

1 Minutes of the Regular Meeting of the
2 South Barrington Police Pension Fund
3 Held on Tuesday, October 8, 2013
4 4:30 p.m. at the South Barrington Village Hall Lower Level
5

6 Call to Order.

7 President Cordell called the meeting to order at 4:32 pm.
8

9 Roll Call

10 Roll call was taken. Present: Board members Ray Cordell, Jim Weidig, Joe Abbate and
11 Louis Matuska. Absent: Board member Sam Lopez. A quorum was present. Also present
12 were MVT Investment Advisors Bill Yocius and Jim Nowicki. Attorney Cary Collins
13 arrived at 4:40 pm.
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15 The meeting was audio recorded to aid in the transcription of minutes.
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17 Approval of Minutes

18 Mr. Abbate motioned, Mr. Weidig seconded, to accept the minutes of the July 9, 2013
19 meeting as written. Motion carried by voice vote.
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21 Investment Advisor Report

22 Mr. Nowicki summarized the portfolio activity for the 3rd quarter 2013. He stated that
23 there was a great return on the portfolio this quarter. The net performance was up almost
24 4% or \$249,000 for the quarter. The portfolio strengths on the fixed side investments beat
25 their targets. The longer durations helped overall performance. The equities side
26 outperformed both the benchmarks as well as the S&P 500. Mr. Nowicki specifically cited
27 T. Rowe Price, which had a double digit quarter. Internationals also did well this quarter.
28 They, too, beat the benchmarks and performed better than the S&P500.
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30 Weaknesses in the portfolio are that the US Treasury didn't do as well as before but they
31 still finished the quarter positive, and shorter duration investments did not do as well as
32 longer durations. Mr. Nowicki reiterated, and Mr. Yocius concurred, that it still was a very
33 good quarter. On the equities side, the emerging markets continued to lag due in part to the
34 strengthening of the U.S. dollar. Also, rising interest rates affected the real estate sector.
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36 Mr. Yocius commented that Wedgewood is doing well—their target was 6.33 and they out
37 performed them. He added that we may not see the rise in equities the next quarter that we
38 have been seeing in previous quarters. Regarding future strategies, Mr. Nowicki stated that
39 they know that the Federal Reserve is going to continue to taper but added that the pension
40 fund managers are asset allocators, not market timers. We are invested in broad segments
41 of the market in that “not all our eggs are in the same basket.” Our portfolio has variety of
42 larger cap and small cap investments. Mr. Nowicki summarized the strategy moving
43 forward is to continue to keep fixed income durations lower than the benchmark and
44 continue to look for solid corporates. On the equity side, the strengthening US dollar is
45 good for domestic investments; we will continue to invest in stronger international markets
46 and bolster our small/mid growth sectors in the domestic market.

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Mr. Nowicki reviewed the specific investments in the portfolio as outlined in MVT's Portfolio Report for the 3rd Quarter 2013 and fielded questions from Board members.

Mr. Abbate motioned, and Mr. Weidig seconded, to ratify the transactions of Mitchell, Vaught & Taylor for the 3rd quarter 2013 and to accept the Investment Advisor/Treasurer's Report as given for the 3rd quarter 2013. Motion carried by voice vote.

Attorney's Report

Attorney Cary Collins announced that the plan description books ("blue books") for police officers and retirees have been updated and will be available for distribution. He asked the president to call his office and tell them the number of books they need and they will be forwarded.

Regarding legislative updates, Mr. Collins stated that there will likely be an increase in officer contributions to the pension. He stated that he will keep the Board apprised as more information is made available.

Old Business

There was no old business.

New Business

Retirement of Chief Mike Deegan

Mr. Cordell informed board members that Chief Michael Deegan has announced his retirement from service. Mr. Cordell read into the record his notice of retirement letter. Mr. Deegan has announced his retirement from the police department effective December 15, 2013 after serving a total of 30 years, 4 months. He has applied to the Pension Board to beginning receiving pension benefits commencing December 16, 2013.

Mr. Abbate motioned to accept the retirement application of Michael Deegan effective December 15, 2013 and to authorize a partial payment of \$3,962.78 for December 2013 and an original full monthly pension amount of \$7,677.88 beginning January 2014. Mr. Matuska seconded the motion which passed with a roll call vote.

- Mr. Abbate yes
- Mr. Weidig yes
- Mr. Matuska yes
- Mr. Cordell yes

Retirement of Sergeant Mark Eaton

Mr. Cordell announced that Sergeant Mark Eaton has announced his intention to retire in February 2014. Mr. Cordell stated that this is informational only and that it will be revisited at the January 2014 meeting.

