

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,  
FEBRUARY 8, 2021

---

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 Jeffrey Fritz at 5:03 p.m.

3. **ROLL CALL**

Attending In-Person: President Jeffrey Fritz, Vice President Bruett,  
Asst. Secretary Stephen Abruzzo

**QUORUM PRESENT**

Attending Remotely: Secretary Edward Levato, Jr.

Absent: None

Also Present: Finance Director/Treasurer Gary Szott, Fund Attorney Rick Reimer,  
Reimer, Dobrovolny & LaBardi PC

4. **ACCEPTANCE OF MEETING MINUTES**

A. The trustees reviewed the Minutes of the Regular Meeting of October 26, 2020 which they had previously received electronically.

Motion by Vice President Bruett, seconded by Asst. Secretary Abruzzo, to waive a reading of the Minutes and to accept the Regular Meeting Minutes of the Bloomingdale Police Pension Fund Board held on October 26, 2020, as presented. Upon a roll call by the Clerk, the following voice votes were recorded:

AYES President Fritz, Vice President Bruett, Secretary Levato,  
Asst. Secretary Abruzzo

NAYS None

ABSENT None

**MOTION DECLARED CARRIED**

B. Correction to Minutes of the Regular Meeting held July 27, 2020

Finance Director/Treasurer indicated a correction was needed on page 3 of the Minutes of the July 27, 2020 meeting; specifically, item 5E Updating of Authorized Signatories of the Fund to strike the listed position of Secretary and replace it with the position of Vice President (Bruett) as a signatory of the Fund. The Board then directed the Clerk to make the specified change to the original minutes.

Motion by President Fritz, seconded by Vice President Bruett, directing Clerk Perry to make a correction to page 3 of the Minutes of the July 27, 2020 meeting; specifically, correcting item 5E Updating of Authorized Signatories of the Fund by striking the listed position of Secretary and replacing it with the position of Vice President (Bruett) as a signatory of the Fund. After the correction, Item 5E will read as follows: "... As a result of the reappointment of the Fund officers holding the positions of President (Fritz) and Vice President (Bruett), no changes to the names for either of those two (2) positions are necessary."

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

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

**MOTION DECLARED CARRIED**

5. **NEW BUSINESS**

A. **Fiduciary Liability Insurance**

Finance Director/Treasurer Szott advised the Fund's FY21 Fiduciary Liability Insurance with Travelers will be expiring on May 1, 2021. Although the Board previously expressed their unwillingness to automatically renew the Fund's policy with Travelers in FY22, coverage from Travelers should not be allowed to lapse before suitable fiduciary liability insurance can be obtained from an alternate provider before that date. Because the process of finding an alternate fiduciary liability insurance provider would take considerable time, Finance Director/Treasurer Szott asked for the Board's assistance in seeking and evaluating quotes from at least two other fiduciary insurance providers.

Fund Attorney Reimer provided the name of a potential broker, and President Fritz offered to contact that broker to request that he seek quotes on behalf of the Fund from at least two fiduciary liability insurance providers, other than Travelers. President Fritz will oversee the process of evaluating and comparing any new quotes received, and provide feedback to the Board as soon as possible. The Board will make a final decision regarding a Fiduciary Liability Insurance policy for FY22 at their next scheduled meeting on April 26, 2021.

B. FY22 Preliminary Police Pension Budget

Finance Director/Treasurer Szott presented the draft budget of Revenues, Expenses and Changes in Fund Balance for the period May 1, 2021 through April 30, 2022, for review by the Board. No Board action is required at this time. He will present a final budget to the Board for its approval at their April meeting.

6. FINANCIAL REPORTS AND INVESTMENTS

A. Treasurer's Report for Period Ended 12/31/2020

Finance Director/Treasurer Szott provided a review of the Treasurer's Report for the period ended 12/31/20. Regarding the Fund's portfolio distribution, he advised the Fund's equity positions represented 74% of its total net assets, which is higher than the Fund's target equity allocation of 65%, (or just under \$4 million in excess of the target allocation) due to the strong performance of the equity markets in 2020. He continued with a summary of the performance of the Fund's mutual fund positions, which had a 29% return measured as of the end of the last fiscal year, which was 4/30/2020. In terms of the next actuarial report, if this type of high level of return holds, he would anticipate an opportunity to reduce the Fund's interest rate assumption in its actuarial, which in the long run would benefit the Fund, and it would also have a positive impact in long term employer contributions, or property tax levels. He pointed out that the Village had been waiting for a good year in terms of portfolio performance to reduce the interest rate assumption in the actuarial report, which is currently 7.375%. Also, the fiscal year to date estimated rate of return through 12/31/20 is just under 30% for variable annuities, so if this rate of return carries through until 4/30/21, it will be a real strong year in terms of the Fund's portfolio performance. He also reported that \$915,385 in capital gains and income distributions from the Fund's mutual fund positions was reinvested, as always. He further noted that three out of four bond positions were called due to the low interest environment. Lastly, he reported that the Fund has \$2.0 million in available funds to invest.

