

**VILLAGE OF LA GRANGE**  
**POLICE PENSION FUND**  
**October 23, 2019**

Meeting was called to order by Secretary Ljubenko at 4:08 P.M. Present were President Beaver, Vice-President James, Secretary Ljubenko, Trustee Lannan and Finance Director/Treasurer Cipparrone. Also present were Investment Advisor Jessie Barrett (The Barrett Group) of Wells Fargo Advisors and Actuary Todd Schroeder of Lauterbach & Amen, LLP. Absent was Assistant Secretary Nemecek who arrived to the meeting later at 5:30 P.M, meeting continued quorum present.

Upon motion by Lannan, second by James, the Board unanimously approved the July 24, 2019 Board Minutes presented by Secretary Ljubenko.

Treasurer Cipparrone presented the Sept. 30, 2019 Police Pension Fund Activity Report.

Jessie Barrett (The Barrett Group) presented the Wells Fargo Advisors Asset Allocation Report and market update.

Todd Schroeder, Actuary of Lauterbach & Amen. LLP, presented to the Board the Actuarial Valuation Report dated April 30, 2019. The actuarial required Tax Levy requirement for FY 2020-2021 is **\$1,692,307.00** for the Police Pension Fund. The actuarial report did not incorporate the higher pension liability that the fund could possibly face given the likelihood that the Article 3 "Tier 2" plan violates the "safe harbor" standard of the Internal Revenue Code and Social Security Administration as identified in the recent report by the Illinois Pension Consolidation Task Force. The actuary advised that in his judgement the liability would indeed be higher if "Tier 2" is found to be in violation and the likelihood of such a finding was high. The actuarial report also noted that the ratio of benefit payments to the market value of assets was nearing a concerning threshold. The actuary noted that a ratio of 12.5% or higher is concerning and that an ideal range is 6-7%. The fund's current ratio is 10.7%. Given the above listed factors, the Board discussed whether it would be prudent to request a higher contribution than the recommended actuarial amount of **\$1,692,307.00**. Treasurer Cipparrone advised that the Village's budgeted amount of pension contribution is **\$1,712,648.00**. Upon motion by James, second by Lannan, the Board approved by a vote of 3 to 1 (Beaver, James, Lannan voting-YES, Ljubenko voting-NO) that the Village fund the budgeted amount of **\$1,712,648.00** in 2019 Property Tax Levy.

Due to the recent report issued by the Illinois Pension Consolidation Task Force which recommends the consolidation of Article 3 and Article 4 pension fund investment assets and possible legislative action by the General Assembly in a matter of weeks, the Board decided to table at this time, selection, contracting of Investment Consultant/Advisor.

The Board was advised that Mr. Steven Kneifel turned 50 years of age on February 12, 2019, and is no longer required to undergo an annual medical examination of his disability condition.

The Board was updated on the court case involving Steven Kneifel and the Board attorney's review and recommendations regarding a possible divestiture hearing with respect to Steven Kneifel's pension benefits. Kneifel received a non-line of duty disability pension in 2014. On February 25, 2019, he pled guilty to one (1) count of Financial Exploitation of an Elderly Person, a class 1 felony. The court accepted Kneifel's plea of guilty, however the court did not enter a conviction. The judge in the case advised that the court accepted the plea of guilty, but that he was going to defer judgement on the matter pending completion of the Veterans Program. The Cook County State's Attorney confirmed with the Board's attorney that no conviction was entered in the Kneifel matter. They further related a conviction may be entered if Kneifel fails to successfully complete the conditions of his probation and the Veterans

Program. The Board's attorney advised that because no felony conviction was entered in the Kneifel matter, the Pension Board is without authority to divest Kneifel of his non-duty disability pension pursuant to 40 ILCS 5/3-147 and recommended the Board take no action at this time. The Board's attorney and the Board will continue to monitor the case and should the Board learn of a conviction, it will revisit the issue.

Upon motion by Beaver, second by Ljubenko, the Board unanimously accepted the Application for Pension upon Retirement by Sergeant Miles Odom. Sgt. Odom was hired on October 6, 1997 and resigned on August 23, 2019, completing over 21 years dedicated service as a LaGrange Police Officer. Sgt. Odom paid a total of \$158,183.61 by way of salary deductions to the fund. His final pensionable salary is \$106,263.56. Sgt. Odom's initial benefit is \$4649.03 per month. His first cola increase occurs September 1, 2021.

Upon motion by Beaver, second by Ljubenko, the Board unanimously approved payment of the annual I.P.P.F.A. membership dues of \$795.00.

Upon motion by Beaver, second by James, the Board unanimously approved payment of legal fees in the amount of \$1612.52 to the law firm of Reimer & Dobrovlny PC.

There being no other business the meeting was adjourned at 6:45 P.M. The next meeting is scheduled for Wednesday January 22, 2020, 4:00 P.M. at the LaGrange Police Department.

Respectfully Submitted,

Stephen Ljubenko  
Secretary