

REGULAR MEETING MINUTES OF THE BLOOMINGDALE  
POLICE PENSION BOARD MEETING HELD BY REMOTE ACCESS  
VIA WEB-BASED CONFERENCE CALL  
FROM THE BLOOMINGDALE VILLAGE HALL, DU PAGE COUNTY,  
201 SOUTH BLOOMINGDALE ROAD,  
APRIL 27, 2020

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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 President Fritz at 5:08 p.m. via a web-based conference call with audio/visual capabilities. Because the meeting was being conducted via a recorded telephone conversation, Fund Attorney Reimer advised the Board to have each of the meeting participants identify themselves by name and state their consent to be recorded. Subsequently all participants in the conference call identified themselves and consented to be recorded.

3. **ROLL CALL**

Present: President Jeffrey Fritz, Vice President Vince Bruett,  
Asst. Secretary Aaron Machek

Absent: Secretary Ed Levato

Also Present: Gary Szott, Finance Director/Treasurer, Fund Attorney Rick Reimer/Reimer  
and Dobrovolny PC, and Incoming Trustee Stephen Abruzzo

**QUORUM PRESENT**

4. **AUDIENCE PARTICIPATION**

No members of the public were participants in the meeting.

5. **ACCEPTANCE OF MINUTES**

Upon a motion by President Fritz, seconded by Vice President Fritz, the following Minutes were approved as presented: Regular Meeting of January 27, 2020; Special Meeting of March 10, 2020; and the Hearing before the Board on March 10, 2020 regarding the surviving spouse pension application of Janice Mader.

AYES: President Fritz, Vice President Bruett, Asst. Secretary Machek

NAYS: None

ABSENT: Secretary Levato

**MOTION DECLARED CARRIED**

6. **ELECTION RESULTS – ELECTIONS BY ACCLAMATION**

An election was held to fill two (2) trustee vacancies: one (1) trustee vacancy from the current police department membership and one (1) trustee vacancy from the retired and

beneficiary membership. Stephen Abruzzo from the current police department membership, and Jeffrey Fritz from the retired and beneficiary membership, were the only persons to submit their name for candidacy in each of their respective elections by the deadline of March 20, 2020. Therefore, the Board accepted the election by acclamation of Stephen Abruzzo and Jeffrey to the position of Pension Board Trustee.

Motion by Vice President Bruett, seconded by Asst. Secretary Machek, to certify the election by acclamation of Stephen Abruzzo and Jeffrey Fritz to act as representatives of the Bloomingdale Police Pension Board.

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

**MOTION DECLARED CARRIED**

7. **NEW BUSINESS**

A. Acceptance of Decision and Order – Janice Mader Hearing on March 10, 2020

A Hearing before the Board was held on March 10, 2020 to consider the surviving spouse pension application from Janice Mader, widow of Charles Mader, who passed away on February 13, 2020. Upon conclusion of the hearing, the Board determined Janice Mader was not entitled to a “survivor’s spouse” pension under Section 3-112 of the Pension Code because her marriage to Charles Mader was subsequent to his regular retirement on January 7, 2007. Accordingly, Fund Attorney Reimer prepared a written Decision and Order for approval and adoption by the Board denying a survivor’s spouse pension to Janice Mader.

Motion by President Fritz, seconded by Vice President Bruett, to adopt and publish the written Decision and Order denying a survivor’s spouse pension to Janice Mader, subject to a roll call vote. Upon roll call by the Clerk, the following voice votes were recorded:

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

**MOTION DECLARED CARRIED**

Fund Attorney Reimer advised the Board he would mail Janice Mader a copy of the adopted Decision and Order. He further advised that the Decision could be reviewed in the Circuit Court if she filed a complaint for administrative review within 35 days from the mailing date of the adopted Decision and Order to her.

Removal from the Roll – Asst. Secretary Machek left the meeting at 5:27 p.m.

B. Termination of Regular Service Pension – Charles Mader

Due to the untimely death of Charles Mader on February 13, 2020, Finance Director/Treasurer Szott advised President Fritz, Attorney Reimer, Clerk Perry, Fiscal Assistant III Dalke, and Village Administrator Scalera via email on 2/18/20 that the monthly service pension to Charles Mader scheduled for March 2, 2020 would be for the period of February 1 through and including February 13, 2020 (13 days). He also advised the scheduled monthly service pension payment to Charles Mader was \$9,432.83 and that there are 29 days in the month of February, 2020. Therefore, the March 2, 2020 service pension payment to Charles Mader would be \$4,228.51 ( $\$9,432.83/29 \text{ days} * 13 \text{ days}$ ) and thereafter, no further service pension payments shall be made.

