

MINUTES OF WOODRIDGE POLICE PENSION BOARD

MEETING – Wednesday July 20, 2016

CALL MEETING TO ORDER

Meeting was called to order at 7:01 p.m.

ROLL CALL

Present: Trustees Walters, Malayter, Murphy, Holman

Also Present: Treasurer Alletto; Rick Reimer, attorney;
Ted Kirpach & Michael Stuart, mb financial bank

Guests: Christina Jaremus, Clark Baird Smith
Maureen Albright, HR Manager, Village of Woodridge

Excused: Trustee Bodnar

PUBLIC COMMENT

None

APPROVAL OF MINUTES FOR APRIL 20, 2016 MEETING

Motion made by Trustee Murphy, seconded by Trustee Holman to approve the minutes for the April 20, 2016 meeting. Motion carried by unanimous voice vote.

APPROVAL OF QUARTERLY TREASURER'S REPORT AND INVESTMENT PORTFOLIO DATED JUNE 30, 2016

Treasurer Alletto advised the Board that as of June the fund held \$31,640,328 in assets, with the bulk of that in equities at \$17.4 million, followed by fixed income at \$13.5 million, and a small amount in cash in equivalents.

Motion made by Trustee Murphy to approve the portfolio update, seconded by Trustee Malayter. Motion carried by unanimous voice vote.

DISCUSSION – MB FINANCIAL BANK – INTRODUCTION AND NEW AGREEMENT

Michael Stuart introduced himself to the Board as their new investment manager. Mr. Stuart reviewed the revised agreement with the Board. Treasurer Alletto reminded the Board that they wanted the agreement to reflect that the bills were now being paid by mb financial.

Motion made by Trustee Malayter to approve the new agreement with mb financial, seconded by Trustee Holman. Motion carried by unanimous voice vote.

DISCUSSION– MB FINANCIAL PERFORMANCE UPDATE

Mb financial reviewed the quarterly financial performance with the Board.

Motion made by Trustee Malayter to approve the new agreement with mb financial, seconded by Trustee Holman. Motion carried by unanimous voice vote.

APPROVAL OF INVOICES

Vendor	Description	Amount
Reimer Dobrovolny & Karlson LLC	Quarterly Retainer April – June	\$1,579.60
Reimer Dobrovolny & Karlson LLC	Quarterly Retainer July - September	\$2,146.93
Illinois State Treasurer	Compliance Fee	\$6,304.43
INSPE Associates, LTD (Dempsey)	Dr. Weine Exam, Review & Report	\$4,140.00
INSPE Associates, LTD (Dempsey)	Dr. Reff Exam, Review & Report	\$5,610.00
INSPE Associates, LTD (Dempsey)	Dr. Brook exam, testing, & Eval	\$5,760.00

Motion made by Trustee Murphy to approve the six invoices, seconded by Trustee Holman. Motion carried by roll call.

AYES: Murphy, Malayter, Walters, Holman
NAYS: None
Motion was approved

IDOI REPORT

Treasurer Alletto presented the annual Illinois Department of Insurance report. She advised that this has been filed with the State. She also said that this was a review and approval of this, but due to the timing of the due date she had to get the document signed ahead of time. She added that Trustee Malayter reviewed the report prior to signing.

Motion made by Trustee Malayter to approve the IDOI Report, seconded by Trustee Holman. Motion carried by unanimous voice vote.

APPLICATION TO POLICE PENSION FUND FOR REFUND OF CONTRIBUTIONS – MACIEJ MAKOWSKI

The Board reviewed an application for refund of contributions from Maciej Makowski. Treasurer Alletto advised that Maciej Makowski had a total of \$62,426.23 in employee contributions that will be refunded.

Motion made by Trustee Malayter to approve the request for refund of contributions, seconded by Trustee Murphy. Motion carried by unanimous voice vote.

APPLICATION TO POLICE PENSION FUND FOR REFUND OF CONTRIBUTIONS – CATHERINE MAKOWSKI

The Board reviewed an application for refund of contributions from Catherine Makowski. Treasurer Alletto advised that Catherine Makowski had a total of \$64,961.96 in employee contributions that will be refunded.

Motion made by Trustee Malayter to approve the request for refund of contributions, seconded by Trustee Murphy. Motion carried by unanimous voice vote.

ANNUAL FIDUCIARY PROGRAM RENEWAL

The Board discussed the renewals of the funds liability insurance that expires on October 22, 2016. Treasurer Alletto advised the Board that the application was completed and submitted; however, the renewal rate amount had not been received.

Direction was given by the Board for staff to proceed with the fiduciary insurance with Traveler's Insurance provided that the increase does not exceed 10 percent of last year's premium.

Motion made by Trustee Malayter to approve the renewal of the fiduciary insurance with Travelers if the increase does not exceed 10 percent of last years premium, seconded by Trustee Murphy. Motion carried by unanimous voice vote.

MEDICAL REVIEW FOR MICHAEL DEMPSEY

Attorney Reimer advised that all medical reports have been received from the doctors and the Village filed a petition to intervene. He introduced Christina Jaremus, who was there representing the Village. Mr. Reimer stated that he gave the applicants attorney an opportunity to object and there has been none made. Therefore; he advised that the Board needs to grant a motion allowing the Village to intervene. He further advised that granting this motion does not change the Board's position of having the final decision.

