

**ROUND LAKE BEACH POLICE PENSION FUND  
QUARTERLY BOARD MEETING  
February 23, 2016**

**1. MEETING CALLED TO ORDER**

President James Simoncelli called the meeting to order at 8:00 a.m.

**2. ROLL CALL**

Roll Call: James Simoncelli, Sandra Molidor, Edward Gueroult, Patrice Sutton and Ryan Rodriguez. Also present: Police Chief David Hare, Attorney Laura Goodloe, Accountant Gary O'Neil, and Administrative Secretary Carol McMullen.

**3. READING & APPROVAL OF MINUTES**

A motion was made by Patrice Sutton to accept the minutes of the Quarterly Board Meeting of 10-27-2015 as presented; second by Sandra Molidor. All Ayes; motion carried.

**4. PUBLIC COMMENTS**

There were no public comments.

**5. APPROVAL OF AGENDA**

A motion was made by Patrice Sutton to approve the Agenda as presented; second by Edward Gueroult. All Ayes; motion carried.

**6. REVIEW AND ACT ON INVESTMENT ACTIVITY**

\$300,000 was wire transferred from State Bank of the Lakes to Vanguard on 10-28-2015. Vanguard changed their wire transfer method again. State Bank of the Lakes provided a form for Board signatures with new options for ACH. Wire transfer forms from State Bank of the Lakes were sent for signature; no action needed. A privacy policy was received from SBOTL. Five (5) First Tennessee Pledge Verifications were received and one (1) Pledge Receipt was received. An Irrevocable Letter of Credit from FHLB Chicago was received dated 12-31-15. Great Lakes Credit Union provided the Illinois Finance Entity Certification Form and Carol mailed it to DOI, Public Pension Division. A letter was received from Mitchell, Vaught & Taylor Investment Advisors regarding their firm.

Vanguard quarterly management fees for 12-31-15 were \$7,871.96. Reports received from Vanguard were: Portfolio statements for 10-31-15, 11-30-15, 12-31-15, and 01-31-16; a letter was received regarding changes to portfolio statements and annual reports for Vanguard Total International Stock Index Fund and Vanguard Money Market Funds.

**7. READING OF THE REPORT OF THE TREASURER**

Gary O'Neil reviewed the Unaudited Financial Statement from October 1 through December 31, 2015. The total liabilities & equity as 12-31-2015 was \$16,579,681.18; the total as of 12-31-2014 was \$15,542,487.36, which was an increase of \$1,037,193.82, or 6.67%. The balance in State Bank of the Lakes as of 02-22-2016 was \$131,641.62. Gary's report shows Vanguard management fees for the last quarter at \$7,617.45

A motion was made by Edward Gueroult to wire transfer \$200,000 from our account at Vanguard to our account at State Bank of the Lakes; second by Patrice Sutton. Roll call vote taken. James Simoncelli - Aye. Sandra Molidor - Aye. Ryan Rodriguez - Aye. Edward Gueroult - Aye. Patrice Sutton - Aye. All Ayes; motion carried.

A motion was made by Edward Gueroult to accept the Unaudited Financial Statements of October 1 through December 31, 2015, as presented; second by Patrice Sutton. All Ayes; motion carried.

## **8. ATTORNEY REPORT**

Attorney Goodloe stated that there has been no new action on pension reform; with the State Budget still pending, she sees no immediate resolve on this issue. There is a bill that was introduced recently that would reduce the percent funded to 85% by 2055. She also stated that Scott Brandt is no longer in the Pension Division with DOI, and does not know who will replace him.

## **9. OLD BUSINESS**

Service Contracts - James Simoncelli handed out a proposal from Lauterbach & Amen for Accounting Services for the Trustees to review. He stated he would like a list of all services covered by this proposal and with the current services provided. This proposal will be placed on the Agenda for the next meeting. The service contracts of Temporarily Yours and Gary O'Neil are also tabled for negotiation at the next meeting.

Municipal Compliance Report - A motion was made by Patrice Sutton to retroactively approve and ratify the Municipal Compliance Report as prepared by Gary O'Neil; second by Edward Gueroult. All Ayes; motion carried.

Property Tax Received - Taxes received this quarter were \$6,761.95 on 11-16-15 and a final distribution of \$10,781.78 on 12-11-15.

