

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES
SUGAR GROVE POLICE PENSION FUND
April 17, 2015**

A regular meeting of the Board of Trustees of the Sugar Grove Police Pension Fund was held on Friday, April 17, 2015 at 8:00 a.m., located at 10 S. Municipal Drive, Sugar Grove, IL 60554, pursuant to notice, to conduct regular business.

CALL TO ORDER BY PRESIDING OFFICER

President Kurtis Gilkey called the meeting to order at 8:00 a.m.

ROLL CALL

Upon roll call the following answered:

Present: President Kurtis Gilkey, Secretary Geoffrey Blank, Vice President Christopher Springborn, Asst. Secretary Jim Morton and Trustee Ted Koch

Absent: None

Also Present: Treasurer Pat Chamberlin; John Falduto and David Harrington of Sawyer Falduto Asset Management, LLC (SFAM); Board Attorney Richard Reimer of Reimer & Karlson, LLC; Lisa Barnaby and Becky Davis of Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT – There was no public comment.

APPROVAL OF PRIOR MEETING MINUTES

The Board reviewed the prior meeting minutes. A motion was made by Trustee Koch and seconded by Trustee Springborn to approve the January 23, 2015 minutes as written. Motion carried by unanimous voice vote.

ACCOUNTANT'S REPORT

The Board discussed the GASB reporting and the DOI Annual Statement, which are both in process.

The Board reviewed the monthly financial report summary presented in the Board meeting packet. For the eleven months ended March 31, 2015, the net position held in trust for pension benefits was \$2,839,063.24. A motion was made by Trustee Gilkey and seconded by Trustee Blank to accept the monthly financial report as presented. Motion carried by unanimous voice vote.

The Board reviewed the vendor checks report presented in the Board meeting packet. A motion was made by Trustee Gilkey and seconded by Trustee Blank to approve the disbursements made in January, February and March 2015, totaling \$11,476.84 (see attached detail).

AYES: Trustees Gilkey, Blank, Springborn, Koch and Morton

NAYS: None

ABSENT: None

INVESTMENT REPORT

Mr. Falduto distributed the quarterly investment performance report and reviewed it with the Board. As of 03/31/2015, the total account return was 2.26%, the investment return was \$61,934, and the ending market value was \$2,830,908. The first quarter benchmark return was 1.84%. The first quarter equity return was 3.09% and the fixed income return was 1.71%. The long term rate of return for the portfolio reported the following: one year 8.10%, three years 4.36% and five years 5.23% (exceeding the benchmarks in all categories). The investment gain since inception (03/31/2008) was 4.82%, or \$613,955.

Mr. Harrington reviewed the market commentary and noted the 10 year Bond Yield and U.S. Treasury Yield Curve. The portfolio allocations were: equities 40.4%, fixed income 57.4%, and cash equivalent 2.2%. The fixed income portfolio duration is at 4.77 years with a yield to maturity at 1.64%. The transaction ledger was reviewed and it was noted that the portfolio will be rebalanced at fiscal year-end. A motion was made by Trustee Gilkey and seconded by Trustee Blank to accept the investment report as presented. Motion carried by unanimous voice vote.

The Board executed the Schwab account paperwork to remove Geoff Blank and add Tom Barna as a new Trustee.

ATTORNEYS REPORT

Attorney Reimer discussed the following topics with the Board:

- Update on Tom Swoboda, Administrative Review – still in process; the Judge affirmed the Board's decision, so now it moves onto the Appellate Court; this may take as long as six months to a year. A follow up report will be discussed at the next meeting.
- Update on Geoff Blank's disability – in process; medical examinations are scheduled for May. A follow up report will be discussed at the next meeting.
- The Legal and Legislative Update – the newsletter was reviewed and recent court cases were discussed.

INFORMATIONAL ITEMS AND UNFINISHED BUSINESS

- Trustee Training Summary – the Board noted that all Trustees are up-to-date on their training requirements.
- Board designee to complete FOIA and OMA training, annually – the Board agreed to table this item for discussion at the next meeting.
- Update on the email addresses for Board members – the email addresses have been set up, and Trustee Gilkey indicated that he will provide them to the consultants.
- Active Member Statements – L&A completed the Active Member Statements, which were distributed to the active members.
- Statements of Economic Interest (SEI) – all Trustees confirmed that they completed their SEI prior to the 05/01/2015 due date.

NEW BUSINESS

The Board discussed election results for the active and retired member positions:

- Christopher Springborn ran unopposed for the retired member position, and was elected by acclamation. Trustee Springborn will serve a two year term ending 04/30/2017. A motion was made by Trustee Blank and seconded by Trustee Gilkey to certify the retired member election results as presented. Motion carried by unanimous voice vote.
- The results of the active member positions were: Kurtis Gilkey received ten votes, Thomas Barna received seven votes, and Eric Grutzus received six votes. Kurtis Gilkey and Thomas Barna received the majority of votes and are elected to the Board of Trustees to fill the two active member positions. Trustee Gilkey and Barna will serve a two year term ending 04/30/2017. A motion was made by Trustee Koch and seconded by Trustee Morton to certify the active member election results as presented. Motion carried by unanimous voice vote.

Trustee Koch noted that the Village will address the reappointment of James Morton at its June Council meeting. A follow up report will be discussed at the next meeting.

The Board discussed the annual DOI Compliance fee invoice. A motion was made by Trustee Gilkey and seconded by Trustee Springborn to authorize the payment of the DOI Compliance fee invoice upon receipt.

AYES: Trustees Gilkey, Blank, Springborn, Morton and Koch
NAYS: None
ABSENT: None

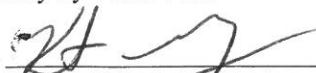
The next Board meeting is scheduled for July 17, 2015 at 8:00 a.m.

CLOSED SESSION – There was no closed session.

ADJOURNMENT

A motion was made by Trustee Springborn and seconded by Trustee Koch to adjourn the meeting at 9:08 a.m. Motion carried unanimously by voice vote.

Respectfully submitted,


Kurtis Gilkey, Trustee

Date of Board approval:

07/17/15

Minutes prepared by Pension Services Administrator, Becky Davis.

Sugar Grove Police Pension Fund Vendor Checks Report

<u>Vendor Name</u>	<u>Chk. No.</u>	<u>Check Date</u>	<u>Amount</u>	
LAUTERBACH & AMEN, LLP	70038	01/05/15	1,275.00	
IPPFA	30052	01/14/15	775.00	Electronic
REIMER DOBROVOLNY & KARLSON LLC	30054	01/23/15	580.55	
LAUTERBACH & AMEN, LLP	30053	01/28/15	745.00	
SAWYER FALDUTO ASSET MGMT, LLC	50011	01/31/15	2,745.00	
LAUTERBACH & AMEN, LLP	30055	03/16/15	910.00	Electronic
REIMER DOBROVOLNY & KARLSON LLC	30056	03/18/15	3,701.29	
LAUTERBACH & AMEN, LLP	30057	03/30/15	745.00	Electronic
		TOTAL	<u>11,476.84</u>	