



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 JULY 17, 2018

A regular meeting of the Board of Trustees of the Westchester Police Pension Fund was held on **Tuesday, July 17, 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 6:02 p.m.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Barb Brandt, Village Treasurer; Mark McQueary, Reimer & Dobrovolsky, PC (R&D); Jessica Fain and Allie Rysell, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *Regular Meeting – April 17, 2018:* The minutes of the April 17, 2018 regular meeting were reviewed by the Board. A motion was made by Trustee Lill and seconded by Trustee Horek to approve the minutes of the April 17, 2018 regular meeting as written. Motion carried unanimously by voice vote.

TREASURER'S REPORT – BARB BRANDT: *Village Financial Report:* Ms. Brandt reviewed the Village of Westchester Financial Report for the period March 31, 2018 through June 30, 2018. As of 06/30/18, the balance in the BMO Harris Bank Money Market Account is \$156,222.45. As of 06/30/18, the balance of the NOW Account is \$21,261.24. A motion was made by Trustee Manna and seconded by Trustee Horek 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 March 31, 2018 through June 30, 2018, showing total disbursements in the amount of \$31,626.93. A motion was made by Trustee Suchy and seconded by Trustee Lill to approve the Disbursement Log in the amount of \$31,626.93 as presented. Motion carried by roll call vote.

AYES: Trustees Suchy, Manna, Grollo, Lill and Horek

NAYS: None

ABSENT: None

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* L&A presented the Monthly Financial Report for the period ending June 30, 2018. As of 06/30/18, the net position held in trust for pension benefits is \$26,828,156.03 with a change in position for the two months ended 06/30/18 of (\$151,722.36). The Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal were reviewed with the Board.

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period 04/01/18 through 06/30/18 in the amount of \$89,729.12, as prepared by L&A.

A motion was made by Trustee Horek and seconded by Trustee Manna to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$89,729.12. Motion carried by roll call vote.

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

Additional Bills, if any: There were none at this time.

Status Update – Year-End Reports: L&A reviewed the new IDOI interrogatories with the Board and provided a brief status update regarding the April 30, 2018 Audit Report.

Review/Approve Revised Engagement Letter: The Board reviewed the revised L&A Engagement Letter for the years ended April 30, 2017, 2018 and 2019. All questions were answered by L&A. A motion was made by Trustee Manna and seconded by Trustee Grollo to approve the revised L&A Engagement Letter as presented. Motion carried unanimously by voice.

TREASURER’S REPORT – BARB BRANDT (CONTINUED): Ms. Brandt provided a status update concerning the Morgan Stanley IRS withholding discrepancy. Ms. Brandt informed the Board that she is anticipating receipt of the IRS refund of \$33,178.89 by the end of the month. A status update will be provided at the next regular meeting.

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Investment Report:* The Board reviewed the Quarterly Investment Report for the period ending June 30, 2018. As of 06/30/2018, the market value of the portfolio is \$26,707,343 with a quarter to date rate of return of 0.76% net of fees. The portfolio composition is: 65.64% in Equities, 31.50% in Fixed Income, and 2.86% in Cash & Cash Equivalents.

Purchase/Sale of Investment Securities, if needed: Trustee Suchy reviewed Mr. McShane’s recommendations for rebalancing the portfolio with the Board. All questions were answered by Trustee Suchy. A motion was made by Trustee Grollo and seconded by Trustee Horek to direct Mr. McShane to sell \$300,000 of the Lazard Emerging Market Fund and to transfer the proceeds to the Cash Management Account. Motion carried by roll call vote.

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

Ms. Brandt informed the Board that she will need cash reserves for the purposes of pension payments for the next quarter. A motion was made by Trustee Manna and seconded by Trustee Grollo to authorize Ms. Brandt to transfer funds in an amount not to exceed \$500,000 from the Cash Management Account to the BMO Harris Bank Money Market Account for the purposes of quarterly pension payments. Motion carried by roll call vote.

