

MINUTES OF ROCKTON POLICE PENSION BOARD

Regular Meeting

Tuesday – 10/23/2019

CALL TO ORDER:

President Bruce Lans called the Police Pension Board regular meeting to order at 4:10 P.M.

ROLL CALL:

Present were: Bruce Lans, Ron Montgomery, Russell Schaefer, Officer Johnson and Sgt. Camacho. A quorum was present. Dave Harrington of Sawyer Falduto Asset Management, Village Treasurer Jaye Quimby and Pension Board Attorney Chris Potthoff of Reimer Dobrovoly and Lauterbach & Amen Enrolled Actuary Robert Rietz were in attendance.

PUBLIC COMMENT TIME:

There were no public comments.

APPROVAL OF MINUTES:

A motion was made by Mr. Schaefer to approve the Police Pension Board regular meeting minutes from 7/30/2019 and special meeting minutes from 09/30/2019, seconded by Officer Johnson. Voice vote: unanimous ayes – motion carried.

A copy of minutes for the Rockton Police Pension Board 7/30/2019 and 9/30/2019 meetings have been added to the meeting minutes file.

ACTUARIAL REPORT:

Mr. Rietz from Lauterbach & Amen who provided detailed review of:

1. Actuarial Valuation as of June 1st, 2019

The provided reports were draft only based on the need for final confirmation of any changes to village assets through the Village of Rockton audit report.

Mr. Rietz will be able to attend the village finance committee meeting on 12/3/19 with Mr. Lans and Mr. Montgomery for presentation of all needed documents and the requested tax levy.

Also, a levy request letter will be drafted by Attorney Potthoff and sent to the Village of Rockton along with copies of the Actuarial Valuation Report, the Municipal Compliance Report and the GASB 67/68 Report.

Copies of draft documents were added to meeting file.

INVESTMENT ADVISOR REPORT:

Dave Harrington of Sawyer Falduto Asset Management provided the Investment Performance Report for the 3rd quarter of 2019 in the following summation:

	Quarter 3	Year-to-Date
Cash Flow Summary		
Beginning Market Value	\$6,243,870	\$5,578,317
Ending Market Value	\$6,577,504	\$6,577,504
Investment Return	\$81,317	\$674,540

Performance	Actual	Benchmark	Actual	Benchmark
Equity	0.40%	0.60%	18.10%	18.57%
Fixed Income	2.03%	2.39%	7.46%	7.66%
Cash Equivalents	0.43%	0.56%	1.34%	1.80%
Total Account Return (net of fees)	1.20%	1.60%	11.80%	12.65%

Asset Allocation	Actual	Range
Equity	44.7%	35 – 45%
Fixed Income	55.0%	50 – 60%
Cash Equivalents	0.3	0 – 10%

A motion was made by Mr. Lans, seconded by Mr. Montgomery to accept the investment advisor's report as presented by Sawyer Falduto Asset Management. Voice vote: unanimous ayes – motion carried.

Mr. Harrington reviewed the firm's EIEP model explaining the differences between our present practice and the provided alternative option. The Quarterly Investment Performance Report (3rd Quarter 2019) and Enhanced Index Equity Portfolio sample paperwork from Sawyer Falduto has been added to the meeting minutes file.

TREASURER'S REPORT:

Mrs. Quimby stated that financial reports for May and June had been emailed earlier to the Board.

Balance Sheets: Reported assets as of 9/30/2019 is \$6,569,273.75.

A motion was made by Mr. Lans, seconded by Mr. Schaefer to accept the Treasurer's report as presented by Mrs. Quimby. Voice vote: unanimous ayes – motion carried.

The balance sheets were added to the meeting minutes file.

APPROVE BILLS FOR PAYMENT:

Mr. Lans reviewed the following totals for bills for payment:

- a) Attorney Quarterly Retainer - \$750.00
- b) IPPFA Membership Dues - \$795.00
- c) Conference Travel Reimbursement (pre-approved)

A motion was made by Mr. Montgomery, seconded by Officer Johnson to authorize payment of the bills as noted. Upon roll call, the vote was: AYES: 5–Mr. Lans, Mr. Schaefer, Officer Johnson, Mr. Montgomery, and Sgt. Camacho NAYS: 0 ABSTAIN: 0

The invoices was added to the minutes file.