Village/Pension Auditor Update - Edward Gueroult stated that our audit was presented along with other documentation to the village auditors who were negotiating with the underwriters of a bond issue. The village auditors and underwriters of the bond issue found what they thought were things in our audit that they wanted changed for technical reasons. The Village found that Evoy, Kamschulte, Jacobs, would not respond to them on a timely basis, so they asked the Board to intervene. On behalf of the Board, in an emergency situation, Ed Gueroult contacted Doug Wagner at Evoy, Kamschulte, Jacobs. Doug did not respond. Ed then contacted the receptionist at Evoy and asked to speak with the head of the company and finally spoke with Kevin at Evoy, explaining the situation. Kevin stated that Doug was working on the issue. Ed told him that neither the Village, the Village auditors, nor Ed was getting a response from Doug and stressed the need for an immediate response. Not getting a response, the next day, Ed called Kevin back who stated that Doug had been in contact with the Village auditors. Ed explained that he made the request and he wanted to know the response. Within an hour, Kevin contacted Ed stating that the issue was resolved. Ed contacted David Kilbane and confirmed that the issue was resolved. Doug Wagner had to reissue the audit to be in compliance with the current GASB.

The reissued audit was not presented to the Board for approval by the Pension Board before it was presented to the Village. A copy of the reissued audit was not sent to the Pension Fund. Ed will contact Kevin at Evoy, Kamschulte and Jacobs and request they send the reissued Audit to the Pension Fund. This will be placed on the Agenda for the next Board meeting

Actuary Reports - Hire Actuary/Hire Auditor- The final Actuarial Report was received 12-10-15 and was submitted to DOI on 12-17-15. The Village auditors had a discrepancy with our Actuarial report. The approval of the Actuarial report is tabled for the next meeting.

An article was distributed to the Board regarding a pending investigation of Actuary Tim Sharpe. Attorney Goodloe's office is investigating the allegations and will report their findings at the next meeting. The hiring of an Actuary and of an Auditor is tabled for the next meeting.

Attorney Goodloe will send RFP requests to several firms for Actuary and Audit services to include the Village auditors, requesting written proposals before the May Board meeting.

Annual COLA - A motion was made by Edward Gueroult to approve the annual Cost of Living Increases for Ed Noe, Vic Ligenza, Doug Westermann, Harry Cramond, John Laycock, Jeff Hopkins, Tom Judd, Gary Chesney, Gary Bitler, Jim Simoncelli and David Ostertag; second by Patrice Sutton. All Ayes; motion carried.

ATT&T Update - The contract for telephone and internet services with AT&T expired; Jim Simoncelli contacted AT&T to renew the contract. A discussion was held regarding separating internet and telephone services; Jim Simoncelli will continue to research telephone services. The current contract can be cancelled at any time.

Pension Membership File Update - Edward Gueroult reviewed the pension membership files on 11-04-2015. E-mails were sent out to several members for documents to keep their files up-to-date; the member names were given to Sandra Molidor for help obtaining the required documents.

IPPFA Conference - Carol has copies of training certificates from the 2015 IPPFA Conference for Sandra Molidor, James Simoncelli, Ryan Rodriguez and Edward Gueroult. Patrice Sutton will need to take the online training.

## **10. PRESENTATION & APPROVAL OF BILLS AND DISBURSEMENTS**

Motion by Edward Gueroult to approve the bills as presented and pay them as they become due; second by Patrice Sutton. Roll call vote taken: James Simoncelli - Aye. Sandra Molidor - Aye. Edward Gueroult - Aye. Patrice Sutton - Aye. Ryan Rodriguez - Aye. All Ayes; motion carried.

- AT&T - Nov - \$127.87; Dec - \$196.62; Jan 2016 - \$158.78' Feb - \$133.82
- Evoy, Kamschulte, Jacobs & Co. - \$3,100.00
- Exam Works - Sankis annual exam - \$975.00
- Tim Sharpe - \$2,500.00
- Ricoh - Klipp transcripts \$208.30
- U.S. Post Office - 11-03-15 - \$8.55; 02-11-16 - \$50.42
- Office Max - \$51.46
- Gary O'Neil - 1<sup>st</sup> Qtr. 2016 - \$4,180.00
- Puchalski Goodloe Marzullo LLP - \$2,230.45
- Temporarily Yours Secretarial - \$523.17 - 10-27-15; \$397.74 - 11-16-15; \$298.88 - 12-17-15; \$301.73 - 01-12-16; \$401.74 - 02-10-16

## **11. APPLICATION FOR MEMBERSHIP**

All required paperwork was received for new police officer Jonathan Cwynar. He is a Tier Two. A motion was made by Sandra Molidor to approve the pension membership application as presented of Jonathan Cwynar as presented; second by Edward Gueroult. All Ayes; motion carried.

