



DARIEN POLICE PENSION BOARD

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

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

A regular meeting of the Darien Police Pension Fund Board of Trustees was held on Thursday, February 7, 2019 at 7:00 p.m. in the Conference Room at the Police Department located at 1710 Plainfield Road, Darien, IL 60561, pursuant to notice.

CALL TO ORDER: President Catalano called the meeting to order at 7:07 p.m.

ROLL CALL:

PRESENT: President Leonard Catalano, Vice President Anton Hruby, Assistant Secretary John Breslin and Trustee Jeffrey May

ABSENT: Secretary Jason Norton

ALSO PRESENT: Attorneys Steve Knight and Brian LaBardi, Reimer & Dobrovolny PC; John Falduto and Tom Sawyer, Sawyer Falduto Asset Management, LLC; Michael Stuart, Patrick Swaney and Ted Kirpach, MB Financial; Amanda Secor, Lauterbach & Amen, LLP (L&A); Treasurer Michael Coren, City of Darien

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *November 1, 2018 Regular Meeting Minutes:* The Board reviewed the minutes from the November 1, 2018 regular meeting. A motion was made by Trustee May and seconded by Trustee Hruby to approve the November 1, 2018 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.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report & Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the eight-month period ending December 31, 2018. As of December 31, 2018, the net position held in trust for pension benefits is \$26,806,725.19 for a change in position of \$(690,876.64). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and Vendor Check Report for the period October 1, 2018 through December 31, 2018 for total disbursements of \$126,290.49. A motion was made by Trustee May and seconded by Trustee Breslin to accept the Monthly Financial Report as presented and to approve the disbursements listed on the Vendor Check Report. Motion carried by roll call vote.

AYES: Trustees Catalano Hruby, Breslin and May

NAYS: None

ABSENT: Trustee Norton

Additional Bills, if any: The Board reviewed Trustee Catalano's reimbursement request for lodging and travel expenses incurred at the 2018 IPPFA MidAmerican Fall Pension Conference in the amount of \$520.48. A motion was made by Trustee May and seconded by Trustee Breslin to approve Trustee Catalano's reimbursement request as presented.

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

The Board reviewed the following invoices for approval:

- Reimer & Dobrovolny PC invoice #24457 dated 12/21/2018 in the amount of \$1,521.11 for legal services rendered.
- IPPFA invoice #1730 in the amount of \$795 for 2019 Membership Dues.

A motion was made by Trustee Breslin and seconded by Trustee Hruby to approve payment in the amount due of \$750 for the quarterly retainer fee itemized on the Reimer & Dobrovolny PC invoice and the IPPFA invoice as presented. Motion carried by roll call vote.

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

INVESTMENT REPORTS: *Quarterly Investment Report – MB Financial:* Mr. Stuart presented the Quarterly Investment Report for the period ending December 31, 2018. As of December 31, 2018, the quarter-to-date net return is (7.27)% with a change of \$(1,139,465) and an ending market value of \$14,409,407. The current asset allocation is: fixed income at 41.77%, equities at 54.18%, alternative strategies at 1.69% and cash & equivalents at 2.36%. 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. Kirpach and 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 December 31, 2018. As of December 31, 2018, the fourth quarter net return is (7.19)% versus the fourth quarter account benchmark of (6.96)%. The investment return for the quarter is \$(950,654) for an ending market value of \$12,393,945. The current asset allocation is: fixed income at 46.7%, equities at 51.9% and cash equivalents at 1.4%. 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 Hruby 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 will be taken at this time.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Candice Klein:* The Board noted that Candice Klein has been provided with the application for membership but has not submitted the completed form. A status update will be provided at the next regular meeting.

Application for Membership – Marshall Meyer: The Board reviewed the application for membership submitted by Marshall Meyer. A motion was made by Trustee Breslin and seconded by Trustee Catalano

to accept Marshall Meyer into the Darien Police Pension Fund effective December 27, 2018, as a Tier II participant. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Deceased Pensioner – Vincent Sudnik/Approval of Surviving Spouse Benefits – Janice Sudnik:* The Board noted that Vincent Sudnik passed away on December 6, 2018. The Board reviewed the surviving spouse benefit calculation for Janice Sudnik with an effective date of December 7, 2018 for a monthly benefit of \$6,793.78 with no additional increases. A motion was made by Trustee Catalano and seconded by Trustee Hruby to approve the surviving spouse benefit of Janice Sudnik as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Catalano Hruby, Breslin and May

NAYS: None

ABSENT: Trustee Norton

OLD BUSINESS: *Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter for Records Retention & Destruction Services:* The Board reviewed the engagement letter provided by L&A for document retention and destruction services. A motion was made by Trustee Catalano and seconded by Trustee Hruby to engage L&A for the document retention and destruction services in an amount not to exceed \$1,500. Motion carried by roll call vote.

AYES: Trustees Catalano, Hruby, Breslin and May

NAYS: None

ABSENT: Trustee Norton

Review/Adopt – Municipal Compliance Report: The Board noted that the Municipal Compliance Report has not been received. Trustee Catalano will contact Foster & Foster in order to obtain the report. A status update will be provided as more information becomes available.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments for Pensioners:* The Board reviewed the 2019 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Catalano and seconded by Trustee Breslin to approve the 2019 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Catalano, Hruby, Breslin and May

NAYS: None

ABSENT: Trustee Norton

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Norton and the retired member term currently held by Trustee Catalano are expiring in April 2019. Trustees Norton and Catalano expressed their wishes to remain on the Board, if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions and the retired member Trustee position. The Board also noted that the appointed Trustee positions held by Trustee May and Trustee Breslin are expiring in April 2019 and they wish to remain on the Board. The Board will contact the City to seek reappointment of Trustees May and Breslin to the Board.

COMMUNICATION & REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers was to be submitted to the County by the City by February 1, 2019. Statements of Economic Interest will be sent to all registered filers, who will need to respond by the deadline of May 1, 2019.

IRS Mileage Reimbursement Rate: The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.58 per mile, effective January 1, 2019.

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.

ATTORNEY’S REPORT: *Legal Updates:* Attorney Knight reviewed the *Legal and Legislative Update* quarterly newsletter highlighting recent court decisions and pension news.

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

ADJOURNMENT: A motion was made by Trustee Catalano and seconded by Trustee Breslin to adjourn the meeting at 8:15 p.m. Motion carried unanimously by voice vote.

Leonard Catalano, Board President

Jason Norton, Board Secretary

Minutes approved as presented by the Board of Trustees on _____.

Minutes prepared by Amanda Secor, Pension Services Administrator

The next regular meeting is scheduled for Thursday, May 9, 2019 at 7:00 p.m.