



**THE REGULAR MEETING MINUTES OF THE CRETE
POLICE PENSION FUND BOARD OF TRUSTEES
APRIL 11, 2018**



A regular meeting of the Crete Police Pension Fund Board of Trustees was held on Wednesday, April 11, 2018 at 4:00 pm at the Village Hall located at 524 W. Exchange Street, Crete, IL 60417.

CALL TO ORDER: Trustee David Wallace called the meeting to order at 4:03 pm.

ROLL CALL:

PRESENT: Trustees David Wallace, Michael Buzan, Norbert Wilkening, and Aldon Taylor

ABSENT: Trustee Rebecca Nagle

ALSO PRESENT: Bill Galgan, Wall & Associates; Eric Endriukaitis and Stefanie Bravo, Lauterbach & Amen, LLP (L&A); Mayor Michael Einhorn Village of Crete

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MINUTES: *January 10, 2018 Regular Meeting:* The Board reviewed the minutes from the January 10, 2018 regular meeting. A motion was made by Trustee Wilkening and seconded by Trustee Wallace to approve the January 10, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the ten-month period ending February 28, 2018. As of February 28, 2018, the net position held in trust for pension benefits is \$8,187,920.28 with a change in position of \$735,768.02. The Board reviewed the Cash Analysis Report, Revenue Report, Expense Report and Payroll Journal. A motion was made by Trustee Taylor and seconded by Trustee Wilkening to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the Vendor Checks Report for the period December 1, 2017 through February 28, 2018 for total disbursements of \$25,444.63. A motion was made by Trustee Wilkening and seconded by Trustee Buzan to approve the disbursements shown on the Vendor Checks Report in the amount of \$25,444.63. Motion carried by roll call vote.

AYES: Trustees Wallace, Buzan, Wilkening, and Taylor

NAYS: None

ABSENT: Trustee Nagle

Additional Bills, if any – Wall & Associates First Quarter 2018 Invoice: The Board reviewed the Wall & Associates First Quarter 2018 invoice in the amount of \$5,926.98. A motion was made by Trustee Buzan and seconded by Trustee Taylor to approve the invoice as presented. Motion carried by roll call vote.

AYES: Trustees Wallace, Buzan, Wilkening, and Taylor

NAYS: None

ABSENT: Trustee Nagle

Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued and payment is due by June 30, 2018. A motion was made by Trustee Wilkening and seconded by Trustee Buzan to approve payment of the IDOI Compliance Fee, in an amount not to exceed \$2,000, upon receipt of the invoice. Motion carried by roll call vote.

AYES: Trustees Wallace, Buzan, Wilkening, and Taylor
NAYS: None
ABSENT: Trustee Nagle

INVESTMENT REPORT – WALL & ASSOCIATES: Mr. Galgan informed that Board that Wall & Associates is now Wall Capital Group.

Performance Summary Review: Mr. Galgan presented the Performance Summary for the period ending March 31, 2018. As of March 31, 2018, the ending market value net of fees is \$8,053,821.15 for a time weighted return of -0.78%. The current asset allocation is: 4.91% Cash; 47.44% US Stock; 5.93% Non-US Stock; 41.71% Bonds; and 0.01% Other Investments. Mr. Galgan reviewed the Fixed Annuities, Government Fixed Income, Domestic Equity, International and Real Estate portfolios with the Board. A motion was made by Trustee Buzan and seconded by Trustee Taylor to accept the March 31, 2018 Performance Summary as presented. Motion carried by roll call vote.

AYES: Trustees Wallace, Buzan, Wilkening, and Taylor
NAYS: None
ABSENT: Trustee Nagle

Review/Update Investment Policy: The Board discussed investing in small cap stocks with a minimum of 0%, a target of 5%, and a maximum of 10% within the Board's equity allocation. A motion was made by Trustee Wilkening and seconded by Trustee Buzan to change the equity allocation as recommended by Wall & Associates. Motion carried by roll call vote.

AYES: Trustees Wallace, Buzan, Wilkening, and Taylor
NAYS: None
ABSENT: Trustee Nagle

A motion was made by Trustee Wilkening and seconded by Trustee Buzan to utilize the S&P SmallCap 600 as the Board's bench mark in small cap stocks. Motion carried by roll call vote.

AYES: Trustees Wallace, Buzan, Wilkening, and Taylor
NAYS: None
ABSENT: Trustee Nagle

The Board discussed changing the equity allocation within the investment policy as stated above. A motion was made by Trustee Buzan and seconded by Trustee Taylor to update the investment policy equity allocation as stated. Motion carried by roll call vote.