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

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

COMMUNICATIONS AND REPORTS: *Annual Affidavits of Continued Eligibility:* The Board noted that L&A mailed the 2018 Affidavits of Continued Eligibility to all pensioners with the June payroll cycle and a due date of July 31st. A status update will be presented 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 additional pension file documents as required by the IDOI.

ATTORNEY'S REPORT – REIMER & DOBROVOLNY, PC: The Board discussed the disability application process with Attorney McQueary. All questions were answered by Attorney McQueary.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: *Application for Membership:* Trustee Grollo informed the Board Cristian Aguirre has been hired as an officer at the Westchester Police Department. The Board will review Officer Aguirre's Application for Membership at the next regular meeting.

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

OLD BUSINESS: *Military Service Purchase – Victor M. Valle Jr.:* The Board noted that the military service purchase calculation request submitted by Victor M. Valle Jr. will be prepared once the April 30, 2018 Actuarial Valuation is approved by the Board. L&A reminded the Board that Officer Valle Jr. has not accrued any interest since the date he submitted his service purchase calculation request. 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: *Appointed Member Term Expirations – Keith Suchy and Bruce Horek:* Ms. Brandt contacted the Village to request reappointment confirmations for Keith Suchy and Bruce Horek to the Board of Trustees of the Westchester Police Pension Fund. Further discussion will be held at the next regular meeting.

Board Officer Elections: President, Vice President, Secretary and Assistant Secretary: The Board discussed the Board Officer positions and nominated the following slate of Officers: Keith Suchy as the Board President, Bruce Lill as Vice President, Joe Manna as Secretary and Phil Grollo as Assistant Secretary. A motion was made by Trustee Grollo and seconded by Trustee Horek to elect the slate of Officers as stated. Motion carried unanimously by voice vote.

FOIA Officer & OMA Designee: The Board discussed the FOIA Officer and OMA Designee positions. A motion was made by Trustee Lill and seconded by Trustee Horek to elect Trustee Grollo and Trustee Manna as the dual FOIA Officers and OMA Designees for the Pension Fund. Motion carried unanimously by voice vote.

Review Preliminary Actuarial Valuation: Ms. Fain distributed copies of the L&A preliminary actuarial valuation, and reviewed the recommended contribution, actuarial liability and assumptions used to prepare the draft report. No changes to the assumed rate of investment return were made at this time. Ms. Fain stated that once audited assets are received, the final actuarial valuation will be presented to the Board for final approval. Further discussion will be held at the next regular meeting.

Proposal for Services – Records Retention & Destruction – Lauterbach & Amen, LLP: L&A presented an overview of a service offering assistance with Illinois records retention and destruction. All questions were answered by L&A. A motion was made by Trustee Manna and seconded by Trustee Lill to engage L&A for records retention and destruction services in an amount not to exceed \$3,000. Motion carried by roll call vote.

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

The Board directed Secretary Grollo to execute the L&A Engagement Letter as presented. A status update will be provided at the next regular meeting.

ATTORNEY'S REPORT – REIMER & DOBROVOLNY, PC (CONTINUED): *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 McQueary.

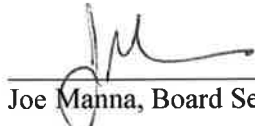
Review/Approve – Revised Pension Fund Administrative Rules and Regulations: Attorney McQueary reviewed draft copies of the revised Administrative Rules and Regulations with the Board. All questions were answered by Attorney McQueary. The Board will adopt the Administrative Rules and Regulations at the next regular meeting.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND (CONTINUED): The Board noted that Pensioner Randall W. Sladek passed away on July 11th and he leaves no surviving spouse. L&A noted that his final pension benefit payment for the month of July 2018 will be prorated. No further Board action is needed.

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

ADJOURNMENT: A motion was made by Trustee Lill and seconded by Trustee Horek to adjourn the meeting at 7:17 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for Tuesday, October 16, 2018 at 6:00 p.m. at 10300 West Roosevelt Road, Westchester, Illinois.



Joe Manna, Board Secretary

Date Approved by Board 10-16-18

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