

**VILLAGE OF LA GRANGE**  
**POLICE PENSION FUND**  
**January 19, 2011**

Meeting was called to order by Secretary Ljubenko at 4:02 P.M. Present were President Beaver, Vice-President Holub, Treasurer Cipparrone, Secretary Ljubenko, and Assistant Secretary Wardlaw. Also present was Investment Advisor Richard Barrett of Wells Fargo Advisors.

Upon motion by Holub, second by Cipparrone, the Board unanimously approved the October 27, 2010, Board Minutes presented by Secretary Ljubenko.

Treasurer Cipparrone presented the December 31, 2010 Police Pension Fund Activity Report.

Richard Barrett presented the Wells Fargo Advisors Asset Allocation Report.

Upon motion by Cipparrone, second by Beaver, the Board unanimously approved the investment of \$400,000.00, out of cash available, into Mortgage Back Securities (GNMA, FNMA).

An audit of the Pension Fund was conducted by the Illinois Department of Insurance in October 2010. As a result of this audit the Board received a "Report of Examination of the LaGrange Police Pension Fund" dated November 24, 2010, prepared and sent by the Illinois Department of Insurance, Public Pension Division. The report included a summary of findings of recommended actions to be taken by the Board. The Board discussed the report and after careful study and review, the Board agreed with the findings of the examiner and will implement the following changes, specifically:

- Appointed Board Trustees and their respective terms of office will be fully documented in the recorded proceedings.
- The fund will ensure that the Treasurer is an authorized and required signer on all accounts.
- The Board will ensure that the office of Assistant Secretary is filled. The current Assistant Secretary is Robert Wardlaw, his term expires July 2011. The Board will ensure that the recorded proceedings fully document and properly reflect the position of Assistant Secretary.
- The initial pension increase for David A. Lucas, which he received in July 2004 after attaining the age of 55, should have been 15.25% rather than the 15% he received. Mr. Lucas will receive a retroactive lump sum payment in the amount of \$617.94 which will cover the underpayment for the period July 1, 2004 to December 31, 2010. Mr. Lucas' new monthly pension benefit beginning January 1, 2011, is \$4080.28.
- The Board will review the individual membership files and ensure they contain the proper required documentation such as date of birth, current marital status, etc.
- The Board will ensure that the minutes of Board meetings are expanded and fully document the appointment/reappointment of the "civilian" Board Trustees and their respective terms of office, the effective date of hire of police officers, approval of pension increases and the terms of Board officers.

Upon motion by Holub, second by Beaver, the Board unanimously approved the retroactive payment to David A. Lucas in the amount of \$617.94, as per the State audit. Mr. Lucas' new monthly pension benefit beginning January 1, 2011, is \$4080.28.

On December 9, 2010, per recommendation by The Barrett Group, the Board authorized the selling of \$500,000.00 in GNMA's and used the funds to purchase a Pacific Frontiers II Deferred Annuity contract from Pacific Life. The contract is for a 7 year term at a fixed rate of 3.3%. The annuitant is Bryan Beaver.

Upon motion by Wardlaw, second by Cipparrone, the Board unanimously approved payment of the annual I.P.P.F.A. membership dues of \$775.00.

The terms of Trustees Stephen Ljubenko and Robert Wardlaw will expire on April 30, 2011. Both Ljubenko and Wardlaw advised the Board they will seek reelection. A letter seeking additional nominations will be posted regarding the Active Officer Trustee positions. If additional nominations are received, an election will be held per bylaws with the results being tabulated at the next meeting.

Treas. Cipparrone presented the Board with the proposed FY 2011-2012 Police Pension Budget that will be reviewed by the Village Board. Included in the budget are the Pensioner cost of living increases for 2011. Upon motion by Holub, second by Beaver, the Board unanimously approved the Police Pension cost of living increases for 2011.

Upon motion by Wardlaw, second by Beaver, the Board unanimously approved the payment of legal fees in the amount of \$104.91 to Richard J. Reimer & Associates for work performed and counsel regarding the disability and pension benefit issues involving the son of Officer Joseph.

The Board received notification that the Cook County Clerk's office has launched a new online system where units of government will report their list of people required to file Statements of Economic Interest. Pension Trustees will now be required to file their Statement of Economic Interest online by May 1, 2011. Prior to the due date, Trustees will receive an informational letter/notification from the Clerk's office via email or regular mail.

The Board was advised of Trustee training opportunities being provided by the IPPFA. The IPPFA Spring Training Conference-2011 will be held April 28-29, 2011 at the Q-Center in St. Charles, IL. Completion of the Conference meets the State mandated 16-hour annual training requirement for Public Pension Trustees. Cost of the Conference is \$275.00 per person. Upon motion by Ljubenko, second by Beaver, the Board unanimously approved payment of \$1,100.00 fee for Beaver, Holub, Ljubenko and Wardlaw to attend the Training Conference.

The Board was advised of former Officer David Holzinger's intent to transfer all or a portion of his service time with the LaGrange Police Dept. to the Orland Park Police Dept. under the pension portability option. Mr. Holzinger served the LaGrange P.D. from May 20, 1991 to May 2, 1995. The Board awaits written notification from the Orland Park Police Pension Board to begin the pension buy back and transfer process.

There being no other business the meeting was adjourned at 5:39 P.M. The next meeting is scheduled for Wednesday April 27, 2011, 4:00 P.M. at the LaGrange Police Department.

Respectfully Submitted,

Stephen Ljubenko  
Secretary