

REGULAR MEETING OF THE
CAROL STREAM POLICE PENSION FUND BOARD
Village of Carol Stream, County of DuPage, Illinois
Tuesday, November 26, 2013, 10:30 AM

I. Call to Order and Roll Call

The regular meeting of the Carol Stream Police Pension Fund Board of Trustees was called to order by President John Numrich at 10:30 AM.

Present: President John Numrich
 Vice President Diane Wells
 Trustee Anthony Simonetta
 Trustee John Zalak

Absent: Assistant Secretary Tony Marzano

Also Present: Finance Director Jon Batek, Accountant Barb Wydra and Financial Advisor Mary Tomanek

II. Treasurer's Report

- a. Trustee Anthony Simonetta motioned to approve the financial report through October 31, 2013. Trustee John Zalak seconded the motion. All ayes. Motion carried.
- b. Trustee John Zalak motioned to approve the check register through November 21, 2013. Seconded by Trustee Anthony Simonetta All ayes. Motion carried.
- c. Financial Advisor Mary Tomanek presented a brief review of the investment portfolio where she reported a solid quarter. She ultimately recommended adding a high yield fund to the fixed income allocation.

III. Old Business

- a. Of the three doctors Sergeant Bryan Pece has seen, only one medical report has been received. The remaining two reports should be received in the near future. It is anticipated that the hearing will only take one day, and with the availability of a full board, the hearing might occur sometime in December 2013.
- b. Officer Tony Petragallo will be having surgery and he will reevaluate the possibility of filing for disability after his surgery.
- c. Finance Director Jon Batek advised that Financial Advisor Mary Tomanek's contract expires in January 2014. Therefore, proposals for investment advisor services are necessary. The proposals should be available for the January 2014 meeting.

IV. New Business

- a. Vice President Diane Wells motioned to approve the appointment of Cheri Paskevicz as Recording Secretary at a rate of \$30 per hour. The motion was seconded by Trustee John Zalak. All ayes. Motion carried.
- b. Officers Jason Eagan and Andrew Zakerski both completed applications for membership in the Carol Stream Police Pension Fund. Trustee Anthony Simonetta motioned for Officer Jason Eagan, hired September 23, 2013, be accepted into tier one of the Carol Stream Police Pension. Vice President Diane Wells seconded the motion. All ayes. Motion carried. Vice President Diane Wells motioned for

Officer Andrew Zakerski, hired September 23, 2013, be accepted into tier two of the Carol Stream Police Pension. The motion was seconded by Trustee Anthony Simonetta. All ayes. Motion carried.

- c. Trustee Anthony Simonetta motioned for a 3% increase for retiree Kenneth George. The motion was seconded by Trustee John Zalak. All ayes. Motion carried.
- d. Finance Director Jon Batek reviewed the May 1, 2013 actuarial valuation, which reported an overall investment return increase of 8.13%, which exceeded the Fund's assumed rate of return of 7.25%. In fact, the Fund's investment performance had exceeded that benchmark in 8 of the last 10 years. The rate of payroll increase over the last year was at 1.2%, also less than the actuarially assumed rate of growth of 6.25%. Given this information, the contribution for the next fiscal year 2014/15 would be expected to decrease by approximately \$20,000 compared to the current year recommended Village contribution of \$1,472,558. Instead, the recommended Village contribution for FY14/15 is \$1,651,830, nearly \$180,000 more than the current year recommended contribution. This was entirely due to a required change in the mortality table (RP2000) used by the actuary in determining future costs of the fund. This increased the unfunded liability from \$14.0 million to \$15.8 million and reduced the Fund's funding percentage from 70.0% to 69.3%. The minimum contribution required (using the PUC valuation method and a 90% funding objective established under PA 096-1495) is \$1,612,360. The Fund also received the Department of Insurance recommended contribution amount of \$1,535,792 for the same period. General discussion took place on the main differences in assumptions used by the Department of Insurance and the Village's independent actuary.
- e. Authorization of Renewal of Fiduciary Liability Policy - Finance Director Jon Batek reported that typically there is a 5% annual increase and should not exceed a 10% increase. Trustee Anthony Simonetta motioned that the Fiduciary Liability policy renewal be accepted with no more than a 10% increase. Motion was seconded by Vice President Diane Wells. All ayes. Motion carried.
- f. The Pension Fund mandated report to the Village is an annual report and a requirement of House Bill 5088. This information is derived from the financial statements, actuary reports and the levy information. Trustee Anthony Simonetta motioned that the Pension Fund mandated report be forwarded to the Village as required by HB 5088. Motioned seconded by Trustee John Zalak. All ayes. Motion carried.
- g. The result of disabled Officer James Michalek's annual exam was reviewed. The examination performed by Dr. Kathy Frank revealed that Michalek is still disabled. He will be reexamined again next year.

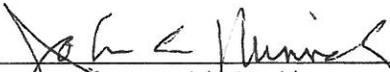
V. Correspondence and Public Comment

- a. Trustee John Zalak received a telephone call from Officer Russell Fry on Monday, November 25, 2013 requesting information regarding short term disability for a non-duty related injury.
- b. When attending IPPFA conferences/trips, board members should keep more detailed receipts. This allows verification of actual expenses.

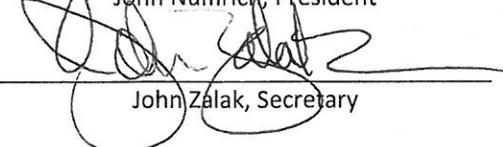
VI. Adjournment

- a. The next regular meeting will be held in January 2014. Motion was made to adjourn by Vice President Diane Wells and seconded by Trustee Anthony Simonetta. All Ayes. Motion carried. Meeting adjourned at 11:52 AM.

FOR THE PENSION FUND



John Numrich, President



John Zalak, Secretary