



SCHILLER PARK POLICE PENSION FUND

9526 West Irving Park Road, Schiller Park, Illinois | 847-678-4794

James Scheib
President

Robert Madura
Vice President

Neil Amedeo
Secretary

Richard Desecki
Assistant Secretary

Marie Lukowski
Trustee

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE SCHILLER PARK POLICE PENSION FUND FEBRUARY 12, 2019

A regular meeting of the Schiller Park Police Pension Fund was held on **Tuesday, February 12, 2019**, at 5:00 p.m. at the Village of Schiller Park Municipal Building, second floor, 9526 West Irving Park Road, Schiller Park, Illinois for the purpose of conducting regular business, pursuant to notice.

CALL TO ORDER: President Scheib called the meeting to order at 5:01 p.m.

ROLL CALL:

PRESENT: President James Scheib, Secretary Neil Amedeo, Trustees Robert Madura and Richard Desecki
(arrived at 5:11 p.m.)

ABSENT: Trustee Marie Lukowski

ALSO PRESENT: Cary Collins, Collins & Radja, Attorneys at Law (arrived at 5:35 p.m.); Jon Willhite, UBS Funds (via teleconference); Retired Member Thomas Fragakis, Schiller Park Police Pension Fund; Eric Endriukaitis and Allie Rysell, Lauterbach & Amen, LLP (L&A);

PUBLIC COMMENT: There was no public comment.

INVESTMENT REPORT – UBS: *Quarterly Investment Report:* Mr. Willhite reviewed the Quarterly Investment Performance Report for the period ending December 31, 2018 via teleconference. As of 12/31/18, the ending market value of the portfolio is \$16,799,060.82 with a fourth quarter investment return of (\$1,446,101.15). The asset allocation is: 34.63% in Fixed Income, 49.39% in Global Equity, 9.09% in Equity Diversifiers, 2.46% in Alternatives, 3.49% in Fi Diversifiers and 0.94% in the Cash Account. The individual performance of the funds within the portfolio were reviewed along with the Rick vs. Reward Report, Capture Ratio Trend, and Market Environment. All questions were answered by Mr. Willhite.

Trustee Desecki arrived at 5:11 p.m.

COMMUNICATIONS AND REPORTS: *Review Quarterly Gas Tax Deposit:* Trustee Amedeo informed the Board that the Pension Fund received the quarterly gas tax deposit in the amount of \$80,014.

Review/Possible Action – Interest Rates for Checking/Savings/Money Market Accounts: The Board reviewed interest rates for various checking, savings and money market accounts. Mr. Willhite noted that the interest on the Pension Fund's UBS Money Market Account is approximately 0.5%. Mr. Willhite reviewed the interest rates for the following periods: The fourth quarter interest rate was 0.26%; the one-year interest rate was 0.79%; the three-year interest rate was 0.34%; and since the inception date of March 3, 2009, the interest rate is 0.20%. Trustee Amedeo reviewed his research that he conducted with the Board and stated that BMO Harris Bank offers an interest rate of 1.9%, but noted that the Pension Fund must maintain a balance of \$25,000 in the account at all times. Mr. Endriukaitis stated that Pension Fund's current BMO Harris Bank Account does not provide any interest, but they also aren't charged any fees on the account. The Board discussed the cash flow and holdings with Mr. Willhite and Mr. Endriukaitis. The Board determined not to take any action at this time. The Board will explore other options for the cash flow and holdings for review and discussion at the next regular meeting.

INVESTMENT REPORT – UBS (CONTINUED): *Purchase/Sale of Investment Securities:* Mr. Willhite noted that cash reserves will be needed for pension payments for the quarter. Mr. Willhite reviewed the proposed Rebalancing Sheet with the Board. Mr. Willhite is recommending the Board transfer \$510,000 to the UBS Cash Account by completing the proposed rebalancing as follows: \$150,000 from American Beacon Bridgeway LCV (BRLVX), \$50,000 from iShares Russell 1000 Growth ETF (IWF), \$100,000 from iShares Russell Mid Cap ETF (IWR), and \$210,000 from Tortoise Credit Core Fixed Income to be transferred to the UBS Cash Account. Mr. Endriukaitis noted that the Pension Fund will be receiving tax deposits this month. Last year, the Pension Fund received approximately \$358,000 in tax deposits in February 2018 and approximately \$714,000 in tax deposits in March 2018. All questions were answered by Mr. Willhite and Mr. Endriukaitis. The Board determined to amend the proposed rebalancing sheet to reflect the transfer of \$340,000 to the UBS Cash Account by completing the proposed rebalancing as follows: \$100,000 from American Beacon Bridgeway LCV (BRLVX), \$20,000 from iShares Russell 1000 Growth ETF (IWF), \$70,000 from iShares Russell Mid Cap ETF (IWR), and \$150,000 from Tortoise Credit Core Fixed Income to be transferred to the UBS Cash Account. A motion was made by Trustee Madura and seconded by Trustee Amedeo to accept the Rebalancing Sheet as amended. Motion carried by roll call vote.

