



The Police Pension Fund

VILLAGE OF LOMBARD

235 EAST WILSON AVE. LOMBARD, IL 60148

MINUTES OF A REGULAR MEETING OF THE LOMBARD POLICE PENSION FUND BOARD OF TRUSTEES JANUARY 11, 2023

A regular meeting of the Lombard Police Pension Fund Board of Trustees was held on Wednesday, January 11, 2023 at 11:00 a.m. in the Chief's Conference Room located at 235 E. Wilson Avenue, Lombard, Illinois 60148, pursuant to notice.

CALL TO ORDER: Trustee Ranallo called the meeting to order at 11:02 a.m.

ROLL CALL:

PRESENT: Trustees Benny Ranallo, Jerry Peterson, Richard Spika, Dan Brink and Tom Wirsing

ABSENT: None

ALSO PRESENT: Attorney Jeff Goodloe, Puchalski Goodloe, LLC; John Falduto, Sawyer Falduto Asset Management, LLC; Finance Director Tim Sexton and Accountant Jessica Nawracaj, Village of Lombard; Michelle Rice, Lauterbach & Amen, LLP (L&A); Retiree Richard Shafer, Lombard Police Department

PUBLIC COMMENT: Mr. Shafer addressed the Board with questions regarding the impact that consolidation has had on the Board's investment returns. Mr. Falduto answered all questions.

Mr. Shafer addressed the Board with his disagreement regarding direct deposit requirements for pension benefits.

APPROVAL OF MEETING MINUTES: *October 17, 2022 Regular Meeting:* The Board reviewed the October 17, 2022 regular meeting minutes. A motion was made by Trustee Wirsing and seconded by Trustee Brink to approve the October 17, 2022 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes for review.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the eleven-month period ending November 30, 2022 prepared by L&A. As of November 30, 2022, the net position held in trust for pension benefits is \$74,955,881.01 for a change in position of (\$12,583,058.38). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Spika and seconded by Trustee Peterson to accept the Monthly Financial Report as presented. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing

NAYS: None

ABSENT: None

Presentation and Approval of Bills and Additional Bills, if any: The Board reviewed the Vendor Check Report for the period September 1, 2022 through November 30, 2022 for total disbursements of \$224,903.67 and the following additional bills:

- Invoice #0000338 from Puchalski Goodloe LLC in the amount of \$1,713.00 for legal services rendered

- Reimbursement for lunch at the pension meeting in the amount of \$163.40

A motion was made by Trustee Wirsing and seconded by Trustee Spika to approve the disbursements shown on the Vendor Check Report in the amount of \$224,903.67 and the additional bills as presented. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

Discussion/Possible Action – Cash Management Policy: The Board discussed the current process of employee and employer contributions being deposited into the IMET account. A motion was made by Trustee Spika and seconded by Trustee Wirsing to direct all future tax monies, Village contributions, employee contributions and any other deposits from the IMET account to the Schwab account. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

A motion was made by Trustee Spika and seconded by Trustee Brink to transfer the current balances in the IMET and IL Funds accounts to the Schwab account. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

The Board discussed the balance in the Schwab account. A motion was made by Trustee Spika and seconded by Trustee Ranallo to direct Sawyer Falduto once the Schwab account balance reaches \$700,000 or more to transfer the excess funds exceeding \$600,000 to the BMO Harris account to transfer to State Street for investment purposes, effective upon confirmation the repeat withdrawals are setup. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

Repeat Monthly Withdrawals for 2023: The Board discussed establishing a repeat monthly withdrawal from State Street to the BMO Harris account in the amount of \$570,00 per month effective February 15, 2023 through December 15, 2023. A motion was made by Trustee Spika and seconded by Trustee Ranallo to establish the repeat monthly withdrawals as discussed. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

The Board discussed the balance in the BMO Harris bank account. A motion was made by Trustee Spika and seconded by Trustee Wirsing to direct L&A once the account reaches \$30,000 or more to transfer the excess funds exceeding \$15,000 to State Street for investment purposes. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

INVESTMENT REPORT: *Sawyer Falduto Asset Management, LLC* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending December 31, 2022. Post consolidation of the Funds assets, the ending balance in the Schwab Money Market account is \$2,065,738. A motion

was made by Trustee Wirsing and seconded by Trustee Ranallo to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

IPOPIF – Verus Advisory Inc.: The Board reviewed the October 31, 2022 Investment Report provided by Verus Advisory Inc.

