

**MINUTES OF A REGULAR MEETING OF THE
LA GRANGE PARK POLICE PENSION FUND BOARD OF TRUSTEES
FEBRUARY 4, 2019**

A regular meeting of the La Grange Park Police Pension Fund Board of Trustees was held on Monday, February 4, 2019 at 6:30 p.m. in the Village Hall Board Room located at 447 N. Catherine Avenue, La Grange Park, Illinois 60526 pursuant to notice.

CALL TO ORDER: President Christopher O’Hea called the meeting to order at 6:31 p.m.

ROLL CALL:

PRESENT: President Christopher O’Hea, Vice President Michael Sabella, Secretary Fran Marrocco, and Trustee Bill Beaudway

ABSENT: Assistant Secretary Contois

ALSO PRESENT: Eric Laughlin, Morgan Stanley Investments; Finance Director Larry Noller, Village of La Grange Park; Robina Amato, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *October 22, 2018 Regular Meeting:* The Board reviewed the minutes from the October 22, 2018 regular meeting. A motion was made by Trustee Sabella and seconded by Trustee Beaudway to approve the October 22, 2018 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.

TREASURER’S REPORT: There was no Treasurer’s Report for review.

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the eight-month period ending December 31, 2018. As of December 31, 2018, the Fund’s net assets held in trust for pension benefits is \$13,731,193.11 with a change in position of -\$1,021,413.83. The Board reviewed the Cash Analysis, Revenue and Expense Reports, Member Contributions, Pensioner Payroll Journal and Vendor Check Report for the period October 1, 2018 through December 31, 2018, for total disbursements of \$98,145.50. A motion was made by Trustee Sabella and seconded by Trustee Marrocco to accept the Monthly Financial Report and to approve the fourth quarter Vendor Check Report in the amount of \$98,145.50. Motion carried unanimously by voice vote.

Additional Bills, if any: There were no additional bills presented for approval.

INVESTMENT REPORT – MORGAN STANLEY INVESTMENTS: *Investment Management Report:* Mr. Laughlin presented the Investment Management Report as of December 31, 2018. As of December 31, 2018, the ending market value of the portfolio is \$13,716,150.20. The total account return, net of fees for the fourth quarter is -8.22%. The total earnings, net of market fluctuation for the quarter are -\$1,242,862.48. The current asset allocation as of December 31, 2018 is as follows: Equities at 59.2%, Fixed Income & Preferreds at 34.4%, Alt. Strategies at 3.4%, and Cash at 2.9%. All questions were answered by Mr. Laughlin. A motion was made by Trustee O’Hea and seconded by Trustee Marrocco to accept the Investment Management Report as presented. Motion carried unanimously by voice vote.

Mr. Laughlin recommended reallocating \$250,000 from Madison Fixed Income to the Brokerage Account for the purpose of funding future benefit payments. A motion was made by Trustee O’Hea and seconded by Trustee Beaudway to reallocate the funds as discussed. Motion carried unanimously by voice vote.

Mr. Laughlin informed the Board of the new portfolio review process Morgan Stanley is implementing utilizing Clearwater Analytics. All questions were answered by Mr. Laughlin.

Mr. Laughlin also informed the Board of a new AAA Money Market Account Morgan Stanley is requiring of all Public Pension Funds. Mr. Laughlin provided the Board with the necessary paperwork to change the current money market accounts to the AAA accounts as discussed.

Mr. Laughlin provided the Board with the required annual fee disclosures.

Review/Update Investment Policy/Strategy: There were no updates to the Investment Policy or Strategy at this time.

COMMUNICATIONS OR REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers has been submitted to the County by the Village by February 1, 2019. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2019.

Review/Approve – Death Audit Service Authorization: The Board discussed the Death Audit Service offered through IPPFA and L&A and designated Trustee Marrocco as the Pension Fund Representative to communicate with L&A regarding the service. A motion was made by Trustee O’Hea and seconded by Trustee Marrocco to authorize the Death Audit Service as discussed and to execute the Death Audit Service Authorization form provided by L&A. Motion carried unanimously by voice vote.

2019 IRS Mileage Rate: The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.58 per mile effective January 1, 2019.

BOARD OFFICER REPORTS: There were no Board Officer reports at this time.

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.

TRUSTEE TRAINING UPDATES: The Board was presented with the Trustee Training Summary and upcoming training opportunities. The Board was reminded to send any continued education training certificates to L&A for recordkeeping.

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2019 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Sabella and seconded by Trustee O’Hea to approve the 2019 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried unanimously by voice vote.

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member terms currently held by Trustee Marrocco and Trustee Contois and the retired member term currently held by Trustee Beaudway are expiring in April 2019. Trustees Marrocco and Contois expressed their wishes to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for both of the active member Trustee positions and the retired member Trustee position.

ATTORNEY’S REPORT: The Board was presented with the *Legal and Legislative Update* quarterly newsletter, provided by Reimer & Dobrovlny PC.

CLOSED SESSION, IF NEEDED: No closed session was needed.

ADJOURNMENT: A motion was made by Trustee Sabella and seconded by Trustee O’Hea to adjourn the meeting at 7:30 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for April 22, 2019 at 6:30 p.m.

Respectfully Submitted,


Fran Marrocco, Secretary

Minutes approved by the Board of Trustees on 4-22-19 (date).

Minutes prepared by Robina Amato, Pension Services Administrator.