

1 Minutes of the Regular Meeting of the
2 South Barrington Police Pension Fund
3 Held on Tuesday, July 11, 2017
4 4:30 p.m. in William R. Rose Hall
5

6 Call to Order
7

8 President Cordell called the meeting to order at 4:30 pm.
9

10 Roll Call

11 Roll call was taken. Present: Board Trustees Ray Cordell, Sam Lopez, Joe Abbate, Lou
12 Matuska and Adam Puralewski. A quorum was present. Also present were Attorney Cary
13 Collins, Village President Paula McCombie, Village Trustee Anthony Stagno, Police Chief
14 Tom Roman, and MVT Investment Advisors Bill Yocius and Jim Nowicki. Treasurer
15 Michelle Bodie arrived at 4:45 pm.
16

17 Public Comment

18 President Cordell welcomed Adam Puralewski. He was recently elected to the Board by
19 the active members. Likewise, President Cordell thanked outgoing Board member Jim
20 Weidig, who was not present at the meeting, for his eight years of service to the Pension
21 Board. He displayed an appreciation plaque that will be mailed to Mr. Weidig to
22 acknowledge his contributions to the Board.
23

24 Approval of Minutes

25 Mr. Matuska motioned to accept the minutes of the April 11, 2017 regular meeting as
26 written. Mr. Lopez seconded. Motion carried by voice vote.
27

28 Investment Advisor Report

29 Investment Advisor Nowicki reviewed the portfolio for the 2nd quarter 2017. He reported
30 that the fund did well this quarter with a net investment gain of \$176,064 and a net
31 investment gain of \$2,848,252 since 2008, the eight years the MVT has advised the Board.
32 We beat the benchmark this quarter. Mr. Nowicki reported that equities had a very strong
33 quarter and that all international investments beat their benchmark.
34

35 In general, growth beat value and MVT made some changes to reflect this. Mr. Nowicki
36 stated that they sold Wedgewood since they did not meet the benchmark and bought T
37 Rowe Price New American Growth in its place. They also purchased Oppenheimer
38 Emerging Market fund and Oppenheimer International small cap fund. They sold Schwab
39 S&P 500 index fund and bought Van Guard Growth, a large blend fund. They moved
40 Artisan International from the existing share class to the investor share class.
41

42 Mr. Yocius stated that fixed income is negative and was affected by low inflation.
43 Consumer confidence is up and bond flows are not outpacing equities flows. The Federal
44 Reserve is expected to scale back their balance sheet in September. He added that this is
45 the 96th month of recovery since the 2008 recession and the recovery has been lack luster.
46 MVT's recommendation is that we should be invested in growth names and tech names

47 and not value dividends as much. T R Price owns tech stock. On the fixed side, Mr. Yocius
48 stated that they will continue to move bond durations that are higher and continue to
49 overweight corporate bonds.

50
51 Trustees asked questions of the financial advisors. Mr. Stagno suggested having fewer
52 investments to make it easier to manage. Mr. Nowicki stated that we have a diversified
53 portfolio made up of small, mid, and large caps. He also noted that we added international
54 to the portfolio and it is on its way up. Mr. Stagno asked how MVT does its due diligence.
55 Mr. Nowicki stated that MVT meets with managers and stock pickers on the phone and
56 sometimes face to face in their office. Mr. Yocius fielded questions about similar funds
57 performance compared to us. Mr. Matuska noted that this information is published by the
58 state. Village President McCombie asked for the year to date increase of the fund. Mr.
59 Yocius responded that the fund has increased by 5.2% this year and 5.07% since 2008.

60
61 Responding to a request from Treasurer Bodie regarding disclosure of all transaction fees
62 charged to the fund, Mr. Nowicki stated that transaction detail provided in the quarterly
63 report now lists all fees that are charged to the fund. The Pension Board Rules and
64 Regulations require that fees be identified.

65
66 Mr. Abbate motioned to accept the Investment Advisor report as given. Seconded by Mr.
67 Lopez; the motion carried by voice vote.

68
69 Mr. Matuska motioned to ratify the transactions and trades as reported by Mitchell, Vaught
70 & Taylor, Inc. The motion was seconded by Mr. Lopez. Discussion took place about the
71 individual trades and transactions. The consensus of the board was that, going forward, all
72 transactions and trades will be placed on the regular quarterly meeting agenda and voted on
73 each meeting. Motion carried by voice vote.

74
75 **Attorneys Report**

76 Mr. Collins stated that the revised Rules and Regulations have been distributed. Mr.
77 Abbate noted that there is nothing in the Rules to address the requirement of the Board to
78 acquire bids for financial consultants at least once every five years. This is required by
79 state statute. Discussion took place about whether Mitchell, Vaught & Taylor, Inc. are
80 technically financial *consultants*; they consider themselves financial *advisors*. Mr. Nowicki
81 stated that the difference between the two is that as advisors, who are licensed, they make
82 recommendations to the Board, and the Board, in turn, has given them the discretion to
83 make investments with the fund's assets. A consultant is not licensed as a financial advisor
84 and would not make investment recommendations. Instead, the consultant carries out the
85 investment directions of the Board. Mr. Matuska requested that the Pension Board Rules
86 and Regulations be amended to include language that requires the Board to take bids from
87 financial services companies at least once every five years. Mr. Collins will draft that
88 language and return with it at the next meeting. The approval of the Rules and Regulations
89 of the South Barrington Police Pension Fund was tabled until the next meeting.