Statement of Results: The Board reviewed the November 2022 State Street Statement of Results.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: There were no applications for membership or withdrawals from the Fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Scott Frieling:* The Board reviewed the regular retirement benefit for Scott Frieling. Officer Frieling had an entry date of January 2, 1996; retirement date of January 3, 2023; effective date of benefit of January 4, 2023; 50 years of age at date of retirement; 27 years of creditable service; applicable salary of \$115,659.85; applicable pension percentage of 67.50%; amount of originally granted monthly pension of \$6,505.87; amount of originally granted annual pension of \$78,070.44. A motion was made by Trustee Wirsing and seconded by Trustee Peterson to approve the regular retirement benefits for Scott Frieling calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

Deceased Pensioner – Michael Kinney/Approve Surviving Spouse Benefit – Susan Kinney: The Board noted that pensioner Michael Kinney passed away December 25, 2022. L&A has reached out to his current spouse, with no response received to date. Further discussion will be held at the next regular meeting.

TRUSTEE TRAINING UPDATES: The Board discussed upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

Approval of Trustee Training Registration Fees and Reimbursable Expenses: The Board discussed the 2023 IPPFA Spring Conference. A motion was made by Trustee Ranallo and seconded by Trustee Spika to approve registration fees and hotel reservations for Trustees interested in attending the 2023 IPPFA Spring Conference. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

OLD BUSINESS: *Chicago Police to Lombard Police Transfer Request – Cory Cairo, Cesar Castellanos, Sabrina Hernandez, Kinga Stanek and Jashuwa Turbe:* The Board noted that Cory Cairo, Cesar Castellanos, Sabrina Hernandez, Kinga Stanek and Jashuwa Turbe submitted requests to transfer time from Chicago Police to Lombard Police. Further discussion will be held at the next regular meeting.

NEW BUSINESS: *Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter Renewal:* The Board reviewed the L&A three-year engagement letter renewal. A motion was made by Trustee Ranallo and seconded by Trustee Wirsing to engage L&A for three-years as follows: \$1,305 for fiscal

year ended December 31, 2023; \$1,345 for fiscal year ended December 31, 2024; and \$1,385 for fiscal year ended December 31, 2025. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

Approve Annual Cost of Living Adjustments for Pensioners: The Board reviewed the 2023 Cost of Living Adjustments for Pensioners. A motion was made by Trustee Spika and seconded by Trustee Ranallo to approve the 2023 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Wirsing is expiring in May 2023. The Board also noted that the appointed member position currently held by Trustee Brink is expiring in April 2023 and he is interested in remaining on the Board. The Board will contact the Village and seek reappointment of Trustee Brink to the Board.

Review/Approve – Updated Local Account Collateralization Agreement: The Board reviewed the memorandum prepared by L&A regarding the successor of the third-party custodian from Bank of America to The Bank of New York Mellon to continue collateralization of the BMO Harris Bank operating account. A motion was made by Trustee Spika and seconded by Trustee Peterson to authorize the execution of the updated tri-party pledge depository agreement on behalf of the Fund. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board noted that List of Filers must be submitted to the County by the Village by February 1, 2023. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2023.

Affidavits of Continued Eligibility: The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with a due date of January 31, 2023. A status update will be provided at the next regular meeting.

ATTORNEY’S REPORT – PUCHALSKI GOODLOE LLC: *QILDRO – Garrett Klunk:* Attorney Goodloe apprised the Board that the QILDRO Calculation Order and additional \$50 processing fee for Garrett Klunk have been received. A motion was made by Trustee Ranallo and seconded by Trustee Wirsing to approve the QILDRO Calculation Order as prepared. Motion carried by roll call vote.

AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

Independent Medical Examination – Joseph Metallo: Attorney Goodloe apprised the Board that Joseph Metallo attended his annual independent medical examination, and it was determined that he remains disabled at this time. A motion was made by Trustee Wirsing and seconded by Trustee Peterson to continue the disability benefits for Joseph Metallo subject to further annual examinations until age 50. Motion carried by roll call vote.

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AYES: Trustees Ranallo, Peterson, Spika, Brink and Wirsing
NAYS: None
ABSENT: None

Legal Updates: Attorney Goodloe discussed recent legislative news pertaining to Article 3 Pension Funds; including recent court cases and decisions, as well as general pension matters.

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

ADJOURNMENT: A motion was made by Trustee Wirsing and seconded by Trustee Ranallo to adjourn the meeting at 12:27 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for April 17, 2023 at 1:00 p.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 4/17/23

Minutes prepared by Michelle Rice, Pension Services Administrator, Lauterbach & Amen, LLP