lavin and John Falduto, Sawyer Falduto Asset Management, LLC; Assistant Director of Finance Jamie Cunningham, Village of Lombard; Michelle Rice, Lauterbach & Amen, LLP (L&A)

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

**APPROVAL OF MEETING MINUTES:** *October 21, 2019 Regular Meeting:* The Board reviewed the October 21, 2019 regular meeting minutes. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve the October 21, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

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

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the eleven-month period ending November 30, 2019 prepared by L&A. As of November 30, 2019, the net position held in trust for pension benefits is \$73,354,298.59 for a change in position of \$8,756,238.33. The Board reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Spika and seconded by Trustee Brink to accept the Monthly Financial Report as presented. Motion carried by roll call vote.

**AYES:** Trustees Ranallo, Peterson, Spika, Wirsing and Brink

**NAYS:** None

**ABSENT:** None

*Presentation and Approval of Bills:* The Board reviewed the Vendor Check Report for the period September 1, 2019 through November 30, 2019 for total disbursements of \$504,515.68. A motion was made by Trustee Spika and seconded by Trustee Peterson to approve the disbursements shown on the Vendor Check Report in the amount of \$504,515.68. Motion carried by roll call vote.

**AYES:** Trustees Ranallo, Peterson, Spika, Wirsing and Brink

**NAYS:** None

**ABSENT:** None

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

**INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC:** *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending December 31, 2019. As of December 31, 2019, the fourth quarter net return is 3.99% versus the fourth quarter account benchmark of 4.14%. The investment return for the quarter is \$2,849,989 for an ending market value of \$73,384,804. The current asset allocation is as follows: Fixed Income at 47.9%, Equities at 51.5% and Cash Equivalents at 0.6%. Mr. Lavin 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 Peterson and seconded by Trustee Wirsing to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Wirsing and Brink

NAYS: None

ABSENT: None

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

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** *Applications for Membership – Chadwick Kennedy and Santiago Muratalla:* This item was tabled for discussion until the next regular meeting.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Approve Regular Retirement Benefit – Paul Nevara:* The Board reviewed the regular retirement benefit calculation for Paul Nevara prepared by L&A. Lieutenant Nevara had an entry date of January 22, 1991, retirement date of January 22, 2020, effective date of pension of January 23, 2020, 52 years of age at date of retirement, 29 years of creditable service, applicable salary of \$134,390.11, applicable pension percentage of 72.50%, amount of originally granted monthly pension of \$8,119.40 and amount of originally granted annual pension of \$97,432.80. A motion was made by Trustee Wirsing and seconded by Trustee Brink to approve the regular retirement benefit for Paul Nevara calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Wirsing and Brink

NAYS: None

ABSENT: None

*Marianne Kroeger, Surviving Spouse of Eldred Denny – Entry of Written Decision and Order:* Attorney Atwell provided the Board with a written Decision and Order for Marianne Kroeger. A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve, adopt and publish the written Decision and Order for Marianne Kroeger as presented. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Wirsing and Brink

NAYS: None

ABSENT: None

**TRUSTEE TRAINING UPDATES:** The Board reviewed the upcoming training opportunities. 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:** *Request for Proposals for Vendors:* The Board discussed scheduling a special meeting on April 6, 2020 at 1:00 p.m. to conduct interviews for legal counsel and directed L&A to schedule the presentations. Further discussion will be held at the next regular meeting.

*Fiduciary Liability Insurance Renewal:* The Board reviewed the fiduciary liability insurance renewal provided by the Village of Lombard through Arthur J. Gallagher. A motion was made by Trustee Spika and seconded by Trustee Peterson to approve payment of the fiduciary liability insurance renewal effective January 1, 2020 through January 1, 2021 in the amount of \$6,461. Motion carried by roll call vote.

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

*Status Update on Francis Vivo Matter:* Attorney Atwell apprised the Board that the briefs have been filed and the matter is set for hearing on February 14, 2020. Further discussion will be held at the next regular meeting.

**NEW BUSINESS:** *Discussion of Pension Board Website:* Trustee Spika discussed posting agendas and minutes on the Village website. Jamie Cunningham offered to post the agenda and approved meeting minutes on the Village website on behalf of the Board. No further action is required.

*Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter Renewal:* The Board reviewed the L&A three-year engagement letter. A motion was made by Trustee Spika and seconded by Trustee Brink to engage L&A in the annual amounts as follows: \$14,580 for the year ended December 31, 2020; \$14,880 for the year ended December 31, 2021; \$15,180 for the year ended December 31, 2022. Motion carried by roll call vote.

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

*Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2020 Cost of Living Adjustments (see attached) calculated by L&A. A motion was made by Trustee Spika and seconded by Trustee Peterson to approve the 2020 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

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

*Review Trustee Term Expirations and Elections Procedures:* The Board noted that the active member term currently held by Trustee Ranallo and the retired member term currently held by Trustee Spika are expiring in April 2020. Trustees Ranallo and Spika expressed their interests in remaining on the Board if nominated. The Board also noted that the appointed Trustee position held by Trustee Peterson is expiring in April 2020 and he is interested in remaining on the Board. The Board will contact the Village and seek reappointment of Trustee Peterson to the Board.

*IDOI Annual Statement:* The Board noted that the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

**COMMUNICATIONS AND REPORTS:** *2020 IRS Mileage Rate:* The Board noted that the IRS standard business mileage rate used for reimbursement decreased to \$0.575 per mile effective January 1, 2020.

*Statements of Economic Interest:* The Board noted that the List of Filers must be submitted to the County by the Village by February 1, 2020. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2020.

*Affidavits of Continued Eligibility:* L&A informed the Board that due to recently implemented requirements mandated by the IDOI, spousal data will be necessary in order to file the IDOI Annual Statement. L&A recommended issuing Affidavits of Continued Eligibility to all pensioners with the December payroll cycle, to coincide with the fiscal year-end and ensure adequate time to compile the necessary data.

**ATTORNEY’S REPORT – ATWELL & ATWELL:** *Request for Review – Terry J. Olson:* Attorney Atwell informed the Board that the second district appellate court sustained the Board’s decision on the Terry J. Olson matter and a copy of the decision will be provided to the Board.

*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.

**CLOSED SESSION, IF NEEDED:** There was no need for closed session.

**ADJOURNMENT:** A motion was made by Trustee Wirsing and seconded by Trustee Brink to adjourn the meeting at 2:44 p.m. Motion carried by roll call vote.

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

The next regular meeting is scheduled for April 20, 2020 at 1:30 p.m.

  
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Board President or Secretary

Minutes approved by the Board of Trustees on \_\_\_\_\_

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