

REGULAR MEETING MINUTES OF THE BLOOMINGDALE
POLICE PENSION BOARD MEETING HELD IN THE
CONFERENCE ROOM OF THE BLOOMINGDALE
VILLAGE HALL, DU PAGE COUNTY,
201 SOUTH BLOOMINGDALE ROAD,
APRIL 22, 2019

1. **PROOF OF POSTING**

This meeting was duly noticed and posted in accordance with State Statutes.

2. **CALL TO ORDER**

The meeting was called to order by Vice President Bruett at 5:04 p.m.

3. **ROLL CALL**

Present: Vice President Vince Bruett, Secretary Alan Birkley,
Asst. Secretary Aaron Machek, Trustee Ed Levato

Absent: President Jeffrey Fritz

Also Present: Gary Szott, Finance Director/Treasurer, Brian LaBardi, Reimer, &
Dobrovolny PC

QUORUM PRESENT

4. **ACCEPTANCE OF MINUTES**

Acceptance of the Minutes of the Regular Meeting of the Bloomingdale Police Pension Fund held on January 28, 2019 was tabled until the next meeting due to a non-quorum status to approve them at this meeting.

5. **ELECTION RESULTS – ELECTION BY ACCLAMATION**

An election was held to fill one (1) trustee vacancy from the current police department membership. Vincent Bruett was the only person to submit his name for candidacy by the deadline of March 15, 2019. Therefore, the Board accepted the election by acclamation of Vincent Bruett to the position of Pension Board Trustee.

Motion by Asst. Secretary Machek, seconded by Secretary Birkley to certify by voice vote the election by acclamation of Vincent Bruett to act as representative of the Bloomingdale Police Pension Board for a two-year term commencing on Tuesday, May 14, 2019 and ending after Monday, May 10, 2021.

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato

NAYS: None

ABSENT: President Fritz

MOTION DECLARED CARRIED

6. **FINANCIAL REPORTS AND INVESTMENTS**

A. **Treasurer's Report for the Period ended 03/31/19**

Finance Director/Treasurer Szott advised that as of 3/31/19, the Fund's portfolio allocation had 63% in equities, exceeding the 55% portfolio target allocation, and 37% in fixed income assets. In his summary of the Fund's various investments, he reported that the range notes have performed very well for the Fund. He continued with a review of the Fund's fixed income ladder, and further advised that, after performing a cash flow analysis for the upcoming two-year period, the Fund had \$600,000 in available funds to invest at this time.

Motion by Vice President Bruett, seconded by Asst. Secretary Machek, to approve by voice vote the Treasurer's Report for the period ended 3/31/19.

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato

NAYS: None

ABSENT: President Fritz

MOTION DECLARED CARRIED

In accordance with the Illinois Department of Insurance requirements, a copy of the Treasurer's Report for the period ending March 31, 2019 is attached to these Minutes for the record.

B. **Potential Purchase or Sale of Securities**

The Board discussed several fixed income investment opportunities for the Fund's \$600,000 in available funds. After discussion, the Board agreed to invest \$600,000 of available funds in a 5-year fixed income annuity with a yield of approximately 4.10% from Equitable Life .

Motion by Secretary Birkley, seconded by Asst. Secretary Machek, granting Finance Director/Treasurer Szott the discretionary authority to invest \$600,000 of available funds in a fixed income annuity from Equitable Life with a maturity of 5 years and yield of approximately 4.10%.

Upon roll call by the Clerk, the following voice votes were recorded:

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato

NAYS: None

ABSENT: President Fritz

MOTION DECLARED CARRIED

7. **NEW BUSINESS**

A. **Refund of Pension Contributions Request – Donald Spencer**

The Board reviewed the request for a refund of pension contributions in the amount of \$8,404.84 from Donald Spencer, who had voluntarily resigned from the police department effective December 17, 2018.

Motion by Vice President Bruett, seconded by Asst. Secretary Machek, to refund the pension contributions in the amount of \$8,404.84 to Donald Spencer. Upon roll call, Clerk Perry recorded the following voice votes:

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato
NAYS: None
ABSENT: President Fritz

MOTION DECLARED CARRIED

B. **Revised Base Salary at Time of Retirement per CBA – Officers. Healey & Zeiger**

The initial annual pensions for Officer Brian Healey and Officer Sally Zeiger previously approved by the Board at their meetings held on October 22, 2018 and January 28 2019, respectively, were calculated based upon their known final salaries attached to their rank at that time. Due to the recently ratified FOP contract, their final salaries were increased as of September 1, 2018, the effective date of the new collective bargaining agreement. Therefore, the amount of their initial annual pensions should be revised accordingly to reflect their new annual salaries retroactive to September 1, 2018.

