



# DARIEN POLICE PENSION BOARD

In the County of DuPage and the State of Illinois  
Incorporated 1969

## MINUTES OF THE REGULAR MEETING OF THE DARIEN POLICE PENSION FUND BOARD OF TRUSTEES AUGUST 7, 2019

A regular meeting of the Darien Police Pension Fund Board of Trustees was held on Wednesday, August 7, 2019 at 7:00 p.m. in the training room at the Police Department located at 1710 Plainfield Road, Darien, Illinois 60561, pursuant to notice.

**CALL TO ORDER:** Trustee Catalano called the meeting to order at 7:03 p.m.

**ROLL CALL:**

**PRESENT:** Trustees Leonard Catalano, Anton Hruby, Jason Norton, Jeffrey May and John Breslin (*arrived at 7:17 p.m.*)

**ABSENT:** None

**ALSO PRESENT:** Attorney Brian LaBardi, Reimer & Dobrovolny PC; John Falduto and Tom Sawyer, Sawyer Falduto Asset Management, LLC; Robert Thompson and Patrick Swaney, Fifth Third Institutional Services; Mayor Joseph Marchese, Aldermen Eric Gustafson and Mary Coyle Sullivan, Treasurer Michael Coren, City Clerk JoAnne Ragona, City of Darien; Jason Franken, Foster & Foster; Commander Gerald Piccoli, Darien Police Department; Amanda Secor and A.J. Weber, Lauterbach & Amen, LLP (L&A)

**PUBLIC COMMENT:** There was no public comment.

**APPROVAL OF MEETING MINUTES:** *May 9, 2019 Regular Meeting:* The Board reviewed the May 9, 2019 regular meeting minutes. A motion was made by Trustee May and seconded by Trustee Norton to approve the May 9, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

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

**NEW BUSINESS:** *Review/Approve – Actuarial Valuation & Tax Levy Request:* The Board reviewed the Actuarial Valuation as prepared by Foster & Foster. Based on data and assumptions, the recommended municipal contribution is \$1,905,149.

*Trustee Breslin arrived at 7:17 p.m.*

The Board discussed requesting a tax levy in the amount of \$1,905,149. A motion was made by Trustee Catalano and seconded by Trustee Norton to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$1,905,149 from the City of Darien, based on the recommended amount stated in the Actuarial Valuation prepared by Foster & Foster. Motion carried by roll call vote.

AYES: Trustees Catalano, Norton, Hruby, May and Breslin  
NAYS: None  
ABSENT: None

*Review/Adopt – Municipal Compliance Report:* The Board will review the Municipal Compliance Report at the next regular meeting.

**OLD BUSINESS:** *Appointed Member Term Expiration – John Breslin:* John Breslin was reappointed by the City Council on May 20, 2019 for a two-year term. City Clerk JoAnne Ragona swore Trustee Breslin in before the Board for a two-year term, to expire May 20, 2021.

**ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the two-month period ending June 30, 2019 prepared by L&A. As of June 30, 2019, the net position held in trust for pension benefits is \$29,894,182.95 for a change in position of \$871,353.27. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and Vendor Check Report for the period April 1, 2019 through June 30, 2019 for total disbursements of \$118,342.12. A motion was made by Trustee May and seconded by Trustee Hruby to accept the Monthly Financial Report as presented and to approve the disbursements listed on the Vendor Check Report in the amount of \$118,342.12. Motion carried by roll call vote.

AYES: Trustees Catalano, Norton, Hruby, May and Breslin  
NAYS: None  
ABSENT: None

*Additional Bills, if any:* The Board reviewed the Reimer & Dobrovolny PC invoice #25055 dated June 10, 2019 in the amount of \$2,272.86 for legal services rendered. A motion was made by Trustee Catalano and seconded by Trustee Norton to approve the additional invoice as presented. Motion carried by roll call.

AYES: Trustees Catalano, Norton, Hruby, May and Breslin  
NAYS: None  
ABSENT: None

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** The Board reviewed two benefit calculation estimates prepared by L&A for Commander Gerald Piccoli. The Board will hold a special meeting on Monday, August 12, 2019 to approve Gerald Piccoli’s regular retirement benefit to be prepared by L&A excluding merit pay, without prejudice to the potential recalculation of the regular retirement benefit. Attorney LaBardi advised the Board that a hearing will be required in order to discuss the components of pensionable salary.

