

## **Approved at 8/15/2022 PPB meeting**

REGULAR MEETING MINUTES OF THE BLOOMINGDALE  
POLICE PENSION BOARD MEETING  
CONFERENCE ROOM OF THE VILLAGE HALL  
201 SOUTH BLOOMINGDALE ROAD,  
May 2, 2022

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### **1. CALL TO ORDER**

The meeting was called to order by President Fritz at 4:48 p.m.

### **2. ROLL CALL**

Present: President Jeffrey Fritz, Vice President Bruce Mason,  
Secretary Ed Levato

Absent: Assistant Secretary Steve Abruzzo

Also Present: Gary Szott, Finance Director/Treasurer, Asst. Finance Director Tori  
Montbriand, Fund Attorney Rick Reimer, and Greg Kiesewetter/Cook  
Castle Associates LLC, Officer Phil Jaffe

### **QUORUM PRESENT**

### **3. AUDIENCE PARTICIPATION**

No members of the public were participants in the meeting.

### **4. ACCEPTANCE OF MINUTES**

Upon a Motion by President Fritz, seconded by Vice President Mason, to waive a reading of the Minutes and to accept the Regular Meeting Minutes of the Bloomingdale Police Pension Fund Board held on January 24, 2022, as presented

AYES: All Trustees Present  
NAYS: None  
ABSENT: Assistant Secretary Abruzzo

### **MOTION DECLARED CARRIED**

### **5. ELECTION RESULT – ELECTION BY ACCLAMATION**

An election was held to fill one (1) trustee vacancy from the roster of active police officer membership. During the candidate nomination period, only one person, Phil Jaffe submitted their name for candidacy by the deadline of April 25, 2022; therefore, the Board deemed that Phil Jaffe was elected by acclamation to the position of Pension Board Trustee.

Motion by President Fritz, seconded by Vice President Mason, to certify the election by acclamation of Phil Jaffe to fill the active Police Officer Trustee Position on the Bloomingdale Police Pension Board for a two-year term to commence on the 2<sup>nd</sup> Tuesday in May (May 9, 2022) and expire after Monday, May 13, 2024.

AYES: All Trustees Present  
NAYS: None  
ABSENT: Assistant Secretary Abruzzo

**MOTION DECLARED CARRIED**

**6. FINANCIAL REPORTS AND INVESTMENTS**

A. Treasurer's Report for the Period ended 03/31/2022

Finance Director/Treasurer Szott advised that the Fund had an estimated \$1.4 million in available cash to invest.

He then presented a summary of the pie chart representing the Fund's portfolio distribution allocation. He reported that 71% of the Fund's portfolio, or approximately \$33,287,155 million, was in equities (mutual funds and variable annuity separate accounts) which is above the Fund's target allocation of 65% by approximately \$2.7 million, and 29-30% was in fixed income assets. He further stated the estimated fiscal year return through 3/31/22 on the Fund's mutual funds was -15%, and on its variable annuity accounts, the estimated return was 4.52%.

Finance Director/Treasurer continued with a review of the Fund's bond ladder and with regard to the Fund's projected cash flow and future pension liabilities.

Motion by President Fritz, seconded by Vice President Mason, the Treasurer's Report for the period ended 3/31/22. Upon roll call, the Clerk recorded the following voice votes:

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

**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, 2022 is attached to these Minutes for the record.

B. Potential Purchase or Sale of Securities

With regard to the Board's inability to invest in additional equity products, the Board discussed the limited investment opportunities for the Fund's available cash. A very lengthy conversation was had;

A lengthy conversation was brought up about the death event of retired officer Terry Marker and what to do with his contract. He was named on an annuity contract. Treasurer Szott offered 4 different solutions to either cash out the contract. Solution 2 would be to hold on to the contract and continue to have Terry's name on it until the decision would be made on how to invest it. Solution 3 would be to take the old contract and roll it into a new contract and name a new annuitant. Solution 4 would be to rollover the contract and disperse it among the other contracts the board has in place. Another conversation that was had was with any solutions above how the board would like to proceed with investing any of the solutions.

No motion as the board will discuss again at the next meeting when they find out more about the IPOPIF possible transfer of assets date.

C Approval of Payments

The Board reviewed the list of payments and expenditures.

Motion by President Fritz, seconded by Vice President Mason, to approve by roll call the payments and expenditures in the amount of \$8,368.28, per the itemized list dated May 2, 2022. Upon roll call by Clerk Van Winkle, the following votes were recorded:

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

**MOTION DECLARED CARRIED**

7. **NEW BUSINESS**

A. Fiduciary Liability Insurance Renewal

For the Fund's Fiduciary Liability Insurance coverage for FY23 Greg Kiesewetter of Cook Castle Associates, LLC was invited to present what renewal costs were and to answer any questions for the board. For Fiduciary Liability Insurance coverage at tonight's meeting.

After the presentation, the Board asked Mr. Kiesewetter several questions regarding the coverage provisions, and reviewed the two quotes presented regarding claim limits and premium costs.

