



ROCKTON POLICE PENSION FUND

110 East Main Street
Rockton, Illinois 61072



MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OCTOBER 27, 2021

A regular meeting of the Rockton Police Pension Fund Board of Trustees was held on Wednesday, October 27, 2021 at 4:00 p.m. in the Rockton Municipal Center located at 110 E. Main Street, Rockton, Illinois 61072, pursuant to notice.

CALL TO ORDER: Trustee Lans called the meeting to order at 4:01 p.m.

ROLL CALL:

PRESENT: Trustees Bruce Lans, Dean Camacho, Ronald Montgomery, Michael Johnson and Russell Schaefer

ABSENT: None

ALSO PRESENT: Treasurer Jaye Quimby and Village Collector Corine Hughes, Village of Rockton; Sergeant Kiza Davies, Rockton Police Department; Dave Harrington, Sawyer Falduto Asset Management, LLC; Attorney Chris Potthoff, Reimer Dobrovlny & LaBardi PC; Janet Arrieta, Anthony Gedvilas, Michael May and Lora Murphy, Lauterbach & Amen, LLP (L&A)

APPROVAL OF MEETING MINUTES: *July 28, 2021 Regular Meeting:* The Board reviewed the July 28, 2021 regular meeting minutes. A motion was made by Trustee Montgomery and seconded by Trustee Lans to approve the July 28, 2021 regular meeting minutes as written. Motion carried unanimously by voice vote.

PUBLIC COMMENT: There was no public comment.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Harrington presented the Quarterly Investment Performance Report for the period ending September 30, 2021. As of September 30, 2021, the third quarter net return is (0.4%) versus the third quarter account benchmark of (0.2%). The investment return for the quarter is (\$40,445) for an ending market value of \$9,159,065. The current asset allocation is as follows: fixed income at 54.2%, equities at 43.2% and cash equivalents at 2.5%. Mr. Harrington reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board. A motion was made by Trustee Lans and seconded by Trustee Schaefer to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: The Board discussed the Investment Policy and determined that no changes are required at this time.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the three-month period ending August 31, 2021, prepared by L&A. As of August 31, 2021, the net position held in trust for pension benefits is \$9,229,846.71 for a change in position of \$557,820.93. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period June 1, 2021 through August 31, 2021 for total disbursements of \$11,282.90. A motion was made by Trustee Camacho and seconded by Trustee Johnson to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$11,282.90. Motion carried by roll call vote.

AYES: Trustees Lans, Camacho, Montgomery, Johnson and Schaefer
NAYS: None
ABSENT: None

Additional Bills, if any: The Board reviewed the following additional bills for approval:

- Reimer Dobrovlny & LaBardi PC invoice #27326 in the amount of legal services. The Board noted that this invoice was approved at the July 28, 2021 meeting and noted in the minutes.
- Reimer Dobrovlny & LaBardi PC invoice #27492 in the amount of \$862.50 for the 2021 fourth quarter retainer fee and other legal services
- IPPFA invoice #3618 in the amount \$795 for the 2022 Membership Dues
- Lauterbach & Amen, LLP invoice # 58167 in the amount \$1,350 for monthly PSA Services for June and July 2021 and setup fees
- Lauterbach & Amen, LLP invoice #58836 in the amount \$300 for monthly PSA Services for August 2021
- Lauterbach & Amen, LLP invoice #59848 in the amount \$850 for monthly PSA Services and Accounting and Benefit Administration Services for September 2021.
- Lauterbach & Amen, LLP invoice # 58989 in the amount \$5,300 for the preparation of the Fiscal Year End May 31, 2021 IDOI Annual Statement, Setup of Accounting Records, Monthly Accounting for the period June 2020 through May 2021 and Accounting and Benefit Administration Services for the period of June 2021 through July 2021.
- Lauterbach & Amen, LLP (soon to be produced) invoice in the amount of \$550 for Accounting and Benefit Administration Services for August 2021

A motion was made by Trustee Lans and seconded by Trustee Johnson to approve the additional bills as presented. Motion carried by roll call vote.

AYES: Trustees Lans, Camacho, Montgomery, Johnson and Schaefer
NAYS: None
ABSENT: None

TREASURER'S REPORT – JAYE QUIMBY: *Discussion of Impact to Pension Fund Resulting from Recent Discovery by Village of Rockton of Payroll Errors in Payments to Members Over Multiple Years:* The Board noted that there are a few active members that have been paid inaccurately; two were underpaid and one was overpaid. Payroll adjustments may need to be completed and determine if adjustments will also need to be made to contributions withheld. The Village will provide an update regarding this matter at the next regular meeting.

Ms. Quimby reported that to date the Pension Fund's First National Bank and Trust Company checking account has a balance of approximately \$15,000 that will soon be transferred to the Pension Fund's Charles Schwab account.

COMMUNICATIONS AND REPORTS: *Response to FOIA Request from Financial Investment News:* The Board noted that Trustee Camacho received a FOIA Request from Financial Investment News and provided the requested documents to the organization.