AYES: Trustees Scheib, Amedeo, Madura and Desecki
NAYS: None
ABSENT: Trustee Lukowski

Attorney Collins arrived to the meeting at 5:35 p.m.

Review/Update Investment Policy: Mr. Willhite reviewed the Investment Policy with the Board. The Board determined that no changes are required at this time.

Discussion/Possible Action – Risk Profile Consensus and Questionnaire: The Board will review the Risk Profile Consensus and Questionnaire with Mr. Willhite at the next regular meeting.

A motion was made by Trustee Madura and seconded by Trustee Amedeo to accept UBS's Quarterly Investment Report as presented. Motion carried by roll call vote.

AYES: Trustees Scheib, Amedeo, Madura and Desecki
NAYS: None
ABSENT: Trustee Lukowski

APPROVAL OF MEETING MINUTES: *Regular Meeting Minutes – November 6, 2018:* The minutes of the November 6, 2018 regular meeting were reviewed by the Board. A motion was made by Trustee Madura and seconded by Trustee Desecki to approve the November 6, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the closed session meeting minutes from the February 6, 2018 meeting. The Board determined not to release the February 6, 2018 closed session meeting minutes due to pending matters. Further discussion will be held at the Pension Fund's August 13, 2019 regular meeting.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* Mr. Endriukaitis presented the Monthly Financial Report for the eight month period ending December 31, 2018. As of 12/31/18, the plan net assets held in trust for pension benefits is \$16,857,479.25 with a change in position of (\$1,169,510.40). The Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal were reviewed with the Board. All questions were answered by Mr. Endriukaitis.

Presentation and Approval of Bills: The Board reviewed the Vendor Check Report for the period 10/01/18 through 12/31/18 showing total disbursements in the amount of \$144,808.52.

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

A motion was made by Trustee Madura and seconded by Trustee Amedeo to accept the Monthly Financial Report as presented and to approve the disbursements listed on the Vendor Check Report in the amount of \$144,808.52. Motion carried by roll call vote.

AYES: Trustees Scheib, Amedeo, Madura and Desecki
NAYS: None
ABSENT: Trustee Lukowski

TRUSTEE TRAINING UPDATES: *Approval of Trustee Training Registration Fees and Reimbursable Expenses:* The Board reviewed the Trustee Training Summary prepared by L&A and discussed upcoming training opportunities. A motion was made by Trustee Amedeo and seconded by Trustee Madura to approve the registration fees for all Trustees interested in attending the 2019 IPPAC Annual Spring Conference. Motion carried by roll call vote.

AYES: Trustees Scheib, Amedeo, Madura and Desecki
NAYS: None
ABSENT: Trustee Lukowski

OLD BUSINESS: *Status Update – Presentation for Village Board Regarding Pension Funding Level:* There was no update at this time. A discussion will be held with L&A and Trustee Scheib concerning the requested presentation and proposed projections. Further discussion will be held at the next regular meeting.

COMMUNICATIONS AND REPORTS (CONTINUED): *Review/Possible Action – Interest Rates for Checking/Savings/Money Market Accounts (continued):* Further discussion was held concerning the interest rates for checking, savings, and money market accounts. The Board will explore other options for the cash flow and holdings for review and discussion at the next regular meeting.

2019 IRS Mileage Rate: As of January 1, 2019, the IRS Mileage Reimbursement Rate has increased 3.5 cents to 58 cents per mile. All Trustees submitting Trustee training reimbursement requests must use the new IRS Mileage Reimbursement Rate.

Statements of Economic Interest: Trustee Amedeo informed the Board that the List of Filers were submitted to the County prior to the February 1, 2019 due date. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2019.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND: *Transfer of Creditable Service – Chadd Kaiser:* L&A informed the Board that Chadd Kaiser submitted a portability application to transfer 6 years, 8 months and 17 days (June 7, 2010 through February 23, 2017) from the Schiller Park Police Pension Fund to the Buffalo Grove Police Pension Fund. L&A noted that Chadd Kaiser elected to proceed with his transfer of creditable service to the Buffalo Grove Police Pension Fund. A motion was made by Trustee Amedeo and seconded by Trustee Madura to approve the transfer of \$111,336.44 (contributions of \$45,095.55 plus 6% interest) from the Schiller Park Police Pension Fund to the Buffalo Grove Police Pension Fund for Chad Kaiser’s transfer of creditable service. Motion carried by roll call vote.