90
91 Mr. Cordell asked Board members if they wanted to form a sub-committee to write a
92 Request for Proposals (RFP) for financial services. Each of the Board members wanted to
93 participate so they agreed to a committee of the whole to develop the RFP.

94

95 Old Business

96 Robert Rycraft Disability Status Update.

97 Attorney Collins updated the board on the Rycraft disability case. He reported that Mr.
98 Rycraft's attorney informed him that Mr. Rycraft has refused the functional capacity exam
99 (FCE) requested by the Board. Mr. Collins stated that the Board could suspend Mr.
100 Rycraft's disability payments until he complies or we could hold a hearing using only our
101 doctor's report. Mr. Abbate motioned to direct the attorney to send correspondence to Mr.
102 Rycraft informing him that his disability payments are suspended effective at the July 2017
103 payment until he complies with the Board's FCE request. Seconded by Mr. Lopez; the
104 motion carried by roll call vote.

105 Mr. Cordell yes

106 Mr. Puralewski yes

107 Mr. Lopez yes

108 Mr. Abbate yes

109 Mr. Matuska yes

110

111 Mr. Collins stated Mr. Rycraft contacted him and asked him to write a letter to the Internal
112 Revenue Service on his behalf identifying his pension as a duty-related disability pension.
113 Mr. Collins asked for direction from the Board. Consensus of the Board was not to employ
114 the Pension Board attorney to write the letter. Mr. Rycraft may ask his own attorney to
115 write the letter.

116

117 Executive Session

118 There was no Executive Session.

119

120 New Business

121 Results of Election of Active and Beneficiary Members. The Pension Board held elections
122 of two (2) active members and one (1) beneficiary member on April 17, 2017.

123 Sam Lopez and Adam Puralewski were elected by the active members and Ray Cordell
124 was elected by the beneficiary members. Mr. Abbate motioned to ratify the April 17, 2017
125 election results of the Pension Board. Mr. Matuska seconded; the motion carried by voice
126 vote.

127

128 Officer Elections.

129 Mr. Abbate nominated Ray Cordell for the office of President. Seconded by Mr.
130 Puralewski; motion carried by voice vote.

131 Mr. Abbate nominated Sam Lopez for the office of Vice President. Seconded by Mr.
132 Matuska; motion carried by voice vote.

133 Mr. Lopez nominated Adam Puralewski for the office of Secretary. Seconded by Mr.
134 Abbate; motion carried by voice vote.

135 Mr. Lopez nominated Joe Abbate for the office of Assistant Secretary. Seconded by Mr.
136 Matuska; motion carried by voice vote.

137

138 Appointments.

139 President Cordell re-appointed Sam Lopez as Security Officer of the Pension Board to
140 designate to the Illinois Department of Insurance.

141 President Cordell re-appointed himself as the Freedom of Information (FOIA) Officer of
142 the Pension Board.

143 President Cordell re-appointed himself as the Open Meetings Act (OMA) Officer of the
144 Pension Board.

145

146 TD Ameritrade Signature Verifications.

147 MVT requested a signature card on file for the TD Ameritrade account. Treasurer Bodie,
148 President Cordell, and Secretary Puralewski are authorized signers.

149

150 Payment of Bills

151 Mr. Matuska motioned, and Mr. Lopez seconded, to pay the following bills in the total
152 amount of \$8,181.16.

153

154 \$775.00 payable to Cary Collins for legal retainer Jul-Sep 2017.

155

156 \$2,942.50 payable to Mitchell, Vaught & Taylor Inc. for investment management services
157 Jul-Sep 2017; delivered via electronic transfer;

158

159 \$1,711.00 payable to Illinois State Treasurer for annual IDOI compliance fee;

160

161 \$1,800.00 payable to INSPE Associates, LTD for medical exam and review of Robert
162 Rycraft by Dr. James A. Hill;

163

164 \$500.00 payable to Illinois Public Pension Advisory Committee, Inc. for annual
165 membership July 2017-June 2018;

166

167 \$64.95 payable to Mary Lampugnano for reimbursement for personalized plaque for
168 former Board member Jim Weidig;

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170 \$16.95 payable to Mary Lampugnano for reimbursement of Notary Public stamp;

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172 \$179.23 payable to Raymond Cordell for travel reimbursement for the May 17-19 IPPAC
173 seminar; and

174

175 \$191.53 payable to Samuel Lopez for travel reimbursement for the May 17-19 IPPAC
176 seminar.

177

178 Motion carried by roll call vote.

179 Mr. Cordell yes

180 Mr. Puralewski yes

181 Mr. Lopez yes

182 Mr. Abbate yes

183 Mr. Matuska yes

184

185 Adjournment

186 Mr. Abbate motioned, and Mr. Matuska seconded, to adjourn the meeting. The motion
187 carried by voice vote. The meeting adjourned at 6:00 pm.

188

189 The minutes of the July 11, 2017 South Barrington Police Department Police Pension
190 Board regular meeting are respectfully submitted.

191 Mary Lampugnano, Recording Secretary.

192

193

194 These minutes were approved on

195 This 10 day of October, 2017

196

197

198

199 
Signature