

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
OF THE CAROL STREAM POLICE PENSION FUND
OCTOBER 17, 2018**

A regular meeting of the Board of Trustees of the Carol Stream Police Pension Fund was held on Wednesday, October 17, 2018 at 10:00 a.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 10:00 a.m.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Derek Flessner, Bob Rietz and Amanda Secor, Lauterbach & Amen, LLP (L&A); Mary Tomanek, Graystone Consulting; Jon Batek and Barb Wydra, Village of Carol Stream Finance Department; Active Member John Zalak, Carol Stream Police Department; Board Attorney Rick Reimer, Reimer & Dobrovolny PC

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *July 2, 2018 Regular Meeting:* The Board reviewed the minutes from the July 2, 2018 regular meeting. A motion was made by Trustee Brewer and seconded by Secretary Bulleri to approve the July 2, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Portfolio Review:* Ms. Tomanek presented the Quarterly Portfolio Review for the period ending September 30, 2018. As of 09/30/2018, the partial quarter-to-date time weighted return is 2.63% and the ending market value is \$48,411,164. The current asset allocation is as follows: Fixed Income at 44% and Equities at 56%. Ms. Tomanek presented the Board with the Equity Portfolio, Fixed Income Portfolio, Transaction Ledger Report, and Market Commentary.

Potential Purchase and/or Sale of Securities/Rebalancing of Asset Allocation or Hiring/Termination of Investment Managers: Ms. Tomanek will perform a search to potentially replace the Prudential fund and present the candidates at the next regular meeting. All questions were answered by Ms. Tomanek.

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

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* Lauterbach & Amen presented the Monthly Financial Report for the period ending August 31, 2018. The net position held in trust for pension benefits is \$48,959,255.51, with a change in position of \$2,224,437.26 for the four-month period ending 08/31/2018. 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 Assistant Secretary Cadle to accept the Monthly Financial Report as presented. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period June 1, 2018 through August 31, 2018, for a total disbursement of \$50,424.32. 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 \$50,424.32. Motion carried by roll call vote.

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

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

COMMUNICATIONS OR REPORTS: There were no items to discuss.

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.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Jovina Joy:* The Board reviewed the Application for Membership submitted by Jovina Joy. A motion was made by Assistant Secretary Cadle and seconded by Secretary Bulleri accept Jovina Joy into the Carol Stream Police Pension Fund effective September 10, 2018, as a Tier II participant. Motion carried unanimously by voice vote.

Contribution Refund – Artur Lipinski: The Board reviewed the contribution refund request submitted by Artur Lipinski. A motion was made by Vice President Simonetta and seconded by Trustee Brewer approve Artur Lipinski's contribution refund in the amount of \$4,433.41 paid in a direct rollover. Motion carried by roll call vote.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – John Zalak:* The Board reviewed the regular retirement benefit calculation for John Zalak prepared by the Village of Carol Stream. Officer Zalak had an entry date of 11/19/1988, retirement date of 12/01/2018, effective date of pension of 12/02/2018, 50 years of age at date of retirement, 30 years of creditable service, applicable salary of \$94,188.23, applicable pension percentage of 75%, amount of originally granted monthly pension of \$5,886.75 and amount of originally granted annual pension of \$70,641.17. A motion was made by Assistant Secretary Cadle and seconded by Vice President Simonetta to approve John Zalak's regular retirement benefit as calculated by the Village of Carol Stream subject to a potential amendment upon settlement of the current collective bargaining agreement, with the stipulation that the Union contract includes members that have already retired or granted disability. Motion carried by roll call vote.

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

OLD BUSINESS: *Non-Duty Disability Application – Kurt Schneider:* President Numrich informed the Board that Officer Schneider has submitted correspondence indicating he would like to withdrawal his non-duty disability application. The Board will maintain this correspondence in his member file. No further action is required.

Affidavits of Continued Eligibility Policy Review: The Board noted that all 2018 Affidavits of Continued Eligibility have been received by L&A. The originals were presented to the Board for their records. The Board also reviewed the Affidavits of Continued Eligibility Policy as presented by President Numrich. A

motion was made by Assistant Secretary Cadle and seconded by Vice President Simonetta to adopt the Policy as presented. Motion carried unanimously by voice vote.

NEW BUSINESS: *Eligibility of Creditable Service for Suspension Time:* The Board discussed the eligibility of creditable service for suspension time. The Board has requested an advisory opinion from the Illinois Department of Insurance, however, no response has been received to date. Board Attorney Reimer reviewed three advisory opinions previously issued by the IDOI that indicate suspension time less than thirty days is addressed as Furlough time, provided that the affected member pays the contributions during the suspension time or works the suspension time at a later date. The Board requested that Board Attorney Reimer draft a Board Rule & Regulation addressing the eligibility of creditable service for suspension time, to be presented for review and approval at the next regular meeting.

