

VILLAGE OF LA GRANGE
POLICE PENSION FUND
October 28, 2020

Meeting was conducted in person in the LaGrange Village Hall auditorium. Due to the COVID-19 pandemic, CDC and State guidelines were followed, attendees wore face masks/face coverings and social distancing was utilized. Meeting was called to order by Secretary Ljubenko at 4:00 P.M. Present were President Beaver, Vice-President James, Secretary Ljubenko, Assistant Secretary Nemecek, Trustee Mattern and Finance Director/Treasurer Cipparrone. Also present were Investment Advisor Jessie Barrett of Wells Fargo Advisors, Actuary Todd Schroeder and Actuarial Consultant Kevin Cavanaugh of Lauterbach & Amen, LLP.

Upon motion by James, second by Beaver, the Board unanimously approved the July 29, 2020 Board Minutes presented by Secretary Ljubenko.

Treasurer Cipparrone presented the Sept. 30, 2020 Police Pension Fund Activity Report.

Actuary Todd Schroeder and Actuarial Consultant Kevin Cavanaugh of Lauterbach & Amen, LLP, presented to the Board the Actuarial Valuation Report dated April 30, 2020. The actuarial required Tax Levy requirement for FY 2021-2022 is **\$1,812,474.00** for the Police Pension Fund. Vice-President James expressed concern that the Board approved assumed rate of return of 7%, which is used in the actuarial valuation report, is too high. He would prefer using an assumed rate of return of 6.5%. The actuary advised that using an assumed rate of return of 6.5% would increase the current recommended contribution amount by approximately \$200,000.000. Upon motion by Ljubenko, second by Beaver, the Board approved by a vote of 4 to 1 (Beaver, Ljubenko, Nemecek, Mattern voting-YES, James voting-NO) that the Village fund the recommended amount of **\$1,812,474.00** in 2020 Property Tax Levy.

Jessie Barrett (The Barrett Group) presented the Wells Fargo Advisors Asset Allocation Report and market update. The Diversified Stock Income Plan (DSIP) is up 4% year to date (YTD) in net money weighted returns, the Diversified Managed Allocations (DMA) account is down 2% YTD, the Fund Source International Market account is down 0.4% YTD and the Mesriow Fixed Income account is up 6.4% YTD. The overall portfolio is up 6.25% annualized, since September 2006.

Jessie Barrett advised that The Barrett Group looked at and evaluated the managers within the DMA account. The Golden Select managers within the account have underperformed over several years, since 2008. The Barrett Group recommended removing Golden Select Large Cap Core and replacing them with Madison Investment Advisors, LLC Large Cap Equity (Core). Upon motion by Beaver, second by James, the Board unanimously approved replacing Golden Select managers with Madison Investment Advisors, LLC.

Due to the impending consolidation of investment assets, the Board discussed whether the Transamerica Landmark-Variable annuity should possibly be liquidated now, or at some future date. The annuity is performing well, the issue was tabled for now. The Board will revisit the issue in 2021 when more is known on the consolidation of investment assets plan, and the permanent consolidated fund board.

Upon motion by Beaver, second by James, the Board unanimously accepted the Application to Participate by Police Officer Thomas A. West. Ofc. West is 29 years old and was born on May 13, 1991. He is single, has no children or other dependents and lives in Plainfield. He was hired on September 2, 2020, will obtain the age of 55 years old on May 13, 2046 and will obtain 20 years of creditable service on September 1, 2040. He is under the "Tier II" Pension Plan, which took effect Jan. 1, 2011.

Upon motion by Ljubenko, second by James, the Board unanimously approved payment of the annual I.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 \$100.00 to the law firm of Reimer & Dobrovlny PC.

The Board was advised that Ofc. Andries would like to purchase his Military Service time for pension purposes, as allowed by the Illinois pension code. Lauterbach & Amen, LLP will be contacted to perform purchase calculations for the Board and begin the process.

The Board was advised the sad news of the passing of retired Police Sergeant Nick Dorsano on September 9, 2020. Nick Dorsano retired in June 1974 after 23 years of dedicated service. Nick Dorsano's spouse passed away in 2012, so there are no more eligible dependents, all pension benefits have ended. Required documents were placed in file.

There being no other business the meeting was adjourned at 6:22 P.M. The next meeting is scheduled for Wednesday January 27, 2021, 4:00 P.M. at the LaGrange Police Department.

Respectfully Submitted,

Stephen Ljubenko
Secretary