

**MINUTES OF REGULAR MEETING OF THE BOARD OF TRUSTEES  
WESTCHESTER POLICE PENSION FUND  
JULY 15, 2014**

A regular meeting of the Board of Trustees of the Westchester Police Pension Fund was held on **TUESDAY, JULY 15, 2014, at 6:00pm** at 10300 West Roosevelt Road, Westchester, Illinois, pursuant to notice.

**CALL TO ORDER:** The meeting was called to order by Trustee Busa at 6:05pm.

**PRESENT:** Trustee Wayne Busa, Trustee Phil Grollo, Trustee Bruce Lill, Trustee Joe Manna, Trustee Keith Suchy

**ABSENT:** None

**ALSO PRESENT:** Tom McShane, Graystone Consulting; Brian LaBardi, Reimer & Karlson, LLC; James Ritchie, Todd Schroeder and Sara Williams, Lauterbach & Amen, LLP; Barb Brandt, Village Treasurer.

**PUBLIC COMMENT:** None

**APPROVAL OF MEETING MINUTES:** The minutes from the regular meeting of April 15<sup>th</sup>, 2014 were reviewed. Barb Brandt asked the Board for an amendment to the minutes pertaining to the Treasurer's Report. The minutes should read "*the balance of the Harris Bank Money Market Account as of 03/15/14: \$561,120.22*". A motion was made by Trustee Manna and seconded by Trustee Suchy to approve the minutes as amended. Motion carried unanimously by voice vote.

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

**TREASURER'S REPORT:** Barb Brandt presented reports stating the balance of the Harris Bank Money Market Account as of 06/18/2014 is \$379,869.66. This includes a \$50,000 contribution from the Village of Westchester. All questions were answered by Barb Brandt. A motion was made by Trustee Busa and seconded by Trustee Grollo to accept the Treasurer's Report as presented. Motion carried unanimously by voice vote.

Barb Brandt presented the Disbursement Log for Checks presented from March 18, 2014 to June 18, 2014. Disbursements for the period ending 6/18/2014 totaled \$40,821.74. A motion was made by Trustee Suchy and seconded by Trustee Grollo to approve the disbursements for the period ending 06/18/2014 in the amount of \$40,821.74. Motion carried by unanimous voice vote.

**INVESTMENT REPORT:** Mr. Tom McShane from Graystone Consulting presented the investment report for the period ending June 30, 2014. As of 06/30/14, the market value of the portfolio is \$25,486.91 with a quarterly performance of 3.49%. The portfolio composition is 63.02% in equities and 36.98% in fixed income. Current asset allocations within the equity and fixed income funds were reviewed, as well as individual fund performance, and investment fees.

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Tom McShane recommends the Board to move \$500,000 from fixed income, moving \$250,000 from the Weaver Fixed Income account and \$250,000 from the McDonnell Fixed Income Account to the Harris Bank Account. A motion was made by Trustee Suchy and seconded by Trustee Grollo to move \$250,000 from the McDonnell fixed income account to the Harris Bank Account. Motion carried by roll call vote.

AYES: Trustees Busa, Grollo, Lill, Manna, Suchy

NAYS: None

ABSENT: None

A motion was made by Trustee Suchy and seconded by Trustee Manna to move \$250,000 from the Weaver fixed income account to the Harris bank account. Motion carried by roll call vote.

AYES: Trustees Busa, Grollo, Lill, Manna, Suchy

NAYS: None

ABSENT: None

Mr. McShane discussed the long term market value of the fund, along with the risk-reward analysis, current and projected market conditions. All questions were answered by Mr. McShane from Graystone Consulting.

The Board asked Reimer & Karlson to review the engagement agreement with Tom McShane and Graystone Consulting. Pending recommendations from Reimer & Karlson, the Board will discuss and take action at the October 14, 2014 Regular Pension Fund Meeting.

**COMMUNICATIONS AND REPORTS:** *Active Member Files:* Sara Williams of Lauterbach & Amen reported to the Board that all Active Member Files have been scanned and filed with L&A. The Board was asked to review the letter that will be sent to Active Pension Fund Members to update their files of any missing information. The Board suggested revisions for the letter and directed Lauterbach & Amen to send letters to all Active Members.

*Affidavits of Continuing Eligibility:* Sara Williams presented the Board with a sample copy of the Affidavit for Continuing Eligibility which will be sent to all Pensioners currently receiving a benefit. Ms. Williams explained the process and purpose of mailing affidavits to Pensioners and answered any questions from the Board. An update of the status of affidavit returns will be given at the next regular meeting.