Discrepancy Regarding Date of Hire – Danae Pope: The Board reviewed the application for membership submitted by Danae Pope. President Numrich will contact Officer Pope to determine if he is interested in paying the two days of missed contributions in order to correct his date of hire to 04/30/2005 from 05/02/2005. Further discussion will be held at the next regular meeting.

Fiduciary Liability Insurance Renewal: Board Attorney Reimer reviewed the current Fiduciary Liability Insurance Policy provided by Travelers Casualty Insurance Company, which will expire December 31, 2018. A motion was made by Trustee Brewer and seconded by Assistant Secretary Cadle to renew the policy and issue payment in an amount not to exceed a 10% increase from the prior year premium of \$3,793. Motion carried by roll call vote.

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

Review/Approve Actuarial Valuation & Tax Levy Request: The Board reviewed the finalized Actuarial Valuation prepared by L&A. Based on data and assumptions, the recommended contribution amount is \$2,625,502 which is a \$190,524 increase from the prior year contribution. The statutory minimum contribution requirement is \$2,111,818. A motion was made by Trustee Brewer and seconded by Vice President Simonetta to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$2,625,502 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, Bulleri, Cadle and Brewer
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 Trustee Brewer and seconded by Secretary Bulleri to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried by roll call vote.

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

IDOI Annual Statement: The Board noted that the IDOI Annual Statement has been completed. A motion was made by Assistant Secretary Cadle and seconded by Trustee Brewer to accept the IDOI Annual Statement as prepared and to designate President Numrich as the authorized signatory for the purpose of electronically filing the IDOI Annual Statement. Motion carried unanimously by voice vote.

Approve Cost of Living Increase – Richard Garza: The Board reviewed the Cost of Living Adjustment for service retirement pensioner Richard Garza as calculated by the Village of Carol Stream. Mr. Garza's initial increase of 14.5% began effective with the September 2018 payroll, resulting in a monthly benefit in the amount of \$5,337.92. A motion was made by Vice President Simonetta and seconded by Secretary Bulleri to approve the 2018 Cost of Living Adjustment as required by statute and calculated by the Village of Carol Stream. Motion carried unanimously by voice vote.

Approve Cost of Living Increase – Thomas Miller: The Board reviewed the Cost of Living Adjustment for service retirement pensioner Thomas Miller as calculated by the Village of Carol Stream. Mr. Miller's initial increase of 5.25% will begin effective with the October 2018 payroll, resulting in a monthly benefit in the amount of \$8,310.03. A motion was made by Assistant Secretary Cadle and seconded by Vice President Simonetta to approve the 2018 Cost of Living Adjustment as required by statute and calculated by the Village of Carol Stream. Motion carried unanimously by voice vote.

Approve Cost of Living Increase – Diane Wells: The Board reviewed the Cost of Living Adjustment for service retirement pensioner Diane Wells as calculated by the Village of Carol Stream. Ms. Wells' initial increase of 9% will begin effective with the December 2018 payroll, resulting in a monthly benefit in the amount of \$5,397.57. A motion was made by Secretary Bulleri and seconded by Trustee Brewer to approve the 2018 Cost of Living Adjustment as required by statute and calculated by the Village of Carol Stream. Motion carried unanimously by voice vote.

Establish 2019 Board Meeting Dates: The Board established the 2019 Board Meeting dates as January 21, April 29, July 15 and October 17, 2019 at 10:00 a.m. to be held at Village Hall located at 500 North Gary Avenue, Carol Stream, Illinois.

ATTORNEY'S REPORT: *Legal Updates:* The Board reviewed the Reimer & Dobrovolny, PC *Legal and Legislative Update* newsletter.

Annual Independent Medical Examinations – James Michalek, Brian Moffett, Bryan Pece: The Board reviewed the independent medical examinations for James Michalek and Bryan Pece and determined that both pensioners remain disabled based upon the examinations and will continue to receive benefits based upon the examination findings. The Board also noted that Brian Moffett has attended his independent medical examination, however, receipt of the examination for Brian Moffett is pending. A status update will be provided 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 11:35 a.m. Motion carried unanimously by voice vote.

Respectfully Submitted,

Dan Bulleri, Board Secretary

John Numrich, Board President

The next regular meeting is scheduled for January 21, 2019 at 10:00 a.m.

Minutes prepared by Amanda Secor, Pension Services Administrator