IL Dept of Insurance Annual Statement for Period Ending April 30, 2013.

Mr. Cordell stated that the annual statement needs to be filed with the Department of Insurance by the end of the month. Finance Officer Bodie is still reviewing the document and has questions with some of the interrogatories that she will address before the final

95 version is drafted. Mr. Matuska motioned to accept, conditional upon the final version, the
96 Annual Statement for the Illinois Department of Insurance for the period ending April 30,
97 2013. Seconded by Mr. Abbate, the motion carried by voice vote.

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99 Actuarial Report/Tax Levy

100 The Board members discussed the annual report to the municipality and agreed to accept
101 and forward to the Village Board of Trustees the required Report to the Municipality by
102 the Pension Board for fiscal year ending 4/30/2013. Attorney Collins explained that this is
103 called the Municipal Compliance Report, a report given to the Village Board of Trustees
104 describing the condition of the pension fund at the end of the fiscal year. The report usually
105 coincides with the request for tax levy for the pension fund. Mr. Masciola stated that this
106 report is required by law and directed members to #3 “Estimated amount required during
107 the next succeeding fiscal year to pay all pensions and meet the requirements of Illinois
108 codes sections 3-125 & 3-127.” He stated that we are funded at 58.4% which is very good
109 for a fund as young as we are.

110
111 Mr. Abbate motioned to accept and forward the report to the Village Board of Trustees and
112 make a recommendation to issue the tax levy of \$516,339 as reported in the municipal
113 report. Seconded by Mr. Matuska, the motion carried by voice vote.

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115 The Board discussed the actuarial study done by Tim Sharpe. The chairman noted that the
116 Village’s Finance Officer, Michelle Bodie, noted some issues with the chart in the actuarial
117 study expenses in that the investment performances fees were not properly added. She has
118 been dialoging with Tim Sharpe regarding small errors that she found and they will be
119 corrected. Mr. Nowicki stated that the law requires pension funds to either use the State of
120 Illinois study or conduct their own study. In the past, the Pension Board has been pleased
121 with the work done by Mr. Sharpe.

122
123 Selection of the 2014 Meeting Dates. The Board selected the following dates for regular
124 meeting during 2014. Unless otherwise noticed, meetings are held the second Tuesday of
125 the quarter, at 4:30 pm, in the Village Hall lower level.

126 Tuesday, January 14

127 Tuesday, April 8

128 Tuesday, July 8

129 Tuesday, October 14

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131 IPPAC Winter Conference.

132 Mr. Collins announced that the IPPAC winter seminar will be held in Hoffman Estates
133 December 6, 2013. Required annual training for Pension Board members will be offered at
134 the seminar. All board members are invited to attend as is the Treasurer.

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136 Approval of Bills

137 Mr. Abbate motioned, and Mr. Matuska seconded, to accept and approve the bills as
138 follows:

139 \$750 payable to Cary Collins for legal retainer Oct-Dec, 2013.

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142 \$2,942.50 payable to Mitchell, Vaught & Taylor Inc. for investment management services
143 Oct-Dec 2013; delivered via electronic transfer.

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145 \$150 payable to Judson University for new trustee Louis matuska training provided by
146 IPPAC.

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148 \$150 payable to IPPAC for Winter Seminar training (12/6/13) for Pension Board members.
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150 Total amount: \$3,992.50.

151 Motion carried by roll call vote.

152 Mr. Abbate yes

153 Mr. Weidig yes

154 Mr. Matuska yes

155 Mr. Cordell yes

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157 Executive Session

158 There was no Executive Session.

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160 Officer Injury Updates

161 Mr. Weidig asked about the return to duty prospects of injured police officers Sgt. Sam
162 Parma and Officer Bob Rycraft. Mr. Cordell stated the Sgt. Parma has communicated that
163 he intends to return to work as soon as he is cleared by his doctor. Mr. Rycraft, who has
164 been cleared by workman's comp, has asked for an extension of 90 days unpaid leave of
165 absence. Mr. Weidig stated that Officer Rycraft has contacted him personally for advice on
166 how to file a duty disability claim. Mr. Cordell stated that, to date, Officer Rycraft has not
167 contacted the Pension Board at all.

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169 Adjournment

170 Mr. Matuska motioned to adjourn and Mr. Lopez seconded. Motioned carried by voice
171 vote. The meeting adjourned at 5:35 pm. Next meeting is scheduled for January 14, 2014.

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174 The minutes of the October 8, 2013 South Barrington Police Department Police Pension
175 Board special meeting are respectfully submitted by Mary Lampugnano, Recording
176 Secretary.

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179 These minutes were approved on

180 This _____ day of _____, 2013

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184 Signature