



# DARIEN POLICE PENSION BOARD

In the County of DuPage and the State of Illinois  
Incorporated 1969

## MINUTES OF THE REGULAR MEETING OF THE DARIEN POLICE PENSION FUND BOARD OF TRUSTEES MAY 9, 2019

A regular meeting of the Darien Police Pension Fund Board of Trustees was held on Thursday, May 9, 2019 at 7:00 p.m. in the Conference Room at the Police Department located at 1710 Plainfield Road, Darien, Illinois 60561, pursuant to notice.

**CALL TO ORDER:** Trustee Hruby called the meeting to order at 7:04 p.m.

### ROLL CALL:

**PRESENT:** Trustees Anton Hruby, Jason Norton and Jeffrey May  
**ABSENT:** Trustees John Breslin and Leonard Catalano  
**ALSO PRESENT:** Attorney Brian LaBardi, Reimer & Dobrovolny PC; John Falduto and Ed Lavin, Sawyer Falduto Asset Management, LLC; Michael Stuart, Ted Kirpach and Patrick Swaney, MB Financial; Amanda Secor, Lauterbach & Amen, LLP (L&A); Alderman Joseph Kenny and Treasurer Michael Coren, City of Darien

**PUBLIC COMMENT:** There was no public comment.

**APPROVAL OF MEETING MINUTES:** *February 7, 2019 Regular Meeting:* The Board reviewed the February 7, 2019 regular meeting minutes. A motion was made by Trustee May and seconded by Trustee Norton to approve the February 7, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the eleven-month period ending March 31, 2019 prepared by L&A. As of March 31, 2019, the net position held in trust for pension benefits is \$28,577,525.41 for a change in position of \$1,079,923.58. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and Vendor Check Report for the period January 1, 2019 through March 31, 2019 for total disbursements of \$118,091.14. A motion was made by Trustee May and seconded by Trustee Norton to accept the Monthly Financial Report as presented and to approve the disbursements listed on the Vendor Check Report in the amount of \$118,091.14. Motion carried by roll call vote.

**AYES:** Trustees Norton, Hruby and May  
**NAYS:** None  
**ABSENT:** Trustees Breslin and Catalano

**Additional Bills, if any – Illinois Department of Insurance Compliance Fee:** The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued. A motion was made by Trustee Hruby and seconded by Trustee Norton to approve payment of the IDOI Compliance Fee, upon receipt of the invoice. Motion carried by roll call vote.

AYES: Trustees Norton, Hruby and May  
NAYS: None  
ABSENT: Trustees Breslin and Catalano

**INVESTMENT REPORTS:** *Quarterly Investment Report – MB Financial:* Mr. Stuart presented the Quarterly Investment Report for the period ending March 31, 2019. As of March 31, 2019, the quarter-to-date net return is 8.38% with a change in position of \$1,209,606 and an ending market value of \$15,154,401. The current asset allocation is: fixed income at 39.71%, equities at 53.91%, alternative strategies at 1.73% and cash & equivalents at 4.66%. The asset composition for the equity and fixed income portfolios, market value vs. invested capital and risk/return analysis were reviewed with the Board. Mr. Swaney provided quarterly market insights.

*Quarterly Investment Performance Report – Sawyer Falduto Asset Management, LLC:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending March 31, 2019. As of March 31, 2019, the first quarter net return is 8.31% versus the first quarter account benchmark of 8.2%. The investment return for the quarter is \$1,039,375 for an ending market value of \$13,424,025. The current asset allocation is: fixed income at 43.7%, equities at 56.1% and cash equivalents at 0.2%. Mr. Lavin reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board.

A motion was made by Trustee Hruby and seconded by Trustee May to accept the Investment Reports as presented. Motion carried unanimously by voice vote.

*Review/Update Investment Policy:* The Board reviewed the Investment Policy and determined that no action is required at this time.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** *Application for Membership – Candice Klein:* The Board reviewed the application for membership submitted by Candice Klein. A motion was made by Trustee Hruby and seconded by Trustee Norton to accept Candice Klein into the Darien Police Pension Fund effective December 27, 2018, as a Tier II participant. Motion carried unanimously by voice vote.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** There were no applications for retirement or disability benefits.

**OLD BUSINESS:** *Review/Adopt – Municipal Compliance Report:* The Board reviewed the Municipal Compliance Report prepared by Foster & Foster. A motion was made by Trustee Norton and seconded by Trustee May to adopt the MCR as prepared. Motion carried unanimously by voice vote.

**NEW BUSINESS:** *Certify Board Election Results – Active and Retired Member Positions:* L&A conducted an election for one of the active member positions and the retired member position on the Darien Police Pension Fund Board of Trustees. Jason Norton and Leonard Catalano ran unopposed and were elected for two-year terms expiring April 30, 2021. A motion was made by Trustee Hruby and seconded by Trustee May to certify the active and retired member election results. Motion carried unanimously by voice vote.

*Appointed Member Term Expirations – John Breslin and Jeffrey May:* The Board noted that Trustee Breslin's term expires April 30, 2019 and reappointment has not been requested. The Board will contact the City to seek reappointment of Trustee Breslin to the Board. Further discussion will be held at the next regular meeting. The Board also noted that Trustee May's term expires April 30, 2020.

*Review/Possible Approval – Revised Lauterbach & Amen, LLP Engagement Letter:* The Board reviewed the revised L&A three-year engagement letter reflecting a revision to the narrative portion of the agreement which was amended to meet the recommendations set forth by the American Institute of Certified Public Accountants. The Board requested that L&A prepare a red-lined version of the engagement letter for the Board to review prior to the next regular meeting.

**COMMUNICATIONS AND REPORTS:** *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest were due by May 1, 2019.

*Affidavits of Continued Eligibility:* The Board noted that L&A will mail Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. A status update will be provided at the next regular meeting.

**TRUSTEE TRAINING UPDATES:** The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit all training certificates to L&A for recordkeeping.

*Approval of Trustee Training Registration Fees and Reimbursable Expenses:* There were no trustee training registrations or reimbursable expenses presented for approval.

**ATTORNEY’S REPORT – REIMER & DOBROVOLNY PC:** *Legal Updates:* Attorney LaBardi reviewed the *Legal and Legislative Update* quarterly newsletter highlighting recent court decisions and pension news.

**CLOSED SESSION, IF NEEDED:** There was no need for closed session.

**ADJOURNMENT:** A motion was made by Trustee Hruby and seconded by Trustee May to adjourn the meeting at 8:14 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for Thursday, August 1, 2019 at 7:00 p.m.

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Board President or Secretary

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Date Approved by Board

*Minutes prepared by Amanda Secor, Pension Services Administrator, Lauterbach & Amen, LLP*