TRUSTEE TRAINING UPDATES: The Board reviewed the Trustee Training Summary and 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 reviewed Trustee Lans reimbursement for registration in the amount of \$485 to virtually attend the 2021 IPPFA MidAmerican

Pension Conference. A motion was made by Trustee Montgomery and seconded by Trustee Schaefer to approve the Trustee training reimbursement request as presented. Motion carried by roll call vote.

AYES: Trustees Lans, Camacho, Montgomery, Johnson and Schaefer
NAYS: None
ABSENT: None

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: There were no applications for retirement or disability benefits.

OLD BUSINESS: IDOI Annual Statement: The Board noted that the IDOI Annual Statement will be filed with the Illinois Department of Insurance prior to the November 30, 2021 deadline. No further action is necessary.

Review/Approve – Contribution Refund Letters: The Board noted that L&A completed the letters and authorized L&A to mail them to members who resigned and still have contributions held with the Fund. No further action is needed at this time.

NEW BUSINESS: Review/Approve – Actuarial Valuation and Tax Levy Request: The Board reviewed the draft of the Actuarial Valuation prepared by L&A. Based on data and assumptions, the recommended contribution amount is \$405,485 which is a \$48,083 decrease from the prior year contribution. The statutory minimum contribution requirement is \$265,174. A motion was made by Trustee Lans and seconded by Trustee Montgomery to accept the Actuarial Valuation as prepared, based on no changes after receipt of the audited financials, and to request a tax levy in the amount of \$405,485 from the Village of Rockton. Motion carried by roll call vote.

AYES: Trustees Lans, Camacho, Montgomery, Johnson and Schaefer
NAYS: None
ABSENT: None

Review/Adopt – Municipal Compliance Report: The Board discussed authorizing L&A to prepare the Municipal Compliance Report to review and approve at the next regular meeting. A motion was made by Trustee Lans and seconded by Trustee Schaefer to authorize L&A to prepare the Municipal Compliance Report for the fiscal year ending May 31, 2021 based upon the Board approved Actuarial Valuation prepared by L&A. Motion carried by roll call vote.

AYES: Trustees Lans, Camacho, Montgomery, Johnson and Schaefer
NAYS: None
ABSENT: None

The Board will review and adopt the Municipal Compliance Report at the next regular meeting and noted that Attorney Pothoff will prepare and submit the tax levy letter to the Village.

Fiduciary Liability Insurance Renewal: The Board reviewed the fiduciary liability insurance renewal provided by Mesirow Insurance Services, Inc. through Ullico Casualty Group, LLC. A motion was made by Trustee Camacho and seconded by Trustee Johnson to approve payment of the fiduciary liability insurance renewal effective November 1, 2021 through November 1, 2022 in an amount not to exceed \$3,000. Motion carried by roll call vote.

AYES: Trustees Lans, Camacho, Montgomery, Johnson and Schaefer
NAYS: None
ABSENT: None

Post Meeting Note – The invoiced amount for the Fiduciary Liability Insurance Renewal effective November 1, 2021 through November 1, 2022 is \$2,350.

Ratification – Deferred Officer Ronald Dippel: The Board noted that Deferred Officer Ronald Dippel, who resigned in 2019, previously had an estimated effective date of benefits noted as March 24, 2033. However, he resigned from the department with over 20 years of service, therefore, it would be anticipated that his benefit would begin in 2023. Trustee Lans authorized Lauterbach & Amen, LLP’s actuary department, which has been engaged by the Pension Fund to do the Actuarial Valuation, to adjust the effective date of benefits for Deferred Officer Ronald Dippel to March 24, 2023. A motion was made by Trustee Lans and seconded by Trustee Camacho for ratification by the full Pension Fund Board of Trustees to amend Deferred Officer Ronald Dippel’s effective date of Benefits to March 24, 2023 for the use for the Actuarial Valuation prepared by L&A as discussed. Motion carried unanimously by voice vote.

Establish 2022 Board Meeting Dates: The Board discussed establishing the 2022 Board meeting dates as January 26, 2022; April 27, 2022; July 27, 2022; and October 26, 2022 at 4:00 p.m. at the Rockton Municipal Center located at 110 East Main Street, Rockton, Illinois 61072. A motion was made by Trustee Lans and seconded by Trustee Johnson to establish the 2022 Board meeting dates as stated. Motion carried unanimously by voice vote.

ATTORNEY’S REPORT – REIMBER DOBROVOLNY & LABARDI PC: *Legal Updates:* The Board reviewed the *Legal and Legislative Update* quarterly newsletter. Attorney Potthoff discussed recent court cases and decisions, as well as consolidation and general pension matters with the Board.

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

ADJOURNMENT: A motion was made by Trustee Johnson and seconded by Trustee Montgomery to adjourn the meeting at 5:31 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for January 26, 2022 at 4:00 p.m.



Board President or Secretary

Minutes approved by the Board of Trustees on _____.

Minutes prepared by Janet Arrieta, Pension Services Administrator, Lauterbach & Amen, LLP