

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
OF THE CAROL STREAM POLICE PENSION FUND
MONDAY, DECEMBER 11, 2017**

A regular meeting of the Board of Trustees of the Carol Stream Police Pension Fund was held on Monday, December 11, 2017 at 1:00 p.m. at Village Hall in the White Sox Conference Room located at 505 North Ave., Carol Stream, IL for the purpose of conducting regular business.

CALL TO ORDER: The meeting was called to order by President Numrich at 1:01 p.m.

ROLL CALL:

PRESENT: President John Numrich, Vice President Anthony Simonetta, Secretary John Zalak, and Trustee Jim Brewer

ABSENT: Assistant Secretary Dan Bulleri

ALSO PRESENT: Todd Schroeder and Amanda Secor, Lauterbach & Amen, LLP (L&A); Mary Tomanek, Graystone Consulting; Jon Batek and Barb Wydra, Village of Carol Stream Finance Department

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *July 19, 2017 Regular Meeting:* The Board reviewed the minutes from the July 19, 2017 regular meeting. A motion was made by Secretary Zalak and seconded by Trustee Brewer to approve the July 19, 2017 regular meeting minutes as written. Motion carried unanimously by voice vote.

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Investment Performance Report:* Ms. Tomanek presented the Quarterly Investment Performance Report for the period ending September 30, 2017. As of 09/30/2017, the quarter-to-date net return is 2.57% for an ending market value of \$44,758,945. The current asset allocation is as follows: Fixed Income at 48% and Equities at 52%. Ms. Tomanek presented the Board with the Equity Portfolio, Fixed Income Portfolio, Transaction Ledger Report, and Market Commentary. All questions were answered by Ms. Tomanek. A motion was made by Vice President Simonetta and seconded by Secretary Zalak to accept the Quarterly Investment Report as presented, and to approve the amended asset allocation as presented by Graystone Consulting: eliminating Real Estate from 1% to 0%, reducing the Small Cap Equity from 6% to 4%, reducing the Mid Cap Equity from 8% to 6%, increasing the Large Cap Equity from 65% to 75%, lowering the Fixed Income target from 45% to 55% with a minimum of 40% and increasing the Equity target from 45% to 55% with a maximum of 60%. Motion carried unanimously by voice vote.

A motion was made by Secretary Zalak and seconded by Vice President Simonetta to reallocate \$800,000 in available IL Funds and transfer the proceeds into equities as follows: \$500,000 to Washington Mutual and \$300,000 to the Vanguard Large Cap Growth Index Fund. Motion carried unanimously by voice vote.

Review/Update Investment Policy: The Board discussed updating the Investment Policy to reflect the amendments proposed by Graystone Consulting and adopted by the Board. A motion was made by Trustee Brewer seconded by Vice President Simonetta to amend the investment policy to reflect the newly adopted asset allocation. Motion carried unanimously by voice vote.

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* Lauterbach & Amen presented the Monthly Financial Report for the period ended October 31, 2017. The net position held in trust for pension benefits is \$46,432,901.52, with a change in position of \$2,111,277.44 for the six month period ending 10/31/2017. L&A reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal with the Board. A motion was made by Vice President Simonetta and seconded by Secretary Zalak to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the disbursements shown on the Vendor Check Report for the period August 1, 2017 through October 31, 2017, for a total disbursement of \$33,858.05. A motion was made by Vice President Simonetta and seconded by Trustee Brewer to approve the disbursements listed on the Vendor Check Report in the amount of \$33,858.05. Motion carried unanimously by voice vote.

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

COMMUNICATIONS OR REPORTS: *Affidavits of Continued Eligibility:* The Board noted all 2017 Affidavits of Continued Eligibility have been received by L&A. The originals were presented to the Board for approval.

TRUSTEE TRAINING UPDATES: The Board reviewed the updated Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit all certificates of completion to L&A for recordkeeping.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – Adam Guzman and Artur Lipinski:* The Board reviewed the Applications for Membership submitted by Adam Guzman and Artur Lipinski. A motion was made by Vice President Simonetta and seconded by Secretary Zalak to accept Adam Guzman and Artur Lipinski into the Carol Stream Police Pension Fund effective 09/08/2017 as Tier II participants. Motion carried unanimously by voice vote.

Application for Membership – Alexandra Williams: The Board tabled this item pending receipt of Alexandra Williams’ signed application. A motion was made by Secretary Zalak and seconded by Trustee Brewer to ratify the Application for Membership at the next regular meeting. Motion carried unanimously by voice vote.