Motion by President Fritz, seconded by Asst. Secretary Abruzzo, to approve the Treasurer's Report for the period ended 12/31/20, as presented. Upon roll call, the Clerk recorded the following voice votes:

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

**MOTION DECLARED CARRIED**

In accordance with the Division of Insurance requirements, a copy of the Treasurer's Report for the period ending December 31, 2020 is attached to these Minutes for the record.

B. Potential Purchase or Sale of Securities

There was discussion regarding the investment of \$2.0 million in available cash, given the current yield rates for various investment products. Finance Director/Treasurer advised that currently in the fixed income environment, the Fund's cash position is yielding 0.26%. Discussion continued regarding yields for future maturity date options.

Motion by Secretary Levato, seconded by President Fritz, to grant Finance Director/Treasurer Szott the authority and discretion to invest up to \$500,000 of available funds in fixed income securities with a maximum maturity not to exceed seven (7) years.

Upon roll call, the Pension Clerk recorded the following voice votes:

AYES            President Fritz, Vice President Bruett, Secretary Levato,  
                         Asst. Secretary Abruzzo

NAYS            None

ABSENT        None

**MOTION DECLARED CARRIED**

7. **OLD BUSINESS**

A. CBLife Correspondence

No action taken due to the expiration of the withdrawal option.

B. IMET FFF Repo Fraud Matter

IMET's Convenience Fund Disclosure #45 was previously distributed to all Trustees by Finance Director/Treasurer Szott. The update advised that litigation was still being pursued by certain clients, who have agreed to engage in a non-binding mediation process currently scheduled for the second quarter of 2021. Finance Director/Treasurer Szott advised that, once this particular issue is resolved, then the entire Repo Fraud Matter will be concluded. As of the present time, IMET has recovered 58% of its total loss from the fraud through the various avenues it was able to uncover.

8. **INFORMATION ONLY ITEMS**

A. Actuarial Valuation Report as of May 1, 2020

Finance Director/Treasurer Szott advised the Actuarial Valuation Report as of May 1, 2020, is a report provided by the Illinois Department of Insurance after they conduct their own Actuarial Valuation which provides their recommendation for what our tax levy request should be. According to Actuarial Report from the Illinois Department of Insurance, the Fund should have asked the Village to levy \$2.8 million; however, the Village levied the amount of \$2,222,001, which is a difference of approximately \$600,000. No action is needed; the report is for information only.

Removal from the Roll – Finance Director/Treasurer Szott left the meeting at 5:50 p.m.

**5. (Continued . . .) NEW BUSINESS**

**C. Notarization Requirement – Annual Certification of Beneficiary Forms**

In light of the COVID-19 pandemic, the requirement for beneficiaries to have their completed Annual Affidavit of Continuing Eligibility notarized was questioned by one of the beneficiaries. Said beneficiary wrote to request the Board cancel, or at least postpone, this requirement until the pandemic is over to limit his contacts by not having to meet with a notary in person. In discussing this matter, the Board rejected the premise that canceling or suspending the notarization requirement during the pandemic was necessary, given that businesses have implemented social-distancing and other personal protection measures to keep operating safely. Clerk Perry informed the Board that one other beneficiary had returned their form without a notarization, and two others had not yet returned their completed forms. Fund Attorney Reimer advised that Clerk Perry could be the notary for a beneficiary through the use of Facebook, FaceTime, or other video social media, whereby she could witness the beneficiary holding their completed and signed form, then subsequently notarize their form when she received it back from them via the mail. The Board members agreed to allow this alternate method of obtaining notarized Annual Affidavit of Continuing Eligibility forms from beneficiaries.

Motion by President Fritz, seconded by Asst. Secretary Abruzzo, to retain the notarization requirement on all Annual Affidavit of Continuing Eligibility forms returned by the beneficiaries; and also to authorize beneficiaries the ability to satisfy the notarization requirement on their Annual Affidavit of Continuing Eligibility form by arranging with the Clerk of the Pension Fund via Facebook, FaceTime, or other video social media, to witness their signature, whereupon the Clerk would notarize their form upon receipt in the mail.

Upon roll call, the Pension Clerk recorded the following voice votes:

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

**MOTION DECLARED CARRIED**

Clerk Perry was then instructed to follow up with those beneficiaries who have not yet returned their completed and notarized affidavits, and to advise them of the alternative method of notarization.

D. Review/Amendment of Fund's Rules and Regulations

As a result of the Consolidation, the training requirements for new trustees was reduced; specifically, all pension board trustees appointed or elected after January 1, 2020 are required to successfully complete the mandatory sixteen (16) hour new trustee training within eighteen (18) months of their appointment or election, which is a reduction from the previous training mandate of thirty-two (32) hours for new trustees. Therefore, an amendment to the Fund's Rules and Regulations §503c) is necessary. Fund Attorney Reimer advised he would make the necessary amendment and provide the Board with the Fund's amended Rules and Regulations for their approval and adoption at their next Regular meeting on April 26, 2021.

Motion by President Fritz, seconded by Vice President Bruett, to authorize Fund Attorney Reimer to amend §503c) of the Fund's Rules to conform to the new mandated training requirement that all pension board trustees appointed or elected after January 1, 2020 are required to successfully complete the mandatory sixteen (16) hour new trustee training within eighteen (18) months of their appointment or election.

