

Bradley Police Pension Fund Board

147 South Michigan Avenue

Bradley, Illinois 60915-0066

815/933-3315

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES MONDAY, APRIL 23, 2018

A regular meeting of the Board of Trustees of the Bradley Police Pension Fund was held on **Monday, April 23, 2018 at 1:00 pm** at the Bradley Village Hall Council Chambers located at 147 S. Michigan Avenue, Bradley, IL for the purpose of conducting regular business.

CALL TO ORDER: President Trudeau called the meeting to order at 1:07 pm.

ROLL CALL:

PRESENT: Trustees Philip Trudeau, Brett Dersien and Joe Martino

ABSENT: Trustee Jeff Hackley

ALSO PRESENT: Tom Sawyer, Sawyer Falduto Asset Management; Michael May and Lora Murphy, Lauterbach & Amen, LLP (L&A), Village Finance Director Brian Patoska and Village Administrator Catherine Wojnarowski (*arrived at 1:47 pm*), Village of Bradley; Chief Michael Johnston, Bradley Police

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *January 22, 2018 Regular Meeting Minutes:* The Board reviewed the minutes from the January 22, 2018 regular meeting. A motion was made by Trustee Martino and seconded by Trustee Dersien to approve the January 22, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the eleven-month period ending March 31, 2018 as prepared by L&A. As of March 31, 2018, the net position held in trust for pension benefits is \$17,352,594.01 for a change in position of \$1,023,147.11. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal.

Presentation and Approval of Bills: The Board reviewed the Vendor Checks Report for the period January 1, 2018 through March 31, 2018 for total disbursements of \$55,436.67.

Additional Bills, if any- The Board reviewed the following additional invoices:

- Groskreutz Abraham Eshleman & Gerretse LLC invoice #951536 in the amount of \$50.00 for services rendered.
- Tepfer Consulting Group, Ltd. Invoice #16977 in the amount of \$3,000.00 for preparation of the Actuarial Report and GASB-68 ending 2017.
- L&A invoice #27494 in the amount of \$1,500.00 for Setup of Accounting & Benefits Administration Records
- L&A invoice #27901 in the amount of \$1,400.00 for PSA Setup
- L&A invoice #27600 in the amount of \$725.00 for March 2018 PSA Monthly Service

Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee Invoice will be issued and payment is due by June 30th. A motion was made by Trustee Trudeau and seconded by Trustee Martino to approve the disbursements shown on the Vendor Checks Report in the amount of \$55,436.67, the additional bills as presented and

payment of the IDOI Compliance Fee upon receipt of the invoice, in an amount not to exceed the regulatory maximum of \$8,000.00. Motion carried by roll call vote.

AYES: Trustees Trudeau, Dersien and Martino

NAYS: None

ABSENT: Trustee Hackley

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT: *Quarterly Investment Performance Report:* Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending March 31, 2018. As of March 31, 2018, the quarter-to-date total net return is (0.48%) for an investment return of (\$74,125) and an ending market value of \$16,168,931. The current asset allocation is as follows: Fixed Income at 38.1%, Equities at 55.0% and Cash Equivalents at 6.9%. The Market Commentary was reviewed by Mr. Sawyer. The Equity and Fixed Income Portfolios, and Transaction Ledger Report were also reviewed. All questions were answered by Mr. Sawyer. A motion was made by Trustee Trudeau and seconded by Trustee Dersien to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Trudeau, Dersien and Martino

NAYS: None

ABSENT: Trustee Hackley

Update of Schwab Receiving Contributions and Tax Levy Revenue instead of Homestar: The Board noted that the transition of Schwab receiving all active member contributions and the tax levy revenue, instead of Homestar is complete. No further action is needed.

Update of Symetra Annuity: The Board noted that the full surrender of the Symetra Annuity has been completed. The gross amount of the surrender was \$1,191,334.78. The surrender charge was \$32,166.04 making the net amount received by the Pension Fund \$1,130,401.79. No further action is needed.

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

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest are due by May 1, 2018.

Affidavits of Continued Eligibility: The Board noted that the L&A will mail Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. A status update will be provided at the next scheduled meeting.

