

ITASCA POLICE PENSION FUND

540 W. Irving Park Road, Itasca, Illinois

Timothy Mace
President

William Kolf
Vice President

Anders Langlo
Secretary

Dino Gavanese
Assistant Secretary

Gerald Ragusin
Trustee

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE ITASCA POLICE PENSION FUND

A regular meeting of the Board of Trustees of the Itasca Police Pension Fund was held on Tuesday, September 4, 2018 at 5:30 p.m. at the Itasca Police Department Conference Room, 540 W. Irving Park Road, Itasca, Illinois, for the purposes of conducting regular business, pursuant to notice.

CALL TO ORDER: Trustee Mace called the meeting to order at 5:30 p.m.

ROLL CALL:

PRESENT: Trustees Timothy Mace, Anders Langlo, William Kolf, Dino Gavanese, and Gerald Ragusin

ABSENT: None

ALSO PRESENT: Jon Wilhite, UBS Investment; Greg Kieswetter, Cook Castle; Eric Endriukaitis and Isabel Copeland, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There were no public comments.

APPROVAL OF MEETING MINUTES: *Regular Meeting Minutes – June 5, 2018:* The Board reviewed the minutes from the regular meeting of June 5, 2018. A motion was made by Trustee Kolf and seconded by Trustee Gavanese to approve the June 5, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

INVESTMENT REPORT – UBS INVESTMENT: *Quarterly Investment Report:* Jon Wilhite from UBS Investment presented the Board with the Quarterly Investment Report. As of June 30, 2018, the total fund value was \$16,012,147 with a performance return for the quarter of 0.56%. The asset allocation is as follows: 31.20% Core Fixed Income, 5.13% Cash, 46.48% Core Equity, 3.83% Fi Diversifiers, 8.80% Equity Diversifiers, and 4.57 % Alternative. Jon Wilhite reviewed the Investment Performance Summary of the managers for the last three, five, and seven years and briefly discussed the performance of each fund. Jon Wilhite will bring new Managers for the Board to assess and possibly replace Invesco Equally-Weighted S&P 500 and Transamerica International Equity at the next Board meeting. All questions were answered by Jon Wilhite.

Jon Willhite recommended the Board liquidate WellsFargo and remove \$404,000 from UBS cash and reallocate \$814,983 to Riverfront, \$114,000 to SPDR, and \$210,000 to Pacific Income Advisors. A motion was made by Trustee Kolf and seconded by Trustee Langlo to approve the recommendations as stated. Motion carried by roll call vote.

AYES: Trustees Mace, Langlo, Ragusin, Gavanese, and Kolf

NAYS: None

ABSENT: None

A motion was made by Trustee Gavanese and seconded by Trustee Kolf to raise the monthly transfer amount cap from \$140,000 to \$150,000 for beneficiary payments. Motion carried by roll call vote.

AYES: Trustees Mace, Langlo, Ragusin, Gavanese, and Kolf
NAYS: None
ABSENT: None

Review/Update Investment Policy, if needed: The Board discussed the Investment Policy and no updates are needed.

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* L&A presented the Monthly Financial Report for the period ending July 31, 2018. The plan net assets held in trust for pension benefits is \$16,130,839.18 with a net change in position for the three-month period of \$567,621.36. 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 Kolf and seconded by Trustee Gavanese 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 for the period May 1, 2018 through July 31, 2018 in the amount of \$125,985.30. A motion was made by Trustee Kolf and seconded by Trustee Gavanese to approve the disbursements shown on the Vendor Check Report in the amount of \$125,985.30. Motion carried by roll call vote.