Motion by President Fritz, seconded by Vice President Bruett, to terminate the service pension to Charles Mader of \$113,193.96/year (\$9,432.83/month) retroactive to February 14, 2020. Upon roll call, the Clerk recorded the following voice votes:

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

**MOTION DECLARED CARRIED**

C. Fund Attorney Report (Verbal)

Fund Attorney Reimer briefly referenced his firm's quarterly newsletter, *Legal and Legislative Update, Volume 18, Issue 2, April 2020*, and will continue to keep the Board informed of any court rulings that might affect our Fund. He limited his comments to matters regarding the Governor's new Executive Order effective May 1, 2020 which proposes a new stay at home order until May 30, 2020. However, he advised that, as of this evening, the new Executive Order has not been posted on the Governor's website, but he will keep the Board updated regarding this matter when more information becomes available.

D. Application for Membership Into the Fund – Officer Stephen Kanis

The application of newly hired officer Stephen Kanis was reviewed.

Motion by President Fritz, seconded by Vice President Bruett, to accept Officer Stephen Kanis into the Village of Bloomingdale Police Pension Fund effective as of his hire date of February 5, 2020, as a Tier 2 participant, since he does not have creditable law enforcement service prior to January 1, 2011.

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

**MOTION DECLARED CARRIED**

E. Application for a Regular Service Pension – Timothy Roberts

The application from Timothy Roberts for a regular service pension was reviewed. Finance Director/Treasurer Szott advised that the Village Board would be considering the FY21 pay plan effective 5/1/20 at a future meeting, which could change the initial pension benefit calculations reflected in the correspondence presented to the Pension Board for their approval.

Motion by President Fritz, seconded by Vice President Bruett, to award a regular service pension to Timothy Roberts, aged 50, for his 25 years, 10 months, and 9 days of creditable service as a Tier 1 employee from 6/27/1994 to 05/05/2020 equal to 62.5% of his salary attached to his rank of \$144,788.80/year, for an initial annual pension of \$90,493.00/yr. effective 05/06/20, for an initial prorated (26 days) monthly benefit of \$6,324.78, and as calculated by the Department of Insurance Benefit Calculator. Pension Clerk Perry conducted a roll call, and recorded the following voice votes:

AYES: President Fritz, Vice President Bruett, Trustee Abruzzo

ABSENT: Secretary Levato, Asst. Secretary Machek

NAYS: None

**MOTION DECLARED CARRIED**

8. **OLD BUSINESS**

A. Fiduciary Liability Insurance for FY21

The Board had previously directed Finance Director/Treasurer Szott to renew the Fund's Fiduciary Liability Insurance coverage with Travelers for FY21, which includes him as an additional insured person (see page 25 of Specimen Quote 1). A copy of the renewal policy from Travelers was presented to the Board for their review.

Motion by President Fritz, seconded by Trustee Abruzzo, to approve the renewal policy from Travelers Casualty and Surety Company of America for the Fund's Fiduciary Liability Insurance for FY21, and the premium payment in the amount of \$5,028.00, and to authorize Vice President Bruett to sign the Binder.

AYES: President Fritz, Vice President Bruett, Trustee Abruzzo

ABSENT: Secretary Levato, Asst. Secretary Machek

NAYS: None

**MOTION DECLARED CARRIED**

A discussion was held due to the sizeable increase in cost from Travelers this year, and to possibly seek quotes from multiple insurance companies for fiduciary liability insurance for FY22. Attorney Reimer recommended that, perhaps six months into FY21, Finance Director/Treasurer Szott seek a quote for fiduciary liability insurance

from Travelers for FY22, and to also seek quotes from other insurance companies, such as Ulico or Euclid, for fiduciary liability insurance.

**B. FY21 Budget Review and Approval**

The Board reviewed the final Pension Fund budget for Fiscal Year 20/21 submitted by Finance Director/Treasurer Szott to the Board for their approval. He advised the only changes from the previous version that was presented at the meeting held on January 27, 2020, was the termination of the service pension for Charles Mader and the implementation of a service pension to Timothy Roberts.

Motion by President Fritz, seconded by Vice President Bruett, to approve the FY20/21 budget as presented. Upon roll call by Clerk Perry, the following voice votes were recorded:

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

**MOTION DECLARED CARRIED**

**C. Investment Records Document Archiving/Disposal**

Finance Director/Treasurer advised the Board the State guidelines for retaining investment records is 7 years, after which they can be disposed of. Although he sought and received authorization from the Local Records Unit/Illinois State Archives to dispose of the Funds' investment records in excess of the 7-year retention requirement, he is asking the Board for their consent to follow the State guideline to hold investment records for 7 years, or to get direction from the Board to hold the records for a longer period of time. After a brief discussion, the Board unanimously agreed that retaining the investment records for 7 years would be sufficient. Finance Director/Treasurer Szott advised he would follow the 7-year State guideline, and present the Board with specific information at a future meeting regarding which records were disposed of under the current authorization he received to dispose of local records.

Motion by President Fritz, seconded by Trustee Abruzzo, to authorize Finance Director/Treasurer Szott to follow the 7-year retention guideline from the State for the Fund's investment documents, and to proceed to dispose of the Fund's investment records that exceed the 7-year retention period.

