



WESTCHESTER POLICE PENSION FUND

10300 Roosevelt Road, Westchester, Illinois | 708-345-0060

Keith Suchy
President

Bruce Lill
Vice President

Joe Manna
Secretary

Phil Grollo
Asst. Secretary

Bruce Horek
Trustee

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE WESTCHESTER POLICE PENSION FUND JANUARY 16, 2018

A regular meeting of the Board of Trustees of the Westchester Police Pension Fund was held on Tuesday, January 16, 2018 at 6:00 p.m. at 10300 West Roosevelt Road, Westchester, Illinois, pursuant to notice.

CALL TO ORDER: The meeting was called to order by Trustee Suchy at 6:00 p.m.

ROLL CALL:

PRESENT: Trustees Keith Suchy, Bruce Lill, Joe Manna, Phil Grollo and Bruce Horek

ABSENT: None

ALSO PRESENT: Barb Brandt, Village Treasurer; Tom McShane, Graystone Consulting; Brian LaBardi, Reimer, Dobrovolsky & Karlson, LLC; Allie Rysell, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *Regular Meeting – October 17, 2017:* The minutes of the October 17, 2017 regular meeting were reviewed by the Board. A motion was made by Trustee Horek and seconded by Trustee Lill to approve the minutes of the October 17, 2017 regular meeting as written. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* L&A presented the Monthly Financial Report for the period ending November 30, 2017. As of 11/30/17, the net position held in trust for pension benefits is \$27,158,751.00 with a change in position for the seven months ended 11/30/17 of \$1,008,923.41. The Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal were reviewed with the Board. A motion was made by Trustee Grollo and seconded by Trustee Manna to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report as prepared by L&A for the period 09/01/17 through 11/30/17 in the amount of \$154,627.57.

Additional Bills, if any: There were no additional bills at this time.

OLD BUSINESS: *2017 FYE Audit Status Update:* The Board reviewed the results of the April 30, 2017 Audit Report prepared by L&A, utilizing data from Sikich. L&A informed the Board that the Audit Report has been uploaded to the Illinois Department of Insurance website. A motion was made by Trustee Manna and seconded by Trustee Grollo to accept the April 30, 2017 Audit Report as prepared by L&A. Motion carried unanimously by voice vote.

TREASURER'S REPORT: Ms. Brandt reviewed the Village of Westchester Financial Report for the period September 30, 2017 through December 31, 2017. As of 12/31/17, the balance in the Harris Bank Money Market Account is \$148,986.10. As of 12/31/17, the balance of the NOW Account is \$44,988.00. A motion was made by Trustee Lill and seconded by Trustee Grollo to accept the Village of Westchester Financial Report as presented. Motion carried unanimously by voice vote.

Review/Approve – Disbursement Log: The Board reviewed the Village of Westchester Disbursement Log for the period September 25, 2017 through November 30, 2017, showing total disbursements in the amount of \$71,983.09.

A motion was made by Trustee Lill and seconded by Trustee Grollo to approve the disbursements shown on the Vendor Check Report in the amount of \$154,627.57 and to approve the expenditures listed on the Disbursement Log in the amount of \$71,983.09. Motion carried by roll call vote.

AYES: Trustees Suchy, Lill, Manna, Grollo and Horek
NAYS: None
ABSENT: None

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Investment Report:* Mr. McShane presented the Quarterly Investment Report for the period ending December 31, 2017. As of 12/31/2017, the market value of the portfolio is \$27,021,234 with a quarter to date rate of return of 3.29%. The portfolio composition is 66.23% in Equities, 31.45% in Fixed Income, and 2.32% in Cash & Cash Equivalents. Current asset allocation within the equity and fixed income funds were reviewed as well as the individual fund performance and 2018 Market Outlook. All questions were answered by Mr. McShane.

Purchase/Sale of Investment Securities, if needed: Ms. Brandt informed the Board that cash reserves will be needed for monthly pension payments. Mr. McShane informed the Board that the portfolio is over allocated in Equity Investments and reviewed his recommendation for rebalancing the portfolio with the Board to fund Ms. Brandt's request. A motion was made by Trustee Horek and seconded by Trustee Lill to sell \$400,000 of the S&P 500 Index Fund and to transfer the proceeds to the Harris Bank Money Market Account for the payment of monthly pension benefits. Motion carried by roll call vote.

AYES: Trustees Suchy, Lill, Manna, Grollo and Horek
NAYS: None
ABSENT: None

Mr. McShane informed the Board that Harbor International Equity is on watch due to manager changes and underperformance. Mr. McShane distributed copies of the International Equity Manager Search to the Board and compared the short and long term performance for Harbor International, Harding Loevner International, Thornburg International Growth, Tweedy Browne Global Value, and the MSCI AC World Index Fund. All questions were answered by Mr. McShane. A motion was made by Trustee Manna and seconded by Trustee Lill to terminate Harbor International Equity and to transfer the proceeds to Harding Loevner International. Motion carried by roll call vote.

