

**MINUTES OF A REGULAR MEETING OF THE CAROL STREAM
POLICE PENSION FUND BOARD OF TRUSTEES
JULY 15, 2019**

A regular meeting of the Carol Stream Police Pension Fund Board of Trustees was held on Monday, July 15, 2019 at 10:00 a.m. at Village Hall in the Community Development Conference Room #192 located at 500 North Gary Avenue, Carol Stream, Illinois 60188, pursuant to notice.

CALL TO ORDER: President Numrich called the meeting to order at 10:03 a.m.

ROLL CALL:

PRESENT: President John Numrich, Vice President Anthony Simonetta, Secretary Carol Cadle, Assistant Secretary Brian Rudelich and Trustee Jim Brewer

ABSENT: None

ALSO PRESENT: Amanda Secor, Lauterbach & Amen, LLP (L&A); Jon Batek and Diana McDermott, Village of Carol Stream Finance Department; Mary Tomanek, Graystone Consulting; Retired Member Matthew Rudelich, Carol Stream Police Department

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *April 29, 2019 Regular Meeting:* The Board reviewed the minutes from the April 29, 2019 regular meeting. A motion was made by Vice President Simonetta and seconded by Trustee Brewer to approve the April 29, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

May 23, 2019 Special Meeting: The Board reviewed the minutes from the May 23, 2019 special meeting. A motion was made by Trustee Brewer and seconded by Secretary Cadle to approve the May 23, 2019 special meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes for review.

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Performance Review:* Ms. Tomanek presented the Quarterly Performance Review for the period ending June 30, 2019. As of June 30, 2019, the quarter-to-date net return is 3.55%, the year-to-date net return is 11.77% and the ending market value is \$50,616,015. The current asset allocation is as follows: fixed income at 44%, equities at 55% and total cash at 1.1%. Ms. Tomanek reviewed the recent transactions and discussed cash flow needs for the upcoming quarter.

The Board discussed increasing the maximum allocation of 35% within the present fixed income allocation. A motion was made by Trustee Brewer and seconded by Vice President Simonetta to increase the maximum corporate allocation of the fixed income allocation from 35% to 45%. Motion carried unanimously by voice vote.

Potential Purchase and/or Sale of Securities/Rebalancing of Asset Allocation or Hiring/Termination of Investment Managers: The Board reviewed the real estate fund analysis presented by Graystone Consulting. A motion was made by Vice President Simonetta and seconded by Secretary Cadle to liquidate the T. Rowe Price Real Estate Fund due to management succession concerns and to reallocate the proceeds to the Principal Real Estate Securities Fund R-6 (PFRSX). Motion carried by roll call vote.

AYES: Trustees Numrich, Simonetta, Cadle, Brewer and Rudelich
NAYS: None
ABSENT: None

Review/Update Investment Policy: The Board determined that no changes to the Investment Policy were required at this time.

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the one-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 \$49,108,976.49 for a change in position of \$(1,040,066.93). The Board reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, and Payroll Journal. The Board also reviewed the Vendor Check Report for the period March 1, 2019 through May 31, 2019 for total disbursements of \$26,906.27. A motion was made by Secretary Cadle and seconded by Assistant Secretary Rudelich to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$26,906.27. Motion carried by roll call vote.

AYES: Trustees Numrich, Simonetta, Cadle, Brewer and Rudelich
NAYS: None
ABSENT: None

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

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners in June with a due date of July 31, 2019. 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.

TRUSTEE TRAINING UPDATES: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit all 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.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Contribution Refund – Jonathan Bernstein:* The Board reviewed the contribution refund request submitted by Jonathan Bernstein. A motion was made by Vice President Simonetta and seconded by Secretary Cadle to ratify payment of Jonathan Bernstein’s contribution refund in the amount of \$10,488.44 paid directly to Jonathan Bernstein and issued on June 4, 2019. Motion carried by roll call vote.

AYES: Trustees Numrich, Simonetta, Cadle, Brewer and Rudelich
NAYS: None
ABSENT: None

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Application for Regular Retirement Benefits – Matthew Rudelich:* The Board reviewed the regular retirement benefit

calculation for Matthew Rudelich prepared by the Village of Carol Stream. Police Officer Rudelich had an entry date of July 6, 1989, retirement date of July 12, 2019, effective date of pension of July 13, 2019, 53 years of age at date of retirement, 30 years, 0 months and 4 days of creditable service, applicable salary of \$99,439.22, applicable pension percentage of 75%, amount of originally granted monthly pension of \$6,214.95 and amount of originally granted annual pension of \$74,579.42. President Numrich thanked Matthew Rudelich for his outstanding work in the several roles he served in during his tenure with the Carol Stream Police Department. A motion was made by Assistant Secretary Rudelich and seconded by Secretary Cadle to approve Matthew Rudelich's regular retirement benefit calculated by the Village of Carol Stream. Motion carried by roll call vote.

