



SOUTH ELGIN POLICE PENSION FUND



MINUTES OF A REGULAR MEETING OF THE SOUTH ELGIN POLICE PENSION FUND BOARD OF TRUSTEES JULY 10, 2019

A regular meeting of the South Elgin Police Pension Fund Board of Trustees was held on Wednesday, July 10, 2019 at 4:00 p.m. in the 1st Floor Village Hall Conference Room located at 10 N. Water Street, South Elgin, Illinois 60177, pursuant to notice.

CALL TO ORDER: Trustee Krawczyk called the meeting to order at 4:16 p.m.

ROLL CALL:

PRESENT: Trustees Gerald Krawczyk, Stan Helgerson, James McNamee and James Spivey
ABSENT: Trustee Anthony Martinez
ALSO PRESENT: Keri O'Brien, Mike May and Jessica Fain (*via teleconference*), Lauterbach & Amen, LLP (L&A); Tom Sawyer, Sawyer Falduto Asset Management, LLC; Treasurer Megan Golden, Village of South Elgin

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *April 10, 2019 Regular Meeting:* The Board reviewed the April 10, 2019 regular meeting minutes. A motion was made by Trustee Helgerson and seconded by Trustee Spivey to approve the April 10, 2019 regular meeting minutes as written. Motion carried by voice vote with Trustee McNamee abstaining.

Semi-Annual Review of Closed Session Meeting Minutes: This item was not discussed.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* 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 \$20,339,513.67 for a change in position of \$725,226.41. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Helgerson and seconded by Trustee McNamee to accept the Monthly Financial Report as presented. Motion carried by roll call vote.

AYES: Trustees Krawczyk, Helgerson, McNamee and Spivey
NAYS: None
ABSENT: Trustee Martinez

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period April 1, 2019 through June 30, 2019 for total disbursements of \$67,920.75. A motion was made by Trustee Helgerson and seconded by Trustee McNamee to approve the disbursements shown on the Vendor Check Report in the amount of \$67,920.75. Motion carried by roll call vote.

AYES: Trustees Krawczyk, Helgerson, McNamee and Spivey
NAYS: None
ABSENT: Trustee Martinez

Additional Bills, if any: There were no additional bills presented for approval.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC:
Quarterly Investment Performance Report: Mr. Sawyer 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 3.52%. The investment return for the quarter is \$613,848.00 for an ending market value of \$20,328,072.00. The current asset allocation is as follows: fixed income at 36.7%, equities at 60.0% and cash equivalents at 3.3%. 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 Helgerson and seconded by Trustee Krawczyk to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Krawczyk, Helgerson, McNamee and Spivey
NAYS: None
ABSENT: Trustee Martinez

Review/Update Investment Policy, if needed: The Board reviewed the Investment Policy and determined that no changes are required at this time.

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. A status update will be provided at the next regular meeting.

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 any certificates of completion to L&A for recordkeeping.

Approval of Trustee Training Registration Fees and Reimbursable Expenses: The Board discussed the upcoming 2019 IPPFA MidAmerican Pension Conference. A motion was made by Trustee Krawczyk and seconded by Trustee Helgerson to approve expenses for trustees attending the 2019 IPPFA MidAmerican Pension Conference. Motion carried by roll call vote.

AYES: Trustees Krawczyk, Helgerson, McNamee and Spivey
NAYS: None
ABSENT: Trustee Martinez

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – Brett Sarnecke and Daniel Taylor:* The Board reviewed the Applications for

Membership submitted by Brett Sarnecke and Daniel Taylor. A motion was made by Trustee McNamee and seconded by Trustee Spivey to accept Brett Sarnecke effective March 25, 2019 and Daniel Taylor effective June 17, 2019 into the South Elgin Police Pension Fund as Tier II participants. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Review/Approve Decision Order – John Rothecker and Roger Isham:* The Board reviewed the Decision and Orders prepared by Attorney Reimer. A motion was made by Trustee Helgerson and seconded by Trustee McNamee to approve, adopt and publish the Decision and Orders for John Rothecker as presented. Motion carried by roll call vote.