Motion made by Trustee Murphy to grant a motion allowing the Village to intervene, seconded by Trustee Malayter. Motion carried by roll call.

AYES: Murphy, Malayter, Walters, Holman

NAYS: None

Motion was approved

Christina Jaremus of Clark Baird Smith explained to the Board that once an application for disability is awarded often applicants move for health insurance benefits under PSEBA. She said it is a two-part analysis where first you have to have a catastrophic injury in the line of duty, and once that is satisfied the applicant does not have to prove anything in the subsequent PSEBA proceedings.

She advised that there is a second element that the applicant does have to prove and part of the Villages interest in intervening is to make sure that no findings of fact are made without regard to that second element, which could affect that subsequent claim which is separate from the line of duty disability pension.

Mr. Reimer advised the Board that he will send everything that he has in regard to the applicants request for disability pension to the Village. The Village has from then 14 days to review the material, identity and produce any additional documents.

Mr. Reimer also asked for a signature on a subpoena for IRMA to obtain documents that IRMA has in their possession. He advised that once all the documents are received, the Board will need to go back to the doctors with the additional information.

He said once that is done, a hearing will be scheduled. Trustee Walters asked for further clarification. Mr. Reimer advised that the Board will first hear evidence and then there will be an Executive Session where the Board deliberates. Trustee Walters signed the subpoena.

MEDICAL REVIEW FOR TOM KALYVAS

Mr. Reimer advised that Mr. Kalyvas remains disabled.

Motion made by Trustee Malayter to continue Tom Kalyvas' disability, seconded by Trustee Murphy. Motion carried by roll call.

AYES: Murphy, Malayter, Walters, Holman

NAYS: None

Motion was approved

APPLICATION TO THE POLICE PENSION FUND – ADAM KRISTOF

The Board reviewed Adam Kristof's application to the Police Pension fund.

Motion made by Trustee Malayter to approve Adam Kristof's application to the pension fund, seconded by Trustee Holman. Motion carried by unanimous voice vote.

OVERPAYMENT OF PENSION – ALICE DONNELLS

Treasurer Alletto advised the Board that staff has been touch with the fiduciary policy's insurance company and they advised that the Board can file a claim and they would review and let us know. She stated further that there is a 4% loss ratio and anything under 3% would be if the Board filed a claim. Therefore, there wouldn't be an impact on their rating. The insurance company also mentioned that the Board does not have a crime bond and she asked Mr. Reimer if he could speak to what that means.

Mr. Reimer said it is called a fidelity bond, which would compensate the fund in the event of theft by an officer or someone else. He advised the Board that most of his clients don't have it. He said there is no requirement to have a bond in the police fund.

Treasurer Alletto advised further that there is no deductible if the Board choses to submit a claim, but we would not know whether it was covered until after it was submitted. She asked the Board if they wish to take it to that step.

Motion made by Trustee Murphy to decline submitting a claim with the fiduciary insurance, seconded by Trustee Malayter. Motion carried by unanimous voice vote.

LIFE LETTERS

Treasurer Alletto stated that it was time for staff to send out Life Letters to all the pension members to make sure that they are still living. She said she will update the Board in October.

TRAINING HOURS

Treasurer Alletto advised the Board to just review their training hours on the spreadsheet.

LETTER FROM THE VILLAGE BOARD

Treasurer Alletto advised that the Village Board met on June 16th to discuss additional funding to the police pension fund. She said that at that meeting it was recommended that they provide an additional \$250,000 to the pension fund. She said that as part of that discussion they talked about the importance of investment returns. She stated further that after this discussion the Board had asked if the pension Board had done any benchmarking to any other pension funds in the immediate area.

Treasurer Alletto passed out a survey that Naperville sent out. She said that she wanted to share the results with the Board. She also advised the Board that the actuary would be back in the fall to have some lengthy conversations on what the Board wants to do with their interest rate assumption.

The Board declined at this time to do any benchmarking, stating they were satisfied with mb financials performance.

LEGAL & LEGISLATIVE UPDATES

Rick Reimer discussed with the Board that he would provide the disability documents for Michael Dempsey in thumb-drive format.

Mr. Reimer then handed out his third quarter report.

CONFIRMATION OF THE NEXT QUARTERLY MEETING DATE

Trustee Bodnar advised the Board that the next meeting would be October 19, 2016.

ADJOURNMENT

Motion to adjourn made by Trustee Holman and seconded by Trustee Malayter. Motion carried by unanimous voice vote. Meeting adjourned at 8:55 p.m.

Village of Woodridge
Police Pension Board Minutes
July 20, 2016
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Minutes transcribed by:
Tina M. Nakutis
Administrative Assistant
Department of Finance
September 2016

POLICE PENSION FUND
BOARD OF TRUSTEES

The minutes of July 20, 2016 meeting were approved this 19th day of October 2016.

William Bodnar

Fred Malayter

Mark Walters

Adrienne Murphy

Jeanene Holman