AYES: Trustees Mace, Langlo, Ragusin, Gavanese, and Kolf
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 mailed seconded request Affidavits to outstanding pensioners with a due date of September 21st. Status updates will be provided to the Board as they become 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 as required by the IDOI.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE PENSION FUND:

Application for Membership – Jesse Stevens: The Board reviewed the Application for Membership submitted by Jesse Stevens. A motion was made by Trustee Kolf and seconded by Trustee Langlo to accept Jesse Stevens into the Itasca Police Pension Fund effective August 6, 2018 as a Tier II participant. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:

Approve Regular Retirement Benefit – Michael Paup: The Board reviewed the regular retirement benefit calculation for Michael Paup prepared by L&A. Sergeant Paup had an entry date of April 10, 1991, retirement date of August 5, 2018, effective date of pension of August 6, 2018, 50 years of age at date of retirement, 27 years of creditable service, applicable salary of \$114,636.08, applicable pension percentage of 67.50%, amount of originally granted monthly pension of \$6,448.28 and amount of originally granted annual pension of \$77,379.36. A motion was made by Trustee Ragusin and seconded by Trustee Kolf to approve Michael Paup’s regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Mace, Langlo, Ragusin, Gavanese, and Kolf
NAYS: None
ABSENT: None

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Fiduciary Liability Insurance Renewal:* The Board reviewed the fiduciary liability insurance renewal provided by Cook Castle Insurance Company through Hudson Insurance Company. A motion was made by Trustee Kolf and seconded by Trustee Gavanese to approve payment of the fiduciary liability insurance renewal effective October 1, 2018 through October 1, 2019 in the amount of \$6,476.00. Motion carried by roll call vote.

AYES: Trustees Mace, Langlo, Ragusin, Gavanese, and Kolf

NAYS: None

ABSENT: None

Creditable Service Buyback – Matthew Ruehl: The Board discussed the L&A correspondence mailed to Matthew Ruehl regarding the amount of money due to the Itasca Police Pension Fund to buyback the unpaid service breaks during various dates between October 29, 2001 and May 11, 2003 in the amount of \$3,990.10. A motion was made by Trustee Gavanese and seconded by Trustee Kolf to accept the calculation provided by L&A for Matthew Ruehl's creditable service buyback. Motion carried by roll call vote.

AYES: Trustees Mace, Langlo, Ragusin, Gavanese, and Kolf

NAYS: None

ABSENT: None

Status of Actuarial Valuation: The Board reviewed the preliminary Actuarial Valuation prepared by Foster & Foster. The Board will discuss the final Actuarial Valuation for approval at the next scheduled meeting.

BMO Harris Bank Signature Cards and Resolution Update: L&A provided the Board with the necessary forms to update the signers on the BMO Harris Bank account with the current Board members and municipal representative. The Board will obtain signatures and submit the completed forms to L&A to update with BMO Harris Bank.

IDOI Annual Statement: The Board noted that the IDOI Annual Statement is in process and the updated interrogatories required by the IDOI effective June 1, 2018 were presented to the Board for review. The final report will be sent to the Board for review upon completion.

TRUSTEE TRAINING UPDATES: The Board reviewed the Trustee Training Summary and list of upcoming training opportunities. Trustees were reminded to submit all certificates of completion to L&A for recordkeeping.

ATTORNEY'S REPORT: *Annual Independent Medical Examination – David Hancock:* Trustee Mace apprised the Board that a letter was sent to David Hancock regarding his annual independent medical examination. The Board will review the physician's report at the next scheduled meeting.

Legal Updates: There were no legal updates presented.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

APPROVAL OF MEETING MINUTES (CONTINUED): *Semi-Annual Review of Closed Session Meeting Minutes:* The Board discussed the current closed session minutes and will not release them at this time due to pending matters.

ADJOURNMENT: A motion was made by Trustee Kolf and seconded by Trustee Langlo to adjourn the meeting at 6:51 p.m. Motion carried unanimously by voice vote.

The next scheduled Board meeting will be held on Tuesday, December 4, 2018 at 5:00 p.m.

Respectfully submitted,

Timothy Mace, President

Minutes prepared by Isabel Copeland, Pension Services Administrator, Lauterbach & Amen, LLP