

**MINUTES OF A REGULAR MEETING OF THE CAROL STREAM
POLICE PENSION FUND BOARD OF TRUSTEES
OCTOBER 18, 2019**

A regular meeting of the Carol Stream Police Pension Fund Board of Trustees was held on Friday, October 18, 2019 at 11:30 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 11:41 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 Chief Edward Sailer III, Carol Stream Police Department

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *July 15, 2019 Regular Meeting:* The Board reviewed the minutes from the July 15, 2019 regular meeting. A motion was made by Secretary Cadle and seconded by Trustee Brewer to approve the July 15, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

October 9, 2019 Special Meeting: The Board reviewed the minutes from the October 9, 2019 special meeting. A motion was made by Vice President Simonetta and seconded by Assistant Secretary Rudelich to approve the October 9, 2019 special meeting minutes as written. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Application for Regular Retirement Benefits – Edward Sailer III:* The Board reviewed the regular retirement benefit calculation for Edward Sailer III prepared by the Village of Carol Stream. Chief Sailer had an entry date of March 13, 1986, retirement date of October 4, 2019, effective date of pension of October 5, 2019, 59 years of age at date of retirement, 33 years, 6 months and 21 days of creditable service, applicable salary of \$176,405.01, applicable pension percentage of 75%, amount of originally granted monthly pension of \$11,025.31 and amount of originally granted annual pension of \$132,303.76. A motion was made by Secretary Cadle and seconded by Assistant Secretary Rudelich to approve Edward Sailer III'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

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Portfolio Review:* Ms. Tomanek presented the Quarterly Portfolio Review for the period ending September 30, 2019. As of September 30, 2019, the quarter-to-date net return is 2.06%, the year-to-date net return is 14.7% and the ending market value is \$51,664,769. The current asset allocation is as follows: fixed income at 45%, equities at 54% and total cash at 1%. Ms. Tomanek reviewed the recent transactions and discussed cash flow needs for the upcoming quarter.

Potential Purchase and/or Sale of Securities/Rebalancing of Asset Allocation: There were no items to be discussed.

Review/Update Investment Policy: The Board reviewed the Investment Policy in summary and determined that no changes were required at this time.

NEW BUSINESS: *Establish 2020 Board Meeting Dates:* The Board established the 2020 Board meeting dates as January 13, 2020; April 20, 2020; July 20, 2020 at 10:00 a.m., and October 16, 2020 at 11:00 a.m. in the Community Development Conference Room #192 at Village Hall located at 500 North Gary Avenue, Carol Stream, Illinois 60188.

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the four-month period ending August 31, 2019 prepared by L&A. As of August 31, 2019, the net position held in trust for pension benefits is \$51,848,725.37 for a change in position of \$1,699,681.95. The Board reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, and Payroll Journal. A motion was made by Assistant Secretary Rudelich and seconded by Secretary Cadle to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board also reviewed the Vendor Check Report for the period June 1, 2019 through August 31, 2019 for total disbursements of \$32,436.16. A motion was made by Vice President Simonetta and seconded by Trustee Brewer to approve the disbursements shown on the Vendor Check Report in the amount of \$32,436.16. 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 all 2019 Affidavits of Continued Eligibility have been received by L&A. The originals were presented to the Board for their records.

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: *Application for Membership – Tyler Hlousek:* The Board reviewed the Application for Membership submitted by Tyler Hlousek. A motion was made by Secretary Cadle and seconded by Assistant Secretary Rudelich to accept Tyler Hlousek into the Carol Stream Police Pension Fund effective August 30, 2019, as a Tier II participant. Motion carried unanimously by voice vote.

OLD BUSINESS: *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. President Numrich has corresponded with Attorney Reimer and requested that a response be issued to Mr. Degnan.

President Numrich informed the Board that he has received a subsequent inquiry regarding the initial cost of living adjustment from pensioner Tammy Loverde and that he will contact Attorney Reimer to provide a response to Ms. Loverde.

IDOI Annual Statement: The Board noted that the IDOI Annual Statement will be filed with the Illinois Department of Insurance prior to the October 31, 2019 deadline. A motion was made by Trustee Brewer and seconded by Vice President Simonetta to direct L&A to file the IDOI Annual Statement as prepared. Motion carried unanimously by voice vote.

NEW BUSINESS (CONTINUED): *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 \$2,850,352 which is a \$224,850 increase from the prior year contribution. The statutory minimum requirement is \$2,261,089. A motion was made by Secretary Cadle and seconded by Trustee Brewer to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$2,850,352 from the Village of Carol Stream Board of Trustees based on the recommended amount stated in the Actuarial Valuation prepared by L&A. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Review/Adopt – Municipal Compliance Report: The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Assistant Secretary Rudelich and seconded by Secretary Cadle to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried unanimously by voice vote.

Review/Approve – Fiduciary Liability Insurance Renewal: The Board discussed the Fiduciary Liability Insurance Policy provided by Travelers Casualty Insurance Company, which will expire December 31, 2019. A motion was made by Secretary Cadle and seconded by Assistant Secretary Rudelich to renew the policy and issue payment in an amount not to exceed a 10% increase from the prior year premium of \$4,070. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

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 noted that James Michalek and Brian Moffett attended their annual independent medical examinations and the reports determined that Mr. Michalek and Mr. Moffett remain disabled. Both members’ disability benefits will continue based on the findings of their independent medical examinations and subject to further examinations until age 50.

The Board noted that Bryan Pece will obtain age 50 on October 30, 2019 and that he will not be directed to attend an independent medical examination. President Numrich will draft a letter to Mr. Pece informing his of his option to convert his disability benefit to a regular retirement benefit. 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 Vice President Simonetta and seconded by Trustee Brewer to adjourn the meeting at 1:00 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for January 13, 2020 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