AYES: Trustees Wallace, Buzan, Wilkening, and Taylor
NAYS: None
ABSENT: Trustee Nagle

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – Michael Cage Jr., Robert Fitzgerald, and Anthony Konvalinka:* The Board noted that Michael Cage Jr., Robert Fitzgerald, and Anthony Konvalinka were accepted into the Crete

Police Pension Fund at the previous meeting, pending their necessary documents as required by the IDOI. All documents have been received.

Applications for Membership – Michael A. Lucia, David A. Nelson, and Gabrielle A. Nickel: The Board noted that Michael A. Lucia, David A. Nelson, and Gabrielle A. Nickel have completed Applications for Membership but have not submitted all necessary documents required by the IDOI. Further updates will be provided to the Board as they become available.

Contribution Refund Request – Allen J. Rinchich: The Board reviewed the contribution refund request submitted by Allen J. Rinchich. A motion was made by Trustee Taylor and seconded by Trustee Buzan to ratify Allen J. Rinchich's contribution refund in the amount of \$25,010.09 paid directly to himself. Motion carried by roll call vote.

AYES: Trustees Wallace, Buzan, Wilkening, and Taylor
NAYS: None
ABSENT: Trustee Nagle

Contribution Refund Request – Michael Rarity: The Board noted that Michael Rarity was paid out his accrued vacation and sick leave per the police Union contract and Village policy. The Village then realized that terminal vacation and sick leave is not subject to pension calculations or contributions. The Village calculated the overpayment in the amount of \$108.66, which the Village recognized belongs to Mr. Rarity. The Pension Fund reimbursed the Village in the amount of \$108.66, and the Village forwarded the amount to Mr. Rarity. No further action is required.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Revised Regular Retirement Benefits/Retroactive Payment – Robert A. Hill:* The Board reviewed the revised regular retirement benefit calculation for Robert A. Hill prepared by L&A. Deputy Chief Hill had an entry date of 03/25/96, retirement date of 06/14/17, effective date of pension of 06/15/17, 50 years of age at date of retirement, 21 years of creditable service, applicable salary of \$89,849.76, applicable pension percentage of 52.50%, amount of originally granted monthly pension of \$3,930.93 and amount of originally granted annual pension of \$47,171.16. The Board noted that Robert A. Hill is due a retroactive payment in the amount of \$503.59 for the period June 15, 2017 through December 31, 2017 due to the recalculation of his regular retirement benefit as a result of the contract settlement. A motion was made by Trustee Wilkening and seconded by Trustee Taylor to approve Robert A. Hill's revised regular retirement benefit and the retroactive payment in the amount of \$503.59 as calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Wallace, Buzan, Wilkening, and Taylor
NAYS: None
ABSENT: Trustee Nagle

OLD BUSINESS: *Update BMO Harris Bank Signature Cards/Resolution:* The Board noted that they were in the process of completing the updated Harris Bank forms but Trustee Wilkening requested to be removed, due to his employment with Thrivent Financial. L&A will provide the Board with the paperwork to update the BMO Harris Bank Signature Cards with the current Board members. The Board will obtain signatures from the Trustees and will submit the completed forms to L&A to update with BMO Harris Bank.

NEW BUSINESS: *Certify Board Election Results – Retired Member Position:* L&A conducted an election for the Retired Member position on the Crete Police Pension Fund Board of Trustees. David Wallace ran unopposed and was reelected by acclamation for a two-year term expiring April 30, 2020. A motion was made by Trustee Buzan and seconded by Trustee Wilkening to certify the Active Member election results. Motion carried by roll call vote.

AYES: Trustees Wallace, Buzan, Wilkening, and Taylor

NAYS: None

ABSENT: Trustee Nagle

Appointed Member Term Expiration – Rebecca Nagle: The Board noted that Trustee Nagle's appointed term expires April 30, 2018 and reappointment has been requested. Mayor Einhorn verbally stated that Trustee Nagle is reappointed to serve a two-year term expiring April 30, 2020.

TRUSTEE TRAINING UPDATES: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit all training certificates to L&A for recordkeeping.

COMMUNICATION & REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A will mail Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. A status update will be provided at the next scheduled meeting.

Statements of Economic Interest: The Board was reminded that the Statements of Economic Interest are due by May 1, 2018.

ATTORNEY'S REPORT: *Legal Updates:* There were no legal updates at this time.

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

ADJOURNMENT: A motion was made by Trustee Wilkening and seconded by Trustee Taylor to adjourn the meeting at 5:54 pm. Motion carried unanimously by voice vote.

David Wallace, Board President

Rebecca Nagle, Board Secretary

Minutes approved by the Board of Trustees on 7-11-2018.

~ *The next regular meeting is scheduled for July 11, 2018 at 4:00 pm* ~

Minutes prepared by Stefanie Bravo, Pension Services Administrator