After their discussion, the Board unanimously agreed to accept option #1 for coverage in the amount of \$1m Limit for a total premium of \$5,644.00 from the Hudson Insurance Company, which is rated "A" Excellent Financial Size Category XV by

A.M. Best. In addition to the policy covering the current Trustees and Finance Director Szott, the Board wanted the policy to also include insurance endorsements for the positions of Asst. Finance Director and Pension Board Clerk.

Motion by President Fritz, seconded by Vice President Mason, to accept the proposal for - \$1m Limit each claim from the Hudson Insurance Company for the Fund's Fiduciary Liability Insurance for FY23 that would provide coverage for the current Trustees, Finance Director/Treasurer, Asst. Finance Director, and the Pension Board Clerk; and to approve the premium payment in the amount of \$5,644.00, and to authorize President Fritz to sign the Binder.

AYES: President Fritz, Vice President Mason, Secretary Levato,  
NAYS: None  
ABSENT: Assistant Secretary Abruzzo

**MOTION DECLARED CARRIED**

B. Application into the Fund

1) The Application from Patrick Lyons

Motion by President Fritz, seconded by Secretary Levato, to accept Officer Lyons into the pension fund as a Tier 2 employee effective 03/21/22. Pension Clerk Van Winkle conducted a roll call, and recorded the following votes:

AYES: President Fritz, Vice President Mason, Secretary Levato,  
NAYS: None  
ABSENT: Assistant Secretary Abruzzo

**MOTION DECLARED CARRIED**

Application into the Fund

2) The Application from Patrick Pokrovac

Motion by President Fritz, seconded by Secretary Levato, to accept Officer Pokrovac into the pension fund as a Tier 2 employee effective 03/23/22. Pension Clerk Van Winkle conducted a roll call, and recorded the following votes:

AYES: President Fritz, Vice President Mason, Secretary Levato,  
NAYS: None  
ABSENT: Assistant Secretary Abruzzo

**MOTION DECLARED CARRIED**

C. Application for a Regular Service Pension

1) John Krueger

The application from John Krueger for a regular service pension was reviewed.

Motion by President Fritz, seconded by Secretary Levato, to award a regular service pension to John Krueger aged 56, for his 30 years and 1 month creditable service as a Tier 1 employee from 06/22/92 to 06/22/22 equal to 75% of his salary attached to his rank of \$143,977.60/year, for an initial annual pension of \$107,983.20/yr. effective 06/23/22, for an initial monthly benefit of \$8998.60, and additional prorated amount of \$2,399.63 equals 8 prorated days x \$8,998.60 from date range 6/23/2022-6/30/2022 and as calculated by the Department of Insurance Benefit Calculator.

An additional calculation will need to be done if Village Board approves any pay range changes as well as DC Krueger's annual merit review to reflect an annual rate increase for all village employees. The dates that this was effective for was 6/1/22-6/21/22. Pension Clerk Van Winkle conducted a roll call, and recorded the following voice votes:

AYES: President Fritz, Vice President Mason, Secretary Levato,

NAYS: None

ABSENT: Assistant Secretary Abruzzo

**MOTION DECLARED CARRIED**

D. Application for Refund of Contributions:

Carmen Curio

Finance Director/Treasurer advised that the previously approved refund of contributions in the amount of \$28,152.84 has been issued to Carmen Curio after he recently contacted him to advise his desired method of refund.

Pension Clerk Van Winkle conducted a roll call, and recorded the following votes:

AYES: President Fritz, Vice President Mason, Secretary Levato,

NAYS: NONE

ABSENT: Assistant Secretary Abruzzo

**MOTION DECLARED CARRIED**

Application for Refund of Contributions:

1) Sean Lahvic

Finance Director/Treasurer advised that the previously approved refund of contributions in the amount of \$41,032.72 has been issued to Sean Lahvic after he recently contacted him to advise his desired method of refund.

Pension Clerk Van Winkle conducted a roll call, and recorded the following votes:

AYES: President Fritz, Vice President Mason, Secretary Levato,  
NAYS: NONE  
ABSENT: Assistant Secretary Abruzzo

**MOTION DECLARED CARRIED**

E. Alcozer QILDRO

Fund Attorney Reimer advised the Board that a QILDRO and consent to issuance was received in the Alcozer matter. He further advised a letter will be sent out before the end of the week including a payment result.

F. Illinois Department of Insurance Examination of Police Pension Fund- Response

The Board acknowledged the draft report of the examination (audit) of the Bloomingdale Police Pension Fund for a two-year period ended April 30, 2021.

G. Review of Fund's Investment Policy -Sustainability Factors

Due to the state's transfer asset date and receiving the letter after, the Board has decided to amend and update the current investment policy in accordance to the state guidelines in place.

Motion by President Fritz, seconded by Vice President Mason, to amend our investment policy in accordance to state's policy 1-113.6 (401 LCS).

