

VILLAGE OF LA GRANGE
POLICE PENSION FUND
January 27, 2021

This meeting was conducted remotely by a telephone conference due to the COVID-19 pandemic/health crisis, in accordance with the Governor's Executive Order suspending certain requirements of the Open Meetings Act, allowing public boards to meet and conduct board meetings remotely. For this meeting Secretary Ljubenko was located at the LaGrange Police Department station, which is the normal host location for quarterly Police Pension Board Meetings. The meeting was recorded and the public had access, the ability to join the meeting.

Meeting was called to order by Secretary Ljubenko at 4:12 P.M. Present were President Beaver, Vice-President James, Secretary Ljubenko, Trustee Mattern and Finance Director/Treasurer Cipparrone. Also present were Investment Advisors Richard Barrett and Jessie Barrett of Wells Fargo Advisors. Absent was Assistant Secretary Nemecek, meeting continued, quorum present.

Upon motion by Beaver, second by Mattern, with a roll call vote of 4-0, the Board unanimously approved the October 28, 2020 Board Minutes presented by Secretary Ljubenko.

Treasurer Cipparrone presented the December 31, 2020 Police Pension Fund Activity Report.

Richard Barrett and Jessie Barrett presented the Wells Fargo Advisors Asset Allocation Report and market update/outlook for 2021. The Fund's portfolio currently holds \$23,609,841.46 in assets, approximately 67.56% of the assets are allocated in equities. The Diversified Stock Income Plan (DSIP) is up 14.9% year to date (YTD) in net money weighted returns, the Diversified Managed Allocations (DMA) account is up 13.8% YTD, the Fund Source International Market account is up 18.5% YTD and the Mesirow Fixed Income account is up 7.3% YTD. The overall portfolio is up 12.02% YTD and is up 7.46% annualized, since September 2006.

The Board discussed the need to withdraw approximately \$375,000.00 out of investment accounts in order to make upcoming pension benefit payments. To achieve this, the Board discussed removing on Feb. 1, 2021 approximately 15% of the assets out of the American General Life Insurance Company (AIG) fixed annuity contract #116FP00845, which would be approximately \$70,000 and remove an additional \$305,000 out of the DMA account.

Upon motion by Ljubenko, second by Beaver, with a roll call vote of 4-0, the Board unanimously approved withdrawing 15% (approximately \$70,000) out of the AIG fixed annuity account on Feb. 1, 2021, and withdrawing an additional \$305,000 out of the DMA account to reach the \$375,000.00 needed to make upcoming pension benefit payments.

Treas. Cipparrone presented the Board with the proposed FY 2021-2022 Police Pension Budget that will be reviewed by the Village Board. Included in the budget are the Pensioner cost of living increases for 2021. Upon motion by Beaver, second by James, with a roll call vote of 4-0, the Board unanimously approved the Police Pension cost of living increases for 2021 and acceptance of the proposed FY 2021-2022 Police Pension Budget.

Sec. Ljubenko advised the Board that Assistant Secretary/Trustee Nemecek had resigned from the Board and would not be seeking another term of office on the Board. Trustee Nemecek's position will be replaced in the upcoming Active Member Trustee election. Trustee Ljubenko will continue serving as the Board Secretary.

The terms of Trustees Stephen Ljubenko and Ryan Nemecek will expire on April 30, 2021. Secretary Ljubenko advised the Board he will seek reelection, while Asst. Secretary Nemecek has resigned from the Board and will not seek reelection to another term. A letter seeking additional nominations will be posted regarding the Active Officer Trustee positions. If three or more nominations are received, an election will be held per bylaws with the results being tabulated at the next meeting.

Upon motion by Beaver, second by James, with a roll call vote of 4-0, the Board unanimously accepted the Application to Participate by Police Officer Bianca B. Reyes. Ofc. Reyes is 22 years old and was born on April 7, 1998. She is single, has no children or other dependents and lives in Hillside. She was hired on January 18, 2021, will obtain the age of 55 years old on April 7, 2053 and will obtain 20 years of creditable service on January 17, 2041. She is under the "Tier II" Pension Plan, which took effect Jan. 1, 2011.

Upon motion by Beaver, second by James, with a roll call vote of 4-0, the Board unanimously accepted the Application to Participate by Police Officer Alec J. Bugaj. Ofc. Bugaj is 22 years old and was born on April 15, 1998. He is single, has no children or other dependents and lives in Naperville. He was hired on January 18, 2021, will obtain the age of 55 years old on April 15, 2053 and will obtain 20 years of creditable service on January 17, 2041. He is under the "Tier II" Pension Plan, which took effect Jan. 1, 2011.