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

Trustee Training Per Diem and Mileage: The Board reviewed the Trustee Training per diem and mileage reimbursement for attendance at the IPPFA Spring Conference in Peoria, IL on May 1 – May 4, 2018. The Board noted the following amounts for the conference:

- \$131.89 per Trustee for round trip mileage for Trustees Dersien, Martino and Trudeau
- \$122.50 per Trustee to cover all meals while at the conference

A motion was made by Trustee Martino and seconded by Trustee Trudeau to approve the mileage and per diem amounts for Trustee Training expenses at the IPPFA Spring Conference in Peoria, IL as presented. Motion carried by roll call vote.

AYES: Trustees Trudeau, Dersien and Martino
NAYS: None
ABSENT: Trustee Hackley

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: There were no applications or withdrawals.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: There were no applications for retirement or disability benefits.

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Military Service Purchase – Michael Johnston:* The Board discussed Chief Johnston's request to buyback 24 months of military service. As of April 30, 2018, the total amount due is \$49,229.80. The Board noted that Chief Johnston would like to begin deducting payments from his paycheck commencing August 31, 2018 and ending February 28, 2021 with any remaining balance to be paid in full by March 2021. The Board agreed that no additional interest will be charged to the amount of \$49,229.80. The Board requested that L&A generate an amortization schedule. A motion was made by Trustee Trudeau and seconded by Trustee Dersien to allow Chief Johnston to buyback his 24 months of military service in the amount of \$49,229.80 as discussed. Motion carried by roll call vote.

AYES: Trustees Trudeau, Dersien and Martino
NAYS: None
ABSENT: Trustee Hackley

Catherine Wojnarowski joined the meeting at 1:47 pm.

Certify Board Election Results – Active and Retired Member Positions: L&A conducted an election for the two Active Member positions on the Bradley Police Pension Fund Board of Trustees. The Board noted that 27 ballots were received and 27 ballots were counted. The Active Member election results are as follows: 22 votes for Brett Dersien, 12 votes for Brandon Jensen and 19 votes for Philip Trudeau. Brett Dersien and Philip Trudeau were reelected as the Active Members on the Board of Trustees for two-year terms expiring April 30, 2020. L&A also conducted an election for the Retired Member position on the Bradley Police Pension Fund Board of Trustees. Jeff Hackley ran unopposed and was reelected for a two-year term expiring April 30, 2020. A motion was made by Trustee Trudeau and seconded by Trustee Martino to certify the two Active Member and Retired Member election results. Motion carried by roll call vote.

AYES: Trustees Trudeau, Dersien and Martino
NAYS: None
ABSENT: Trustee Hackley

Appointed Member Term Expiration: The Board noted that Trustee Martino's appointment expires May 2019. The Pension Fund has not received any information from the Village regarding the vacant appointee position. Updates will be provided as they become available.

L&A Pension Benefit Workshop: The Board discussed hosting a L&A Pension Fund Member Workshop in September 2018. The Board noted that the City of Kankakee Police Pension Fund may be interested in co-hosting with the Bradley Police Pension Fund. A motion was made by Trustee Trudeau and seconded by Trustee Martino to have the Bradley Police Pension Fund host a L&A Pension Fund Benefit Workshop in September 2018, with the caveat of obtaining a co-host(s) to offset the expense. Motion carried by roll call vote.

AYES: Trustees Trudeau, Dersien and Martino
NAYS: None
ABSENT: Trustee Hackley

Mr. Patoska left the meeting at 2:02 pm.

Fiduciary Liability Insurance Renewal: The Board noted that they have been in contact with Ullico regarding renewal of the fiduciary liability insurance. A motion was made by Trustee Trudeau and seconded by Trustee Dersien to approve payment of the fiduciary liability insurance renewal effective May 1, 2018 through May 1, 2019 in an amount not to exceed a 10% increase from last year's premium. Motion carried by roll call vote.

AYES: Trustees Trudeau, Dersien and Martino
NAYS: None
ABSENT: Trustee Hackley

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

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

INVESTMENT REPORT (CONTINUED): Mr. Sawyer noted that the new Village Treasurer, Mr. Patoska, will need to be an authorized signer on the Schwab account. Mr. Sawyer will provide the Fund with the paperwork that will need to be completed and submitted to Schwab.

ADJOURNMENT: A motion was made by Trustee Martino and seconded by Trustee Trudeau to adjourn the meeting at 2:14 pm. Motion carried unanimously by voice vote.

The next regular meeting of the Bradley Police Pension Fund will be held on **Monday, July 23, 2018 at 1:00 pm.**

Respectfully submitted,

Board President or Secretary

Date Approved by Board

Minutes prepared by Lora Murphy, Pension Services Administrator, Lauterbach & Amen, LLP