Finance Director/Treasurer Szott prepared correspondence to each of the officers regarding the recalculation of their pension benefits. Receipt of their additional pension benefits will be contingent upon receipt of their respective pension contributions associated with the retroactive wage/salary payments.

Motion by Vice President Bruett, seconded by Trustee Levato to approve the revised pension benefit for Officer Brian Healey equal to 75% of his salary attached to his rank of \$103,903.20/year, which is an initial annual pension of \$77,927.40/yr., and an initial monthly benefit of \$6,493.95, pursuant to the new collective bargaining agreement effective 9/1/18, and as calculated by the Department of Insurance Benefit Calculator, and to approve a retroactive pension payment of \$895.74 representing the retroactive service pension benefit to him, contingent upon the receipt of his payment of \$31.86 in retroactive pension contributions related to his retroactive wage/salary payment. Upon roll call, Clerk Perry recorded the following voice votes:

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato
NAYS: None
ABSENT: President Fritz

MOTION DECLARED CARRIED

Motion by Asst. Secretary Machek, seconded by Trustee Levato to approve the revised pension benefit for Officer Sally Zeiger equal to 50% of her salary attached to her rank of \$102,676.00/year, which is an initial annual pension of \$51,338.00/yr., and an initial monthly benefit of \$4,278.17, pursuant to the new collective bargaining agreement effective 9/1/18, and as calculated by the Department of Insurance Benefit Calculator, and to approve a retroactive pension payment of \$216.52, representing the retroactive service pension benefit to her, contingent upon the receipt of her payment of \$88.87 in retroactive pension contributions related to her retroactive wage/salary payment. Upon roll call, Clerk Perry recorded the following voice votes:

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato
NAYS: None
ABSENT: President Fritz

MOTION DECLARED CARRIED

C. Application for a Regular Service Pension – Michael Gicla

The application from Michael Gicla for a regular service pension was reviewed. Finance Director/Treasurer advised that the Village Board would be considering the FY20 pay plan effective 5/1/19 at their meeting later this evening, which would change the initial pension benefit calculations reflected in the correspondence presented to the Pension Board for their approval.

Motion by Vice President Bruett, seconded by Asst. Secretary Machek, to award a regular service pension to Michael Gicla, aged 53, for his 30 years and 7 months of creditable service as a Tier 1 employee from 10/04/88 to 05/03/19 equal to 75% of his estimated salary attached to his rank of \$116,636.00/year, without prejudice to his claim for a higher amount as reflected on his application for pension benefits, for an initial annual pension of \$87,477.00/yr. effective 05/03/19, for an initial monthly benefit of \$7,289.75, and as calculated by the Department of Insurance Benefit Calculator. Pension Clerk Perry conducted a roll call, and recorded the following voice votes:

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato
NAYS: None
ABSENT: President Fritz

MOTION DECLARED CARRIED

D. Fund's Letter of Protest to the IL Dept. of Insurance– FY20 Compliance Fee

The Board discussed sending their annual letter of protest along with the fee payment to the Illinois Department of Insurance in the event that a lawsuit is filed in the future, which, if successful, only those funds who protested the fee would be eligible for remedy. Therefore, the Board agreed to send another protest letter along with the fee payment this year to the Illinois Department of Insurance.

Motion by Trustee Levato, seconded by Vice President Bruett, to authorize payment of the statutory annual compliance fee, and to send a letter of protest to the Illinois Department of Insurance along with the payment.

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato
NAYS: None
ABSENT: President Fritz

MOTION DECLARED CARRIED

8. **OLD BUSINESS**

A. Fiduciary Liability Insurance for FY20

The Board had previously directed Finance Director/Treasurer Szott to renew the Fund's Fiduciary Liability Insurance coverage with Travelers for FY20, and he provided a copy of the renewal policy from Travelers to the Board for their review.

Motion by Trustee Levato, seconded by Vice President Bruett, to approve the renewal policy from Travelers Casualty and Surety Company of America for the Fund's Fiduciary Liability Insurance for FY20, and the premium payment in the amount of \$4,075.00.

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato
NAYS: None
ABSENT: President Fritz

MOTION DECLARED CARRIED

Removal from the roll – Finance Director/Treasurer Szott left the meeting at 5:52 p.m.

7. **(Continued . . .) NEW BUSINESS**

E. **IDOI New Filing Requirement – Nominated Beneficiary Information and Modification of the Fund’s Application for Retirement Benefits Form**

Finance Director/Treasurer Szott advised that the Illinois Department of Insurance has added a nominated beneficiary information section for all retired service members to the annual statement filing requirement. In order to comply with the new IDOI requirement, the Fund’s Application for Retirement Benefits Form must be revised to include the following fields: spouse’s first name, last name, date of birth, gender, and marriage date. A draft of the revised form was presented to the Board for its review and approval.