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

**MOTION DECLARED CARRIED**

D. Attendance at the Annual IPPFA Conference

Due to the social distancing requirement and other restrictions currently in place due to the COVID-19 pandemic, Fund Attorney Reimer recommended the trustees table their discussion regarding their attendance at the annual IPPFA Conference until their next meeting, and the Board agreed. Clerk Perry was instructed to place this item on the agenda for their next meeting to be held on July 27, 2020.

9. **FINANCIAL REPORTS AND INVESTMENTS**

A. Treasurer's Report for the Period ended 03/31/20

Finance Director/Treasurer Szott advised that, due to all the volatility in the market, the value of the Fund's portfolio decreased by approximately \$6 million since 12/31/19. He reported the Fund's portfolio allocation had 58% in equities and 42% in fixed income assets. The Fund's target allocation is 65% equities, 35% fixed income. He continued with an overview of the performance of the Fund's equities and mutual funds. He further advised that the Fund had an estimated \$5.6 million in available funds to invest, of which \$2.1 million could be invested in equities to meet the Fund's portfolio target equity allocation of 65%. He further advised that several bonds were called during the first quarter, which is reflected in the Fund's bond ladder.

Motion by President Fritz, seconded by Vice President Bruett, to approve by voice vote the Treasurer's Report for the period ended 3/31/20. Upon roll call, the Clerk recorded the following voice votes:

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

**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, 2020 is attached to these Minutes for the record.

B. Potential Purchase or Sale of Securities

The Board discussed several investment opportunities for the Fund's \$5.6 million in available funds. Finance Director/Treasurer advised that \$3.3 million of the \$6 million that the Board previously authorized, at the 3/10/20 meeting, for him to invest in annuity contracts has been invested in annuity contracts, including a new variable annuity contract with Gary Fuchs as the annuitant, specifically in Perspective II-Variable annuity #0421, as directed by the Board. The entire \$6.0 million had not been invested due to the need to manage the available cash as the proceeds from the

Venerable annuity contract was just received today. Finance Director/Treasurer Szott requested direction from the Board as to whether or not to complete the investment instructions given to him at their meeting on March 10, 2020 of which \$2.7 million is still available to invest.

He also advised that earlier today he received the proceeds in the amount of \$4.8 million from the termination of the variable annuity from the Venerable Insurance Company on which Charles Mader was the annuitant. This was less than the \$5.1 million it was valued at on 12/31/19 due to the performance of the equity markets.

After discussion, the Board agreed to complete the previously authorized investment of \$6.0M in annuity contracts.

Motion by President Fritz, seconded by Trustee Abruzzo, granting Finance Director/Treasurer Szott the authority and discretion to invest up to \$1.2 million in available funds in authorized fixed income investments, excluding GICs, with a maximum maturity not to exceed seven (7) years.

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

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

**MOTION DECLARED CARRIED**

C Approval of Payments

The Board reviewed the list of payments and expenditures.

Motion by President Fritz, seconded by Vice President Bruett, to approve by voice vote the payments and expenditures in the amount of \$7,208.74, per the itemized list dated April 27, 2020.

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

**MOTION DECLARED CARRIED**

10. **INFORMATION ITEMS**

A. Request for Charles Mader Death Certificate

Finance Director/Treasurer Szott advised he submitted an application to the Cook County Circuit Clerk's Office along with a letter detailing sufficient proof that the Bloomingdale Police Pension Fund had a legal right to obtain a certified death certificate for Charles J. Mader. He also wanted to let the Board know about the

valuable assistance provided by Larry Rankens of Mischler Financial in successfully obtaining the required death certificate for Charles Mader from the Cook County Circuit Clerk's Office, which was closed due to the COVID-19 pandemic. The annuity could not be surrendered without the death certificate, and without the intervention from Larry Rankens, who persuaded someone from the Cook County Circuit Clerk's Office to physically go in to the office and print the death certificate, there is no telling how much time it would have taken to obtain the death certificate from Cook County.

President Fritz, along with the other trustees present, expressed their appreciation to Finance Director/Treasurer Szott for his persistence in successfully obtaining Mader's certified death certificate on behalf of the Fund.

B. Status Update – Return of 2020 Annual Certification Forms from Beneficiaries

Clerk Perry reported that all of the beneficiaries have returned their completed Certification of Eligibility form for 2020.

11. COMMENTS FROM THE PUBLIC

No comments, as no one from the public participated in the web-based meeting.

12. MEETING ADJOURNMENT

President Fritz called for a motion to adjourn.

On a Motion by Vice President Bruett, seconded by President Fritz, the Regular Meeting of the Police Pension Fund held on April 27, 2020 was adjourned at 6:34 P.M.

AYES: President Fritz, Vice President Bruett, Trustee Abruzzo

ABSENT: Secretary Levato, Asst. Secretary Machek

NAYS: None

MOTION DECLARED CARRIED

Respectfully submitted,



Patricia Perry  
Police Pension Board Clerk

Minutes approved by:



(Name)

7/27/20  
(Date)