Upon motion by Beaver, second by Mattern, with a roll call vote of 4-0, the Board unanimously accepted the Application for Pension upon Retirement by Chief of Police Kurt Bluder. Chief Bluder was hired on January 8, 2018 and resigned on January 8, 2021, completing 3 years dedicated service as the LaGrange Chief of Police. Prior to being hired as Chief by the LaGrange Police Department, Chief Bluder served as a Police Officer with the Downers Grove Police Department for 29 years, retiring as their Chief of Police in January 2018. Due to his previous service and retirement as a "Tier I" participant in a previous Police Pension Fund, Chief Bluder was eligible to join the LaGrange Police Pension Fund as a "Tier I" participant and is fully vested after one year of service. Per 40 ILCS 5/3-111(c) of the IL. Pension Code, Chief Bluder is eligible to receive a pension equal to 2.5% of his final salary for each year of creditable service in the LaGrange Police Pension Fund. He is eligible to receive this pension upon reaching the **age of 60, on August 28, 2027**. Chief Bluder paid a total of \$41,581.23 by way of salary deductions to the fund. His final pensionable salary is \$145,149.68. Chief Bluder's initial benefit is \$907.18 per month. His first cola increase occurs September 1, 2028.

Officer Timothy Andries made application to the Board to purchase and transfer 24 months (two years) of military service served prior to employment with the LaGrange Police Department. The transfer of up to 24 months of military service time is authorized per the Pension Code and Public Act 096-1260. The Board utilized Certified Public Accountants Lauterbach & Amen, LLP to calculate the cost for Ofc. Andries to purchase his military service time. The Board was advised the calculated cost for Ofc. Andries to purchase 24 months of prior military service time is \$42,452.64. The Board was advised that Ofc. Andries made a lump sum payment of \$42,452.64 to the LaGrange Police Pension Fund to purchase 24 months of prior military service. Upon motion by Ljubenko, second by Beaver, with a roll call vote of 4-0, the Board unanimously approved the purchase of 24 months (two years) of military service served prior to employment for Ofc. Timothy Andries. Ofc. Andries' hire/start date for pension purposes is moved back 24 months from Sep 17, 2012 to **Sep. 17, 2010**.

The Board was advised of an update on the Steve Kneifel criminal case. Information was received from the Cook County State's Attorney Office that Steve Kneifel graduated from the Veteran's Treatment Court Program completing his probation on Nov. 16, 2020. He completed the requirements of the program and his felony conviction was vacated, removed from his record by the court. His criminal

case is closed and there will be no further action by the State. Board Attorney Richard Reimer advised that since Mr. Kneifel's conviction had been vacated, no action could be taken by the Board to rescind his disability pension. Attorney Reimer will prepare paperwork closing out the case for the Board's records and inclusion in Mr. Kneifel's file.

The Board was advised the sad news of the passing of retired Police Officer Bob Gagne on November 16, 2020, Louise Lane on December 23, 2020 and Pam Gagne (Bob Gagne's wife) on January 9, 2021. Bob Gagne retired in June 1992 after 28 years of dedicated service. With the passing of his spouse, Pam Gagne on Jan. 9, 2021, there are no more eligible dependents, and all pension benefits have ended. Louise Lane was the spouse of retired Lt. Duane Lane who passed away in June 2000. With Louise Lane's passing, there are no more eligible dependents, and all pension benefits have ended. Required documents were placed in the files.

The Board was reminded of the upcoming requirement for Trustees to file a Statement of Economic Interest with the Cook County Clerk's Office by May 1, 2021. Each Trustee should receive an email update in March 2021 from the Clerk's Office with instructions on filing the Statement of Economic Interest online.

The Board was advised of Trustee training opportunities being provided by the IPPFA. Vice President James needs to complete his 8-hour annual training requirement and Trustee Mattern needs to complete the required 16-hour Trustee Certification Course for new Trustees. Online 8-hour Training Seminars are offered by the IPPFA at a cost of \$250.00 per course. The Trustee Certification Course is offered online by IPPFA, at a cost of \$550.00. Upon motion by Beaver, second by Ljubenko, with a roll call vote of 4-0, the Board unanimously approved payment of \$250.00 for James to complete an 8-hour IPPFA Online Training Seminar/Course and \$550.00 for Mattern to complete the IPPFA Online 16-hour Certified Trustee Training Course.

There being no other business the meeting was adjourned at 5:57 P.M. The next meeting is scheduled for Wednesday April 28, 2021, 4:00 P.M. at the LaGrange Police Department.

Respectfully Submitted,

Stephen Ljubenko
Secretary