AYES: Trustees Suchy, Lill, Manna, Grollo and Horek
NAYS: None
ABSENT: None

A motion was made by Trustee Lill and seconded by Trustee Horek to terminate First Eagle International and to transfer the proceeds to Tweedy Browne Global Value. Motion carried by roll call vote.

AYES: Trustees Suchy, Lill, Manna, Grollo and Horek
NAYS: None
ABSENT: None

A motion was made by Trustee Horek and seconded by Trustee Grollo to sell \$400,000 of the S&P 500 Index Fund and to transfer \$300,000 of the proceeds to Harding Loevner International and \$100,000 of the proceeds to Tweedy Browne Global Value. Motion carried by roll call vote.

AYES: Trustees Suchy, Lill, Manna, Grollo and Horek
NAYS: None
ABSENT: None

A motion was made by Trustee Horek and seconded by Trustee Grollo to accept the Quarterly Investment Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: There were no changes to the Investment Policy at this time.

COMMUNICATIONS AND REPORTS: *Annual Affidavits of Continued Eligibility – Discussion/Possible Action – Randall W. Sladek:* The Board noted that Randall W. Sladek is the only pensioner that has not submitted his completed affidavit. Trustee Lill informed the Board that he contacted Mr. Sladek's son, Randall Sladek Jr., and noted that Randall W. Sladek Sr. resides in a nursing home and has no access to a notary. The Board directed L&A to contact Mr. Sladek Jr. to inform him that the affidavit form for Mr. Sladek Sr. does not need to be notarized, but must be completed and returned to L&A. In addition, the Board requests that Mr. Sladek Jr. email L&A to confirm that his father is alive and residing at BRIA of Westmont for long term care. Further discussion will be held at the next regular meeting.

Statements of Economic Interest: The Board noted that the List of Filers must be submitted to the County by the Village by February 1, 2018. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2018.

2018 IRS Mileage Rate: As of January 1, 2018, the IRS mileage reimbursement rate has increased one cent to 54.5 cents per mile. The Board noted that all Trustees submitting Trustee training reimbursement requests must use the new IRS mileage reimbursement rate.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: *Deceased Pensioner – Leo C. Stieber:* The Board noted that pensioner Leo C. Stieber passed away on November 28, 2017 with no surviving spouse.

Discussion/Possible Action – Overpayment of Retirement Benefits – Leo C. Stieber: Ms. Brandt informed the Board that Mr. Stieber was overpaid in the amount of \$436.47 for the month of November 2017. The Board discussed pursuing repayment from the estate of Leo C. Stieber with Attorney LaBardi. All questions were answered by Attorney LaBardi. A motion was made by Trustee Lill and seconded by Trustee Grollo to not pursue the overpayment from the estate of Leo C. Stieber. Motion carried by roll call vote.

AYES:	Trustees Suchy, Lill, Manna, Grollo and Horek
NAYS:	None
ABSENT:	None

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: There were none at this time.

OLD BUSINESS (CONTINUED): *Appointed Member Term Expiration – Bruce Horek:* The Board contacted the Village to request reappointment confirmation of Trustee Horek to the Board of Trustees of the Westchester Police Pension Fund. Further discussion will be held at the next regular meeting.

Trustee Training Update: The Board reviewed the Trustee Training Summary and upcoming opportunities for continuing education. Trustees were reminded to submit all certificates of completion to L&A for recordkeeping.

NEW BUSINESS: *Status Update/Possible Action – Break in Service Letters:* The Board noted that Trustee Manna distributed the revised break in service letters, as prepared by L&A, to the 10 officers that have not completed their creditable service purchases after the October 17, 2017 regular meeting. The updated letters noted that if they do not complete their creditable service purchase by December 31, 2017, they will be required to pay the statutory interest fee of 6% on all calculations moving forward. L&A informed the Board that none of the officers have elected to move forward with their creditable service purchase. All of the breaks in service will be reflected on the April 30, 2018 IDOI Annual Statement. No further action is needed at this time.

Military Service Purchase – Brian K. Lamphere: The Board noted that L&A is in the process of completing the Military Service Purchase calculation for Brian K. Lamphere, pending receipt of completed paperwork. Further discussion will be held at the next regular meeting.

Military Service Purchase – Victor M. Valle Jr.: The Board noted that L&A is in the process of completing the Military Service Purchase calculation for Victor M. Valle Jr., pending the receipt of completed paperwork. Further discussion will be held at the next regular meeting.

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Grollo and the retired member term currently held by Trustee Lill are expiring April 30, 2018. Trustees Grollo and Lill expressed their desire to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions and the retired member Trustee position. The election results will be reviewed at the next regular meeting.