TRUSTEE TRAINING:

2019 Mid-American Conference - Sgt. Camacho confirmed that four members (Camacho/Lans/Johnson/Schaefer) had completed required 16.0 hours of training at the 2019 Conference. Sgt. Camacho will review documents filed to cover Mr. Montgomery's training that was completed through a business related source (24+ hours). Collected documents will be filed and emailed to Jaye Quimby for state reporting.

REQUEST FOR BENEFITS:

New Members – Sergeant Camacho reviewed the applications from Officers Larry Brostrom and Austin Harter. Copies added to file, originals were provided to the appropriate village staff.

Mr. Lans made the motion to accept both new officers into the pension fund, seconded by Officer Johnson. Upon roll call, the vote was: AYES: 5–Mr. Lans, Mr. Schaefer, Officer Johnson, Mr. Montgomery, and Sgt. Camacho NAYS: 0 ABSTAIN: 0

OLD BUSINESS:

DOI Statement – Mr. Lans reviewed the report and related documents that had been provided to board members. The report is complete other than training and audit items that need to be collected and added.

Mr. Lans made the motion to approve the DOI draft report and interrogatories, seconded by Mr. Montgomery. Upon roll call, the vote was: AYES: 5–Mr. Lans, Mr. Schaefer, Officer Johnson, Mr. Montgomery, and Sgt. Camacho NAYS: 0 ABSTAIN: 0

Lauterbach & Amen, LLP Engagement Update - Mr. Lans explained the negotiated final price (approved at last meeting) with the firm for annual services that had been reduced from the original quote.

Copies of the related documents were added to the file.

NEW BUSINESS:

Lauterbach & Amen, LLP – Actuarial Report/MCR/Tax Levy Request – Mr. Lans reviewed the draft report presented earlier by Mr. Reitz, discussion was had in regards to the required reporting documents to the village and suggested tax levy.

Mr. Lans made the motion to approve the draft actuarial report, MCR and requested village tax levy request (\$425,701.00), seconded by Mr. Montgomery. Upon roll call, the vote was: AYES: 5–Mr. Lans, Mr. Scahefer, Officer Johnson, Mr. Montgomery, and Sgt. Camacho NAYS: 0 ABSTAIN: 0

IPPFA Trustee Information Form – Sgt. Camacho confirmed that the form had been submitted to IPPFA and emailed to board members.

Fiduciary Liability Insurance Renewal – Mr. Lans reviewed the pending renewal date and annual billing amount for approval.

Mr. Johnson made the motion to approve the renewal of the board's Mesiraw Insurance Policy in the amount of \$2,280.00, seconded by Officer Johnson. Upon roll call, the vote was: AYES: 5—Mr. Lans, Mr. Schaefer, Officer Johnson, Mr. Montgomery, and Sgt. Camacho NAYS: 0 ABSTAIN: 0

Former Active Member Change – Sgt. Camacho reported that Mr. Dippel had left employment and would be eligible to submit for retirement in approximately four years at age 50.

Copies of available filings were added to the file.

ATTORNEY REPORT:

Legal Update – Mr. Potthoff reviewed the 10/2019 newsletter from his firm with board members. He also updated the board on the state's ongoing efforts to enact consolidation of police/fire pensions and the related issues that could create.

EXECUTIVE SESSION:

An executive session was not needed.

NEXT QUARTERLY MEETING:

The next regular Police Pension Board meeting is scheduled for Wednesday, January 22nd, 2020 at 4:00PM. 2020 dates were set for: 1/22/20. 4/22/20, 7/22/20 and 10/28/20.

ADJOURNMENT:

There being no further business, it was moved by Mr. Lans and seconded by Mr. Montgomery to adjourn. Voice vote: unanimous ayes – motion carried. The meeting adjourned at 5:30 pm.

Respectfully submitted,

Sergeant Dean A. Camacho #1303
Secretary

Approved: TBA (1/22/2020) () Yes () No