Contribution Refund – Kimberly Eliopoulos: The Board reviewed the contribution refund request submitted by Kimberly Eliopoulos. Ms. Eliopoulos resigned from the Carol Stream Police Department, effective July 15, 2016. A motion was made by Vice President Simonetta and seconded by Trustee Brewer to approve Kimberly Eliopoulos’s contribution refund in the amount of \$7,520.98 paid directly to herself. Motion carried unanimously by voice vote.

Contribution Refund – Theodore Vernon: The Board reviewed the contribution refund request submitted by Theodore Vernon. Mr. Vernon resigned from the Carol Stream Police Department, effective September 24, 2017. A motion was made by Vice President Simonetta and seconded

by Secretary Zalak to approve Theodore Vernon's contribution refund in the amount of \$5,231.36 paid directly to himself. Motion carried unanimously by voice vote.

Withdrawal from Fund – Jonathan Bernstein: The Board noted that Jonathan Bernstein resigned from the Carol Stream Police Department, effective August 18, 2017. The Village of Carol Stream will send Mr. Bernstein a certified letter, informing him of his refund options. No further action is required at this time.

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

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *IDOI Annual Statement:* The Board noted that the IDOI Annual Statement and executed Certification Form have been submitted to the Illinois Department of Insurance prior to the October 31st deadline. No further action is necessary.

Review/Approve – Actuarial Valuation and Tax Levy Request: The Board reviewed the finalized Actuarial Valuation prepared by L&A. Based on data and assumptions, the recommended contribution amount is \$2,434,978 which is a \$362,227 increase from the prior year contribution. The statutory minimum contribution is \$1,929,969. A motion was made by Trustee Brewer and seconded by Vice President Simonetta to accept the Actuarial Valuation as prepared and to note the recommended contribution in the amount of \$2,434,978 for the record. Motion carried unanimously by voice vote.

Review/Adopt – Municipal Compliance Report: The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Vice President Simonetta and seconded by Secretary Zalak to adopt the MCR for year ended April 30, 2017 as prepared and to authorize signatures by the Board President and Secretary. Motion carried unanimously by voice vote.

Approval of Military Service Purchase – Glen Harker: The Board noted that Glen Harker completed his military service purchase to transfer twenty-four months of military service to the Carol Stream Police Pension Fund in the amount of \$39,919.43. A motion was made by Secretary Zalak and seconded by Vice President Simonetta to accept the payment in the amount of \$39,919.43, recognize the purchase as paid in full and acknowledge Glen Harker's revised date of hire from January 6, 1992 to January 6, 1990. Motion carried unanimously by voice vote.

Fiduciary Liability Insurance Renewal: The Board reviewed the fiduciary liability insurance renewal provided by Travelers Casualty Insurance Company. A motion was made by Trustee Brewer and seconded by Secretary Zalak to approve payment of the fiduciary liability insurance renewal effective December 31, 2017 through December 31, 2018 in the amount of \$3,955.00. Motion failed by voice vote.

After discussion, Trustee Brewer withdrew his motion. The Board will consult with Board Attorney Reimer to determine the effectiveness of the current policy, prior to the current policy expiration date of December 31, 2017.

Establish 2018 Board Meeting Dates: The Board discussed establishing the 2018 Board meeting dates as January 30th, April 17th, July 2nd, and October 19th at 10:00 a.m. located in the White Sox Conference Room located at Village Hall 505 North Ave. Carol Stream, Illinois.

ATTORNEY’S REPORT: *Legal Updates:* The Board reviewed copies of Reimer, Dobrovlny & Karlson, LLC’s newsletter, *Legal and Legislative Update*.

Annual Independent Medical Examinations – James Michalek, Brian Moffett, and Bryan Pece: The Board noted that disability pensioners James Michalek, Brian Moffett, and Bryan Pece were examined for their annual independent medical examinations and the respective evaluations determined that all three pensioners remain disabled.

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

ADJOURNMENT: A motion was made by Secretary Zalak and seconded by Trustee Brewer to adjourn the meeting at 2:56 p.m. Motion carried unanimously by voice vote.

Respectfully Submitted,

John Zalak, Board Secretary

John Numrich, Board President

The next regular meeting is scheduled for January 30, 2018 at 10:00 a.m.

Minutes prepared by Amanda Secor, Pension Services Administrator