The Board noted that the appointed Trustee position held by Trustee Suchy is expiring April 30, 2018 and he wishes to remain on the Board. The Board will contact the Village and seek reappointment of Trustee Suchy to the Board. Further discussion will be held at the next regular meeting.

Approve Annual Cost of Living Adjustments (COLAs) for Pensioners: The Board reviewed the 2018 Cost of Living Adjustments as calculated by L&A (see attached). A motion was made by Trustee Manna and seconded by Trustee Lill to approve the 2018 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

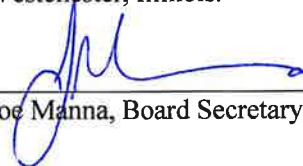
AYES:	Trustees Suchy, Lill, Manna, Grollo and Horek
NAYS:	None
ABSENT:	None

ATTORNEY'S REPORT – REIMER DOBROVOLNY & KARLSON, LLC: *Legal Updates:* The quarterly *Legal and Legislative Update* newsletter was distributed to all Trustees with information regarding recent case decisions and legislation pertaining to Article 3 and 4 Pension Funds. All questions were answered by Attorney LaBardi.

CLOSED SESSION, IF NEEDED: Closed session was not needed.

ADJOURNMENT: A motion was made by Trustee Lill and seconded by Trustee Manna to adjourn the meeting at 7:55 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for Tuesday, April 17, 2018 at 6:00 p.m. at 10300 West Roosevelt Road, Westchester, Illinois.



Joe Manna, Board Secretary

Date Approved by Board 4-17-18

Minutes prepared by Allie Rysell, Pension Services Administrator, Lauterbach & Amen, LLP

WESTCHESTER POLICE PENSION FUND

Annual Benefit Increases

January 1, 2018

Pensioner	Type of Pension	Notes	Prior Benefit	COLA Increase	Current Benefit	Annualized Benefit
Blazek, Steven D.	Duty Disability - T	\$	6,348.88	170.06	6,518.94	78,227.28
Chmara, Brian J.	Service		6,012.09	180.36	6,192.45	74,309.40
Cullen, James H.	Service		5,282.47	158.47	5,440.94	65,291.28
Evans, Matthew C.	Service		8,167.79	245.03	8,412.82	100,953.84
Finn, Timothy W.	Service		4,085.27	122.56	4,207.83	50,493.96
Gallion, Marc H.	Service		6,071.58	182.15	6,253.73	75,044.76
Gorski, Joseph J. III	Service		7,900.00	237.00	8,137.00	97,644.00
Hayes, Gregory	Service		6,900.97	207.03	7,108.00	85,296.00
Jackson, Sherwood J.	Duty Disability - T		5,606.20	139.00	5,745.20	68,942.40
Kaiser, Daniel J.	Service		6,071.04	182.13	6,253.17	75,038.04
Keag, Kevin A.	Service		7,572.25	227.17	7,799.42	93,593.04
Konewko, Joseph E.	Service		4,080.73	122.42	4,203.15	50,437.80
Lill, Bruce P.	Service		5,159.95	154.80	5,314.75	63,777.00
Mersch, Jeffrey J.	Service		6,876.28	206.29	7,082.57	84,990.84
Musker, Eileen A.	Spouse		7,793.99	0.00	7,793.99	93,527.88
Ochsner, Daniel E.	Service		6,810.16	204.30	7,014.46	84,173.52
Padalik, April S.	Service		7,777.39	233.32	8,010.71	96,128.52
Pulia, Sam D.	Service		7,909.83	237.29	8,147.12	97,765.44
Rollins, Keith M.	Service		5,939.22	178.18	6,117.40	73,408.80
Sheehan, Gordon T.	Service		8,241.71	247.25	8,488.96	101,867.52
Sladek, Randall W. Sr.	Non-Duty Disability		3,546.24	78.23	3,624.47	43,493.64
Smith, Joanne P.	Spouse		4,656.24	0.00	4,656.24	55,874.88
Smith, Mary B.	Spouse		7,486.34	0.00	7,486.34	89,836.08
Stabosz, Stephen E.	Service		7,499.05	224.97	7,724.02	92,688.24
Stovicek, Steven J.	Service		6,396.22	191.89	6,588.11	79,057.32
Terpinas, Steven N.	Service		3,606.66	108.20	3,714.86	44,578.32
Voytovich, Richard J.	Service		5,581.77	167.45	5,749.22	68,990.64
Totals			169,380.32	4,405.55	173,785.87	2,085,430.44

WESTCHESTER POLICE PENSION FUND

Summary of Benefit Changes and Notes

January 1, 2018

Summary of Benefit Changes				
Pensioner	Reason	Date	Amount of Change	New Monthly Benefit
Notes				

1. None - All Beneficiaries are Receiving Annual COLA's