## **12. NEW BUSINESS**

Semi-annual review of closed session minutes - A motion was made by Patrice Sutton that the closed session minutes remain exempt from disclosure at this point in time; second by Sandra Molidor. All Ayes; motion carried.

IRS - Received 1099-INT from Norstates Bank and GLCU; faxed to Gary O'Neil. Also, have copies of Forms 1096 and 945 from Gary O'Neil in the pension files.

Fiduciary Liability Insurance - A motion was made by Patrice Sutton to approve the renewal of the Fiduciary Liability Insurance policy with Mesirov; second by Sandra Molidor. All Ayes; motion carried.

Public Notices - The annual notice of the 2016 meeting dates was published in the newspapers; an invoice for this has not been received yet.

**Ed Gueroult appointment** - Ed Gueroult is scheduled for reappointment as Trustee to the Pension Board for the March 14- 2016 Village meeting. Chief David Hare stated that Ryan Rodriguez will be recognized at that same Village meeting for a life-saving award.

### **13. MEMBERSHIP BENEFITS**

**Jeff Klipp** - The Administrative Review Complaint was filed in Circuit Court on 10-26-2015. Attorney Goodloe filed an answer to the Administrative Review. She also filed a Motion to Dismiss the Individually Named Trustees and a Motion to Set a Briefing. All Trustees have been dismissed.

**Mario Sankis** - Attorney Goodloe presented his medical review performed by Dr. David G. Blake, Oncologist on 10-20-2015, to the Board. She will check with Dr. Blake to see if the records he reviewed were from 2014 or 2015. It was the consensus of the Board that Mario Sankis undergo a formal medical review for his next annual review. No further additional action is needed at this time.

**Shannen Poulos** - Attorney Goodloe issued an advisory opinion request to the DOI on 02-10-2016, as to whether or not Shannen Poulos is entitled to a full refund of her entire pension contributions paid throughout her tenure as a police officer when she received disability pension benefit payments which exceeded the amount of her contributions paid in the Fund. When a response is received from the DOI, Attorney Goodloe will inform the Pension Board. Shannen Poulos received a total of \$258,518.77 while she was collecting disability benefits from 2006 to 2014. When she left active duty, she had a total of \$30,403.64 in personal pension contributions. This is tabled at this time for a future meeting.

**Leroy Kuffel** - 1099-R was sent to Leroy's son.

**Vince Sciarrone** - Received an e-mail dated 12-05-2015 requesting information on transferring his pension contributions. IRS information and necessary forms were sent to him on 12-08-2015. He has \$37,734.98 in pension contributions.

**John Hird** - Received an e-mail dated 12-14-2015 requesting information on transferring his pension contributions; he will be transferring funds to an IRA or 457. IRS information and necessary forms were sent to him on 12-17-2015. He has \$99,348.63 in pension contributions.

**Scott Larson** - A letter was sent to him on 01-28-2016 informing him he has \$606.25 in pension contributions, along with IRS information and forms necessary for transfer/refund. An e-mail response was received and he has requested a full refund. We are waiting for receipt of the signed paperwork.

**Michelle Hernandez** - A letter was sent to her on 01-28-2016 informing her she has \$5,197.45 in pension contributions along with IRS information and forms necessary for transfer/refund.

**Jonathan Meck** - A letter was sent to him on 01-28-2016 informing him he has \$95.58 in pension contributions along with IRS information and forms necessary for transfer/refund. This was returned as undeliverable.

**Joseph Vyhnanek** - His IRS Form 1099 was returned to the Pension Office as undeliverable. Sandra Molitor stated that he works for Round Lake Heights; this will be mailed to Round Lake Heights Police Department.

**Tim Mitsven** - Requested information on calculating the cost of buying back military time; the request was forwarded to Attorney Goodloe on 11-14-2015. Attorney Goodloe left a message for Officer Mitsven, but has not heard back from him.

**Miscellaneous** - Mario Sankis discontinued Federal Withholding deductions effective 02-01-16. Harry Cramond, Ed Noe, and Gary Bitler changed their monthly Federal Withholding deductions. Total monthly Federal Withholding deductions total is \$5,165.72. Dan Kaiser updated his mailing address.

### **14. ADJOURNMENT**

The next meeting is scheduled for May 24, 2016, at 8:00 a.m.

With no further business, a motion was made to adjourn at 9:35 a.m., by Patrice Sutton, second by Edward Gueroult . All ayes, motion carried.

Respectfully submitted,

**Edward Gueroult**  
**Secretary**

**BY: Carol McMullen**  
**Recording Secretary**