AYES: Trustees Krawczyk, Helgerson, McNamee and Spivey
NAYS: None
ABSENT: Trustee Martinez

The Board reviewed the Decision and Order prepared by Attorney Reimer. A motion was made by Trustee Helgerson and seconded by Trustee McNamee to approve, adopt and publish the Decision and Order for Roger Isham as presented. Motion carried by roll call vote.

AYES: Trustees Krawczyk, Helgerson, McNamee and Spivey
NAYS: None
ABSENT: Trustee Martinez

Approve Duty Disability Benefit and Retroactive Payment – John Rothecker: The Board reviewed the duty disability benefit calculation for John Rothecker prepared by L&A. Patrol Officer Rothecker had an entry date of July 5, 2005, disability date of May 16, 2018, effective date of pension of May 17, 2018, 54 years of age at date of disability, 12 years of creditable service, applicable salary of \$93,208.88, applicable pension percentage of 65.00%, amount of originally granted monthly pension of \$5,048.81 and amount of originally granted annual pension of \$60,585.72. The Board also noted that John Rothecker is due a retroactive payment in the amount of \$162.86 for May 31, 2019 due to ceasing of workers' compensation payment.

Approve Duty Disability Benefit and Retroactive Payment – Roger Isham: Police Officer Isham had an entry date of January 15, 1996, disability date of September 9, 2018, effective date of pension of September 10, 2018, 50 years of age at date of disability, 22 years of creditable service, applicable salary of \$93,208.88, applicable pension percentage of 65.00%, amount of originally granted monthly pension of \$5,048.81 and amount of originally granted annual pension of \$60,585.72. The Board also noted that Roger Isham is due a retroactive payment in the amount of \$927.23 for the period September 10, 2018 through April 30, 2019 and \$4,391.70 for the period of June 1, 2019 through June 30, 2019 due to ceasing of workers' compensation payment.

A motion was made by Trustee Helgerson and seconded by Trustee McNamee to approve John Rothecker and Roger Isham's duty disability benefits and retroactive payments as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Krawczyk, Helgerson, McNamee and Spivey
NAYS: None
ABSENT: Trustee Martinez

OLD BUSINESS: There was no old business to discuss.

Jessica Fain joined the meeting via teleconference at 4:44 p.m.

NEW BUSINESS: *Review Preliminary Actuarial Valuation:* Jessica Fain reviewed the preliminary Actuarial Valuation prepared by L&A with the Board. The final report will be reviewed by the Board at the next regular meeting.

Jessica Fain left the meeting at 5:05 p.m.

Board Officer Elections – President, Vice President, Secretary & Assistant Secretary: The Board discussed Board Officer Elections and nominated the slate of Officers as follows: Trustee Krawczyk as President, Trustee Helgerson as Vice President, Trustee Martinez as Secretary and Trustee Spivey as Assistant Secretary. A motion was made by Trustee Helgerson and seconded by Trustee McNamee to elect the slate of Officers as stated. Motion carried unanimously by voice vote.

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

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. A motion was made by Trustee Krawczyk and seconded by Trustee McNamee to designate Trustees Krawczyk, Martinez and Treasurer Megan Golden as signers on the BMO Harris Bank account. Motion carried by roll call vote.

AYES: Trustees Krawczyk, Helgerson, McNamee and Spivey

NAYS: None

ABSENT: Trustee Martinez

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.

ATTORNEY'S REPORT – REIMER & DOBROVOLNY PC: *Annual Independent Medical Examinations (IME) – Natalie Young:* Trustee Krawczyk reported that he authorized Attorney Reimer to schedule Natalie Young for her annual IME. Further discussion will be held at the next regular meeting.

Legal Updates: The Board reviewed the *Legal and Legislative Update* quarterly newsletter provided by Reimer & Dobrovolny PC.

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

ADJOURNMENT: A motion was made by Trustee Krawczyk and seconded by Trustee Spivey to adjourn the meeting at 5:22 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for October 9, 2019 at 4:00 p.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 11/21/19.

Minutes prepared by Keri O'Brien, Pension Services Administrator, Lauterbach & Amen, LLP