**INVESTMENT REPORTS:** *Quarterly Investment Review – Fifth Third Institutional Services:* Mr. Swaney presented the Quarterly Investment Review for the period ending June 30, 2019. As of June 30, 2019, the quarter-to-date net return is 2.46% with total earnings of \$594,306.21 and an ending market value of \$16,054,418.20. The current asset allocation is: fixed income at 37.62%, equities at 53.3%, real assets at 1.61% and cash & equivalents at 7.46%. The asset composition for the equity and fixed income portfolios, market value vs. invested capital and risk/return analysis were reviewed with the Board. Mr. Swaney provided quarterly market insights.

*Quarterly Investment Performance Report – Sawyer Falduto Asset Management, LLC:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending June 30, 2019. As of June 30, 2019, the second quarter net return is 3.05% versus the second quarter account benchmark of 3.64%. The investment return for the quarter is \$419,828 for an ending market value of \$13,833,785. The current

asset allocation is: fixed income at 43.6%, equities at 56.2% and cash equivalents at 0.2%. Mr. Sawyer reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board.

A motion was made by Trustee Norton and seconded by Trustee Catalano to accept the Investment Reports as presented. Motion carried unanimously by voice vote.

*Review/Update Investment Policy:* The Board reviewed the Investment Policy and determined that no action is required at this time.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** There were no applications for membership or withdrawals from the Fund.

**OLD BUSINESS (CONTINUED):** *Review/Possible Approval – Revised Lauterbach & Amen, LLP Engagement Letter:* The Board reviewed the revised L&A three-year engagement letter reflecting a revision to the narrative portion of the agreement which was amended to meet the recommendations set forth by the American Institute of Certified Public Accountants. The Board also reviewed a red-lined version of the engagement letter illustrating the amendments. A motion was made by Trustee Catalano and seconded by Trustee May to engage L&A as outlined in the engagement letter provided. Motion carried by roll call vote.

AYES: Trustees Catalano, Norton, Hruby, May and Breslin

NAYS: None

ABSENT: None

**NEW BUSINESS (CONTINUED):** *Board Officer Elections – President, Vice President, Secretary & Assistant Secretary:* The Board discussed Board Officer Elections and nominated the following slate of Officers: Jason Norton as President, Anton Hruby as Vice President, Leonard Catalano as Secretary and John Breslin as Assistant Secretary. A motion was made by Trustee Hruby and seconded by Trustee Catalano to elect the slate of Officers as stated. Motion carried unanimously by voice vote.

*FOIA Officer & OMA Designee:* The Board discussed maintaining Trustee Norton as the FOIA Officer and Trustee Catalano as the OMA Designee. A motion was made by Trustee Norton and seconded by Trustee Catalano to maintain the FOIA Officer and OMA Designee as stated. Motion carried unanimously by voice vote.

*IDOI Annual Statement:* The Board noted that the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

**COMMUNICATIONS AND REPORTS:** *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the June payroll cycle and a due date of July 31, 2019. To date, three affidavits remain outstanding. L&A will mail second request Affidavits of Continued Eligibility to the outstanding pensioners via USPS certified mail with verbiage indicating that if the form is not received by August 12, 2019, a physical check will be issued and available for pick-up at the Police Department. 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.

**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.

*Approval of Trustee Training Registration Fees and Reimbursable Expenses:* There were no trustee training registrations or reimbursable expenses presented for approval.

**ATTORNEY’S REPORT – REIMER & DOBROVOLNY PC:** *Legal Updates:* Attorney LaBardi reviewed the *Legal and Legislative Update* quarterly newsletter highlighting recent court decisions and pension news.

The Board discussed the process of conducting a hearing regarding merit pay. Attorney LaBardi provided a brief synopsis of a typical hearing process.

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

**ADJOURNMENT:** A motion was made by Trustee Hruby and seconded by Trustee Catalano to adjourn the meeting at 8:42 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for Thursday, November 7, 2019 at 7:00 p.m.

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Board President or Secretary

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Date Approved by Board

*Minutes prepared by Amanda Secor, Pension Services Administrator, Lauterbach & Amen, LLP*