AYES: Trustees Scheib, Amedeo, Madura and Desecki
NAYS: None
ABSENT: Trustee Lukowski

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

OLD BUSINESS (CONTINUED): *Review/Approve – Wermer, Rogers, Doran & Ruzon 2018 Audit Report:* The Board reviewed the draft WRDR Audit Report for the April 30, 2018 fiscal year-end. A motion was made by Trustee Madura and seconded by Trustee Amedeo to accept WRDR’s Audit Report for the April 30, 2018 fiscal year-end as prepared. Motion carried unanimously by voice vote.

Review/Approve – Revised Lauterbach & Amen, LLP Engagement Letter: The Board reviewed the revised L&A Engagement Letter for the years ended April 30, 2018, 2019 and 2020. L&A noted that the only amendment to the engagement letter was the removal of L&A as authorized signers on the Pension Fund’s BMO Harris Bank Account. A motion was made by Trustee Madura and seconded by Trustee Desecki to approve the revised L&A Engagement Letter as presented. Motion carried by roll call vote.

AYES: Trustees Scheib, Amedeo, Madura and Desecki
NAYS: None
ABSENT: Trustee Lukowski

NEW BUSINESS: *Discussion/Possible Action – Request for Proposals for Annual Audit:* The Board reviewed their engagement with WRDR along with the fee schedule. The Board discussed requesting proposals from various auditing firms to complete the annual audit for the Pension Fund. The Board also discussed the cost savings of not engaging a private auditor, as the audit will be completed by the Village at no cost to the Pension Fund on an annual basis. Trustee Scheib informed the Board that he may have submitted a signed engagement letter to WRDR to complete the April 30, 2019 Audit Report. Trustee Scheib will contact WRDR to inquire on the status of the Pension Fund’s engagement with the firm. A status update will be provided at the next regular meeting.

Approve Annual Cost of Living Adjustments (COLAs) for Pensioners: The Board reviewed the 2019 Cost of Living Adjustments as calculated by L&A. A motion was made by Trustee Madura and seconded by Trustee Amedeo 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 Scheib, Amedeo, Madura and Desecki
NAYS: None
ABSENT: Trustee Lukowski

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member terms currently held by Trustee Amedeo and Trustee Scheib are expiring in April 2019. Trustees Scheib and Amedeo wish to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for both of the active member Trustee positions. The election results will be reviewed at the next regular meeting.

L&A reminded the Board that the Pension Fund’s Fiduciary Liability Insurance Policy will expire June 1, 2019. The Board will submit a renewal application to Mesirow Insurance Services. Further discussion will be held at the next regular meeting.

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

ATTORNEY’S REPORT – COLLINS & RADJA: *Annual Medical Examination – Krzysztof Banka:* The Board reviewed the results of Krzysztof Banka’s November 29th medical examination. The report determined that Mr. Banka remains disabled at this time. Mr. Banka will continue receiving disability benefits based upon a finding that he remains disabled and subject to further annual examinations until age 50.

Status Update – Disability of Jeffrey G. Snarski: Attorney Collins provided a status update to the Board concerning the disability of Jeffrey G. Snarski. All questions were answered by Attorney Collins. Further discussion will be held at the next regular meeting.

Attorney Collins reviewed various case decisions and legislation pertaining to Article 3 & 4 Pension Funds. All questions were answered by Attorney Collins.

ADJOURNMENT: A motion was made by Trustee Madura and seconded by Trustee Amedeo to adjourn the meeting at 6:47 p.m. Motion carried unanimously by voice vote.

The next regular meeting of the Schiller Park Police Pension Fund will be held on **Tuesday, May 14, 2019 at 5:00 p.m.** at the Village of Schiller Park Municipal Building, second floor, 9526 West Irving Park Road, Schiller Park, Illinois.

Respectfully submitted,

James Scheib, Board President

Neil Amedeo, Board Secretary

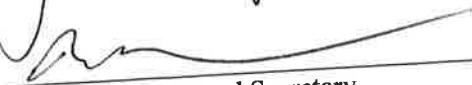
Date _____

Minutes prepared by Allie Rysell, Pension Services Administrator, Lauterbach & Amen, LLP

Respectfully submitted,


James Scheib, Board President

Date 05/20/19


Neil Amedeo, Board Secretary

Minutes prepared by Allie Rysell, Pension Services Administrator, Lauterbach & Amen, LLP