Pension Clerk Van Winkle conducted a roll call, and recorded the following votes:

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AYES: President Fritz, Vice President Mason, Secretary Levato,

NAYS: NONE

ABSENT: Assistant Secretary Abruzzo

H. Fund's Letter of Protest to the IL Dept. of Insurance– FY23 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 President Fritz, seconded by Vice President Mason, 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: President Fritz, Vice President Mason, Secretary Levato,

NAYS: None

ABSENT: Asst. Secretary Abruzzo

**MOTION DECLARED CARRIED**

I. Attendance at the Annual IPPFA Conference

The Board discussed the 2022 IPPFA Training Conference being held in Oak Brook, Illinois beginning October 5 through October 7, 2022. The Board members agreed to send up to three (3) Board trustees, specifically, President Fritz, Vice President Mason, and incoming Trustee Phil Jaffe, to the IPPFA Conference this year. Additionally, incoming Trustee Jaffe will also complete his initial trustee training on-line.

Motion by President Fritz, seconded by Vice President Mason, to approve by voice vote the registration fees, hotel room fees, mileage reimbursement, and eligible per diem expenses for up to three (3) people to attend the Annual IPPFA Conference being held in Oak Brook, Illinois from October 5 until October 7, 2022.

Upon roll call, Clerk Van Winkle recorded the following voice votes:

AYES: President Fritz, Vice President Mason, Secretary Levato,

NAYS: None

ABSENT: Asst. Secretary Abruzzo

**MOTION DECLARED CARRIED**

**8. OLD BUSINESS**

A. Status of Asset Transfer to IPOPIF-Verbal

The new transfer date has been set for **5/2/2022**.

B. IPOPIF Cash Management and Custodian Account Access Form:

The Board resolution that Finance Assistant Victoria Montbriand will be additional party to be added to the access form.

Motion by President Fritz, seconded by Vice President Mason, to approve and complete the Enterprise ECFM form and resolution 22-01 that designates Assistant Finance Director Victoria Montbriand as an additional custodian. Upon roll call by Clerk Van Winkle, the following voice votes were recorded:

AYES: President Fritz, Vice President Mason, Secretary Levato,

NAYS: None

ABSENT: Asst. Secretary Abruzzo

**MOTION DECLARED CARRIED**

C. Fifth Third Securities-Corporate and Unincorporated Organization Resolution

The Board had a discussion on what was required to execute the pension's assets to the state. The Board had requested for Treasurer Szott to complete all forms required and send transfer of assets to the state.

Motion by President Fritz, seconded by Vice President Mason, to approve Treasurer Szott to complete and execute all forms required to transfer assets to the IPOPIF. Upon roll call by Clerk Van Winkle, the following voice votes were recorded:

AYES: President Fritz, Vice President Mason, Secretary Levato,

NAYS: None

ABSENT: Asst. Secretary Abruzzo



**MOTION DECLARED CARRIED**

D. FY23 Budget Review and Approval

The Board reviewed the final Pension Fund budget for Fiscal Year 22/23 submitted by Finance Director/Treasurer Szott to the Board for their approval. He advised that he updated the January preliminary budget previously submitted to the Board to reflect the pension application that is on the agenda tonight, as well as the returned applications, with the assumption that the Board would approve the pension benefits. No other updates or changes were made to the preliminary budget.

Motion by Vice President Mason, seconded by Secretary Levato, to approve the final FY22/23 as presented. Upon roll call by Clerk Van Winkle, the following voice votes were recorded:

AYES: President Fritz, Vice President Mason, Secretary Levato,

NAYS: None

ABSENT: Asst. Secretary Abruzzo

**MOTION DECLARED CARRIED**

D. Status Update Trustee Training-Verbal

Clerk Van Winkle advised that Vice President Mason had recently signed up to take the 16-hour training on-line, and has successfully completed and submitted record of completion.

F. Status of Request to Transfer Creditable Service-James Winters.

It was reported to the Board that James Winters has decided not to take the transfer of assets. It was noted by the Board and is an information item.

9. **INFORMATION ITEMS**

A. Fund Attorney Report (Verbal)

Fund Attorney Rick Reimer briefly summarized the cases referenced in his firm's quarterly newsletter, *Legal and Legislative Update, Volume 23, Issue 2, April 2022*, Cases he thought to be of particular interest to our Board were those involving the

deceased officer surviving spouse not entitled to Immediate Benefits. He also provided an update on the lawsuit regarding the Consolidation. He will continue to keep the Board informed of any court rulings that might affect our Fund.

**B. Status Update – Returned 2022 Annual Certification Forms from Beneficiaries**

Clerk Van Winkle reported that 3 beneficiaries have not yet returned their notarized completed form.

**10. COMMENTS FROM THE PUBLIC**

None

**11. MEETING ADJOURNMENT**

President Fritz called for a motion to adjourn.

On a Motion by President Fritz, seconded Vice President Mason, the Regular Meeting of the Police Pension Fund held on April 26, 2021 was adjourned at 6:23 P.M.

AYES: President Fritz, Vice President Mason Secretary Levato,

NAYS: None

ABSENT: Asst. Secretary Abruzzo

**MOTION DECLARED CARRIED**

Respectfully submitted,



Sara Van Winkle  
Police Pension Board Clerk

Minutes approved by:

(Name)



(Date)

15 May 22