

**MINUTES OF A REGULAR MEETING OF THE CAROL STREAM
POLICE PENSION FUND BOARD OF TRUSTEES
JULY 20, 2020**

A regular meeting of the Carol Stream Police Pension Fund Board of Trustees was held on Monday, July 20, 2020 at 10:00 a.m. via videoconference in accordance with Section 7(e) of the of the Open Meetings Act (5 ILCS 120/7(e)), recently amended by Public Act 101-0640 (Government Emergency Administration Act) as a result of the State's disaster declaration regarding the COVID-19 pandemic and the Board President's determination that an in-person meeting is not practical or prudent, pursuant to notice.

CALL TO ORDER: President Numrich called the meeting to order at 10:01 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); Finance Director Jon Batek, Village of Carol Stream; Mary Tomanek, Graystone Consulting

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *April 20, 2020 Regular Meeting:* The Board reviewed the April 20, 2020 regular meeting minutes. A motion was made by Trustee Brewer and seconded by Secretary Cadle to approve the April 20, 2020 regular meeting minutes as written. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

April 30, 2020 Special Meeting: The Board reviewed the April 30, 2020 special meeting minutes. A motion was made by Vice President Simonetta and seconded by Trustee Brewer to approve the April 30, 2020 special meeting minutes as written. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

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

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Portfolio Review:* Ms. Tomanek presented the Quarterly Portfolio Review for the period ending June 30, 2020. As of June 30, 2020, the quarter-to-date net return is 11.09%, the year-to-date net return is 1.63% and the ending market value is \$54,837,232. The current asset allocation is as follows: fixed income at 46%, equities at 53% and total cash at 1%. Ms. Tomanek reviewed the recent transactions and discussed the current market environment.

Potential Purchase and/or Sale of Securities/Rebalancing of Asset Allocation: The Board discussed upcoming cashflow needs for the purpose of remitting pension benefit payments. A motion was made by Vice President Simonetta and seconded by Trustee Brewer to transfer \$400,000 from the US Bank Internal fixed income fund into the US Bank Equity Mutual Fund Cash and Accruals account. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

The Board discussed the current equity allocation. A motion was made by Assistant Secretary Rudelich and seconded by Vice President Simonetta to reallocate \$1,000,000 from the Vanguard Growth Index Large Growth fund to the American Funds - Washington Mutual Large Value fund. Motion carried by roll call vote.

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

Ms. Tomanek presented research overviewing the PIMCO Income Instl fixed income fund. A motion was made by Trustee Brewer and seconded by Vice President Simonetta to transfer \$500,000 from Weaver Barksdale and \$500,000 from Hoisington and to reallocate the proceeds to the PIMCO Income Instl fund. Motion carried by roll call vote.

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

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Conversion from Non-Duty to Regular Retirement Benefits – Brian Moffett:* The Board reviewed the regular retirement benefit calculation for Brian Moffett prepared by the Village of Carol Stream. Patrol Officer Moffett had an entry date of January 15, 1993, disability date of June 4, 2015, effective date of pension benefit conversion of July 4, 2020, 50 years of age at date of conversion, 22 years of creditable service, applicable salary of \$88,566.48, applicable pension percentage of 55%, amount of originally granted monthly pension of \$4,059.30 and amount of originally granted annual pension of \$48,711.56. A motion was made by Secretary Cadle and seconded by Assistant Secretary Rudelich to approve Brian Moffett's regular retirement benefit calculated by the Village of Carol Stream. Motion carried by roll call vote.

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

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the one-month period ending May 31, 2020 prepared by L&A. As of May 31, 2020, the net position held in trust for pension benefits is \$54,296,695.56 for a change in position of \$1,360,234.33. The Board reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Brewer and seconded by Secretary Cadle to accept the Monthly Financial Report as presented. Motion carried by roll call vote.

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

Presentation and Approval of Bills: The Board also reviewed the Vendor Check Report for the period March 1, 2020 through May 31, 2020 for total disbursements of \$34,695.33. A motion was made by Secretary Cadle and seconded by Vice President Simonetta to approve the disbursements shown on the Vendor Check Report in the amount of \$34,695.33. Motion carried by roll call vote.

AYES: Trustees Numrich, Simonetta, Cadle, Rudelich and Brewer
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 issued Affidavits of Continued Eligibility to all pensioners in July, with a due date of August 10, 2020. A status update will be provided to the Board as more information becomes available.

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 any 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 Refunds – Adam Guzman and Jakub Kusiak:* The Board reviewed correspondence issued by the Village to former officers Adam Guzman and Jakub Kusiak regarding their contributions remaining in the Fund. To date, no response has been received from either member. No further action is required at this time.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS (CONTINUED): *Service Retirement Age 55 Increase – David O’Brien:* The Board reviewed the Cost of Living Adjustment for service retirement pensioner David O’Brien calculated by the Village of Carol Stream. Mr. O’Brien’s initial increase of 15% will become effective with the September 2020 payroll, resulting in a monthly benefit in the amount of \$5,729.14. A motion was made by Secretary Cadle and seconded by Trustee Brewer to approve the increase as required by statute and calculated by the Village of Carol Stream. Motion carried by roll call vote.

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

OLD BUSINESS: *Pension Inquiry – Jeffrey Degnan:* President Numrich reviewed correspondence issued by Attorney Reimer regarding Mr. Degnan’s pension inquiry. A motion was made by Vice President Simonetta and seconded by Assistant Secretary Rudelich to deny Degnan’s request for 3% increase on January 1, 2021, based upon Attorney Reimer’s written opinion. Motion carried by roll call vote.

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

NEW BUSINESS: *Military Service Purchase – Brian Cooper:* The Board noted that Brian Cooper completed his military service purchase to transfer twenty-four months of military service to the Carol Stream Police Pension Fund in the amount of \$44,824.59. A motion was made by Secretary Cadle and seconded by Trustee Brewer to accept the payment in the amount of \$44,824.59, recognize the purchase as paid in full and to acknowledge Brian Cooper’s revised date of hire from January 4, 1999 to January 4, 1997. Motion carried by roll call vote.

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

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.

Review Preliminary Actuarial Valuation: The Board noted that the Village has received the preliminary Actuarial Valuation. The final report will be presented to the Board at the next regular meeting.

Board Officer Elections – President, Vice President, Secretary and 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 Vice President Simonetta and seconded by Secretary Cadle to maintain the slate of Officers as stated. Motion carried by roll call vote.

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

FOIA Officer and OMA Designee: The Board discussed maintaining Secretary Cadle as the FOIA Officer and OMA Designee. A motion was made by Assistant Secretary Rudelich and seconded by Vice President Simonetta to maintain Secretary Cadle as the FOIA Officer and OMA Designee. Motion carried by roll call vote.

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

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

Annual Independent Medical Examination – James Michalek: The Board discussed sending James Michalek for his annual independent medical examination. President Numrich will contact the Board Attorney to send James Michalek for his annual IME. 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 Trustee Brewer to adjourn the meeting at 11:14 a.m. Motion carried by roll call vote.

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

The next regular meeting is scheduled for October 16, 2020 at 11:00 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