Upon roll call, the Pension Clerk recorded the following voice votes:

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

**MOTION DECLARED CARRIED**

E. Call for Election – From the Regular Police Force

The term set to expire after Monday, May 10, 2021 is presently held by Vice President Bruett, who has now retired from the police department, and thus is ineligible to run for re-election as a member of the regular police force. Therefore, the Board will need to hold an election to fill a new trustee 2-year term commencing on Tuesday, May 11, 2021. The Board directed the Clerk to prepare the necessary documentation to manage the election.

Motion by President Fritz, seconded by Asst. Secretary Abruzzo, authorizing an election to be held on the third Monday in April (April 19, 2021) for the purpose of electing one (1) member from the Regular Police Force of the Village of Bloomingdale to a 2-year term commencing on the second Tuesday in May (May 11, 2021) and expiring after Monday, May 9, 2023. In the event that two or more candidates run for the position of Board Trustee, the Clerk will prepare ballots for the election, and returned ballots will be due back by 4:00 p.m. on the third Monday in April (April 19, 2021). The returned ballots will be opened and counted at the next Regular Meeting of the Police Pension Board at 5:00 p.m. on

Monday, April 26, 2021. If only one candidate places their name on the nomination sheet by the deadline of March 19, 2021, that candidate will be elected by acclamation. Upon roll call, the Clerk recorded the following voice votes:

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

**MOTION DECLARED CARRIED**

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

**C. Approval of Payments**

The itemized list of payments and expenditures of the Fund was reviewed by the Board.

Motion by President Fritz, seconded by Asst. Secretary Abruzzo, to approve by voice vote those payments and expenditures totaling \$2,821.42 per the itemized list dated February 8, 2021 (copy attached to these Minutes).

Upon roll call, the Pension Clerk recorded the following voice votes:

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

**MOTION DECLARED CARRIED**

**7. (Continued . . .) OLD BUSINESS**

**C. Trustee Training – Status Update**

Clerk Perry advised that newly elected Asst. Secretary Abruzzo has recently signed up to take the 16-hour new trustee training on-line, and Secretary Levato has provided her with copies of the fiduciary and ethics training he received through his employer, satisfying his annual training requirement; however, he still needs to complete the mandated 4-hour transition training. Additionally, President Fritz and Vice President Bruett attended the IPPFA Midwest Conference in October, 2020, and have therefore completed their mandated annual and transition training, as well.

D. Pension Clerk Position – Status Update

With the upcoming resignation of Clerk Perry effective May 31, 2021, the Fund must seek new candidates for the position of Clerk. Discussion ensued regarding the process, since it is up to the Pension Fund to appoint someone to the Clerk position. If the Village could send out an in-house position announcement, ideally, an in-house candidate would be interested in the position; in the alternative, outside candidates would have to be sought. Since there presently is no job description for the position, Fund Attorney Reimer advised the Fund should develop a job description and establish required skills for the position. Clerk Perry advised that, if a suitable candidate is selected prior to her resignation, it would take approximately one week to train her successor, which she would be willing to do after hours, if necessary. At the direction of the Board, Clerk Perry will contact Asst. Village Administrator Weber about developing a job description, identifying the required skills, estimating the number of hours the job would entail, and posting an in-house notice for the position of Pension Clerk.

8. (Continued . . .) INFORMATION ONLY ITEMS

B. Bonilla QILDRO

Fund Attorney Reimer advised the Board that a QILDRO and consent to issuance was received in the Bonilla matter. He further advised the information needed to begin the process for a Calculation Order was sent on February 3, 2021 to the attorney for Pamela Bonilla, Attorney David Lee. However, Attorney Reimer stipulated that whenever a QILDRO provides the spouse is to receive a certain percentage as part of the marital settlement, as it does in this case, the final salary for Samuel Bonilla cannot be determined at this time, since he is still an active member.

C. Legal and Legislative Update, Reimer, Dobrovolny & LaBardi PC (Vol 19, Issue 1 – January 2021).

Fund Attorney Reimer reviewed the content of the newsletter regarding pending or proposed pension legislation, possible smoothing methodology of the amortization process, police reform, termination of disability pensions, remote attendance options, procedures during virtual meetings, and other relevant matters of interest to the Bloomingdale Pension Fund.

D. Letter to Village President Coladipietro Regarding Annual Tax Levy Requirements for the Tax Year 2021/Attorney Reimer (10/29/20)

The Board noted that the amount of \$2,222,002.00 recommended in the letter from Attorney Reimer was the amount levied by the Village. No action needed – information only.



9. **MEETING ADJOURNMENT**

On a Motion by President Fritz, seconded by Vice President Bruett, the Regular Meeting of the Police Pension Fund held on February 8, 2021 was adjourned at 6:30 P.M.


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

**MOTION DECLARED CARRIED**

Respectfully submitted,



Patricia Perry  
Police Pension Board Clerk

Minutes approved by:  \_\_\_\_\_ 04-26-2021  
(Name) (Date)