AYES: Trustees Numrich, Simonetta, Cadle, Brewer and Rudelich

NAYS: None

ABSENT: None

OLD BUSINESS: *Certify Special Election Results – Unexpired Active Member Term:* L&A conducted a special election for the unexpired active member term on the Carol Stream Police Pension Fund Board of Trustees. Brian Rudelich ran unopposed and was elected for the unexpired active member term, expiring April 30, 2020. A motion was made by Vice President Simonetta and seconded by Trustee Brewer to certify the active member special election results. Motion carried unanimously by voice vote.

Appointed Member Term Expiration – James Brewer: The Board noted that Trustee Brewer was reappointed to the Carol Stream Police Pension Fund Board of Trustees on May 1, 2019 for a two-year term, to expire April 30, 2021.

Break in Service Purchase – Carol Cadle: The Board noted that Carol Cadle completed payments to the Carol Stream Police Pension Fund for two breaks in service in the amounts of \$967.38 for the period of May 31, 2002 through June 26, 2002 and \$827.94 for the period of January 9, 2004 through January 31, 2004. A motion was made by Trustee Brewer and seconded by Vice President Simonetta to accept the payments in the amounts of \$967.38 and \$827.94, recognize the breaks in service as paid in full and to acknowledge the dates of May 31, 2002 through June 26, 2002 and January 9, 2004 through January 31, 2004 as creditable toward her future pension benefit. Motion carried by roll call vote.

AYES: Trustees Numrich, Simonetta, Cadle, Brewer and Rudelich

NAYS: None

ABSENT: None

Military Service Purchase – William McIntyre: The Board noted William McIntyre completed his military service purchase to transfer twenty-four months of military service to the Carol Stream Police Pension Fund in the amount of \$30,054.95. A motion was made by Trustee Brewer and seconded by Assistant Secretary Rudelich to accept the payment in the amount of \$30,054.95, recognize the purchase as paid in full and to acknowledge William McIntyre's revised date of hire from August 6, 2018 to August 6, 2016. Motion carried by roll call vote.

AYES: Trustees Numrich, Simonetta, Cadle, Brewer and Rudelich

NAYS: None

ABSENT: None

Pension Inquiry – Jeffrey Degnan: President Numrich reviewed former Deputy Chief Degnan's pension inquiry. The Board noted that the initial cost of living adjustment for all pensioners that retire

prior to obtaining age 55 that have December birthdates are not entitled to initial increases until the month after the anniversary of their retirement per statute. No further action is required by the Board.

NEW BUSINESS: *Board Officer Elections – President, Vice President, Secretary & Assistant Secretary:* The Board discussed Board Officer Elections and nominated the following slate of Officers: John Numrich as President, Anthony Simonetta as Vice President, Carol Cadle as Secretary and Brian Rudelich as Assistant Secretary. A motion was made by Trustee Brewer and seconded by Secretary Cadle to elect the slate of Officers as stated. Motion carried unanimously by voice vote.

FOIA Officer & OMA Designee: The Board discussed maintaining Secretary Cadle as the FOIA Officer and OMA Designee.

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.

ATTORNEY’S REPORT – REIMER & DOBROVOLNY PC: *Legal Updates:* The Board reviewed the Reimer & Dobrovoly PC *Legal and Legislative Update* quarterly newsletter.

Annual Independent Medical Examinations – James Michalek, Brian Moffett & Brian Pece: The Board discussed sending James Michalek, Brian Moffett and Bryan Pece for their annual independent medical examinations. President Numrich will contact the Board Attorney to have each of the aforementioned pensioners scheduled for their annual independent medical examination. Further discussion will be held at the next regular meeting.

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

ADJOURNMENT: A motion was made by Secretary Cadle and seconded by Vice President Simonetta to adjourn the meeting at 11:03 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for Friday, October 18, 2019 at 10:00 a.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____

Minutes prepared by Amanda Secor, Pension Services Administrator, Lauterbach & Amen, LLP