*Annual Statement IDOI:* Jim Richie with L&A presented the Board with a draft copy of the IDOI Annual Statement and Interrogatories for review. There is no action to be taken at this time.

*Annual Audit:* L&A presented the board with a draft copy of the Annual Audit for review. There is no action to be taken at that time.

**NEW HIRES/APPLICATIONS TO THE PENSION FUND:** There are none at this time.

**RETIREMENT AND DISABILITY APPLICATIONS:** There are none at this time.

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**OLD BUSINESS:** *Discussion of Pensionable Shift Commander Pay:* Trustee Manna opened discussion regarding the written opinion from the DOI regarding pensionable shift commander pay. A motion was made by Trustee Suchy and seconded by Trustee Lill to, through legal counsel, notify the Village of Westchester that the Pension Board has made a decision to consider shift commander pay in its current payout as overtime pay and therefore not pensionable, and request the Village immediately stop withholding 9.91% from the shift commander pay. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

The Board requested that Lauterbach & Amen to create a list of Active Members affected by contributions withheld from Shift Commander pay beginning in 2003 to the present, regardless of their current rank. A motion was made by Trustee Suchy and seconded by Trustee Grollo to have Lauterbach & Amen compile a list of individuals, what was paid in shift commander pay, what contributions were withheld, and any overpayments due back to those individuals. Motion carried by roll call vote. Further discussion to be held at the October 14, 2014 Regular Meeting of the Pension Board.

AYES: Trustees Busa, Grollo, Lill, Manna, Suchy

NAYS: None

ABSENT: None

*Trustee Training Updates:* Sara Williams reminded all Trustees to provide any copies of Trustee Training certificates to Lauterbach & Amen for record keeping. Upcoming Trustee Training opportunities were discussed. Barb Brandt will register Trustees for the IPPFA Conference in Lake Geneva.

**NEW BUSINESS:** *Annual Election of Officers – President and Secretary:* A motion was made by Trustee Suchy and seconded by Trustee Lill to maintain the current officer positions with Trustee Busa as Board President and Trustee Manna as Board Secretary. Motion carried unanimously by voice vote.

*Appointment of FOIA and OMA Officers:* A motion was made by Trustee Busa and seconded by Trustee Manna to elect Trustee Grollo as the Board's Open Meetings Act officer and Trustee Lill as the Board's Freedom of Information Act Designee. Motion carried unanimously by voice vote.

Lauterbach & Amen reminded OMA and FOIA Officers that training must be completed annually on the Illinois Attorney General's website.

*Coalition for Qualified Plan Status:* A motion was made by Trustee Manna and seconded by Trustee Lill to approve contribution of \$300 to the Coalition for Qualified Plan Status. The motion carried by roll call vote.

AYES: Trustees Busa, Grollo, Lill, Manna, Suchy

NAYS: None

ABSENT: None

*Termination of Benefits – August Dierksen:* Lauterbach & Amen was notified that Mr. August Dierksen passed away on June 11, 2014. There is no eligible surviving spouse, and there will be no July Pension Benefit issued to Mr. Dierksen's Estate. The Board decided to not pursue collection of the overpayment

of \$1,379 to the estate of August Dierksen.

*Actuarial Valuation – Todd Schroeder, Lauterbach & Amen:* Mr. Todd Schroeder of Lauterbach & Amen presented the Board with a preliminary draft copy of Actuarial Valuation for discussion and the Board's review. A formal recommendation will be completed and given to the Board for consideration at the October 14, 2014 Regular Meeting of the Pension Board.

**ATTORNEY REPORT:**

Mr. Brian LaBardi with Reimer & Karlson informed the Board that the pending Disability Hearing is ready for a date to be set, and discussed possible dates. Mr. LaBardi recommends that the Board review all materials pursuant to the hearing prior to the hearing date, yet to be determined.

The Third Quarter Newsletter was distributed to all trustees by Mr. LaBardi with information regarding recent case decisions and legislation regarding reform of State Pension Funds. All questions were answered by Brian LaBardi of Reimer & Karlson, LLC.

**CLOSED EXECUTIVE SESSION:** There was no Closed Executive Session needed.

**ADJOURNMENT:** A motion was made by Trustee Lill and seconded by Trustee Suchy to adjourn the meeting at 8:16pm. Motion carried unanimously by voice vote.

**The next regular meeting is scheduled for TUESDAY, OCTOBER 14, 2014 at 6:00pm at 10300 West Roosevelt Road, Westchester, Illinois.**

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Joe Manna, Board Secretary

Date Approved by Board \_\_\_\_\_

*Minutes prepared by Sara Williams, Pension Services Administrator, Lauterbach & Amen, LLP*