Motion by Vice President Bruett, seconded by Secretary Birkley, to approve the revision of the Fund’s Application for Retirement Benefits Form to include the information fields required by the IDOI for all retired service members, specifically, spouse’s first name, last name, date of birth, gender, and marriage date.

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato

NAYS: None

ABSENT: President Fritz

MOTION DECLARED CARRIED

9. **INFORMATION ITEMS**

A. **IMET Liquidating Trust (LT) Distributions**

A copy of Disclosure/Status Update #40 on the IMET FFF Repo Fraud Matter, which Finance Director/Treasurer Szott had previously sent electronically to all Trustees, was duly noted. Nothing further to report at this time.

B. **Fund Attorney Report (Verbal)**

Fund Attorney LaBardi provided a brief summary of various issues concerning Article 3 pension funds that were published in their firm’s quarterly newsletter, *Legal and Legislative Update, Volume 17, Issue 2, April 2019*. He will continue to keep the Board informed of any rulings that might affect our Fund.

C. Hill QILDRO

Correspondence from Fund Attorney LaBardi to the attorneys for Jeffrey Hill's former spouse, Joanne Hill, regarding the matter of a QILDRO was duly noted. In the absence of a court order and receipt of the Fund's processing fee, no action is required at this time.

D. Status Update – Return of 2019 Annual Certification Forms from Beneficiaries

Clerk Perry reported that one beneficiary has not returned his completed Certification of Eligibility form for 2019, but expects to receive it soon.

8. (Continued . . .) OLD BUSINESS

A. IPPFA Police/Fire Retiree and Beneficiary Death Auditing Service

The Board previously reviewed the program being offered through IPPFA regarding notification of deceased pension beneficiaries. The Board agreed to table further discussion regarding this matter until their next meeting when all of the Board members would be in attendance.

B. FY20 Budget Review and Approval

The Board reviewed the final Fiscal Year 2019/20 Budget of the Police Pension Fund submitted by Finance Director/Treasurer Szott to the Board for their approval.

Motion by Vice President Bruett, seconded by Asst. Secretary Machek, to approve the FY2019/20 budget as presented. Upon roll call by Clerk Perry, the following voice votes were recorded:

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato

NAYS: None

ABSENT: President Fritz

MOTION DECLARED CARRIED

C. Trustee Training Records

The Board agreed to table further discussion regarding trustee training records to the next meeting when all Board members would be present.

D. Attendance at 2019 Annual IPPFA Training Conferences

The Board discussed the 2019 IPPFA Training Conference being held in Lake Geneva, WI beginning October 1 through October 4, 2019. The Board members agreed to send up to four (4) Board trustees to the IPPFA Conference this year to receive their mandated trustee training of 16 hours annually. Trustee Levato elected to complete his mandated 16 hours trustee training on-line instead of attending the conference in Lake Geneva, WI in October.

Motion by Vice President Bruett, seconded by Trustee Levato, to approve by voice vote the registration fees, hotel room fees, mileage reimbursement, and eligible per diem expenses for up to four (4) people to attend the Annual IPPFA Conference being held in Lake Geneva, WI from October 1 until October 4, 2019. Upon roll call, Clerk Perry recorded the following voice votes:

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato

NAYS: None

ABSENT: President Fritz

MOTION DECLARED CARRIED

D. Status Update – Pension Board Minutes on Village Website

At the previous meeting of the Pension Fund held on January 28, 2019, Clerk Perry was directed to transmit future meeting agendas and approved minutes in pdf format to the Village for posting on line. Clerk Perry reported that all of the agendas and approved minutes from 2015 to the present have now been posted on line.

6. **(Continued . . .) FINANCIAL REPORTS AND INVESTMENTS**

C Approval of Payments

The Board reviewed the list of payments and expenditures.

Motion by Vice President Bruett, seconded by Trustee Levato, to approve by voice vote the payments and expenditures in the amount of \$5,188.66, per the itemized list dated April 22, 2019.

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato

NAYS: None

ABSENT: President Fritz

MOTION DECLARED CARRIED

10. **MEETING ADJOURNMENT**

President Fritz called for a motion to adjourn.

On a Motion by President Fritz, seconded by Secretary Birkley, the Regular Meeting of the Police Pension Fund held on April 23, 2018 was adjourned at 6:25 P.M.

AYES: Vice President Bruett, Secretary Birkley,
Asst. Secretary Machek, Trustee Levato

NAYS: None

ABSENT: President Fritz

MOTION DECLARED CARRIED

Respectfully submitted,



Patricia Perry
Police Pension Board Clerk

Minutes approved by:



(Name)

10/26/19
(Date)