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**GRAYSLAKE POLICE PENSION FUND**  
**10 South Seymour Avenue, Grayslake, Illinois 60030-0906**  
**DOI Pension Fund Number POO9600**

MINUTES OF A REGULAR MEETING OF THE GRAYSLAKE POLICE PENSION FUND held January 20, 2022 at 8:00 a.m. at the Grayslake Village Hall, 10 South Seymour Avenue, Grayslake, IL.

**1. Call to order and roll call**

Trustees present: Matt Gore (by Zoom), Brian Ernst, Tom Morris (by Zoom), Stu Crowley (by Zoom), Linda Wegge (by Zoom). Trustees Absent: None. Also in attendance: Attorney Jeff Goodloe, Ed Lavin (by Zoom) John Falduto from Sawyer Falduto Asset Management (SFAM), Steve Eitel and Wenny Zhang from PNC, and Tim Gavin from Lauterbach & Amen (L&A).

Vice President Crowley called the meeting to order at 8:00 a.m.

No members of the public were present for the meeting.

**2. Public Comment**

Crowley invited members of the public to speak. There being no response, Wegge made a motion, seconded by Gore to close public comment. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Morris, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

**3. Approval of Minutes of October 21, 2021 Regular Meeting**

The minutes of the October 21, 2021 regular meeting were reviewed.

Wegge made a motion, seconded by Morris, to approve the October 21, 2021 regular meeting minutes as presented. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Morris, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

**4. Sawver / Falduto Financial Report**

**A) Equity Report**

John Falduto and Ed Lavin presented the 2021 Fourth Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 7.4% net of fees. Total account return YTD of 21.7% net of fees.

Wegge made a motion, seconded by Morris to accept the 2021 Fourth Quarter Investment Report. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Morris, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

- B) **Investment Policy – Review and Update as Needed** – The investment advisors did not recommend any changes to the investment policy.
- C) **Post Consolidation Services Proposal** – SFAM presented an agreement for post consolidation services. The Pension Board did not take any action on proposal.
- D) **Consolidation Related Matters** – See discussions and actions under sections 9(D) through 9(G).

#### 5. **PNC Financial Report – Fixed Income Report**

Mr. Eitel and Ms. Zhang presented the 2021 Fourth Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of -0.55% net of fees. Total account return YTD of -1.57% net of fees.

Wegge made a motion, seconded by Morris to accept the 2021 Fourth Quarter Investment Report. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Morris, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

#### 6. **Treasurer’s Report**

- A) **Village Treasurer’s Financial Report** – Mr. Gavin presented the treasurer’s report. Pension Fund net present assets at approximately \$33.4 million as of December 31, 2021.

Morris asked a question regarding the percentages listed on the revenue report and Mr. Gavin provided an explanation.

- B) **Review and Approve FY 2021 Audit** – Mr. Gavin presented the Pension Board with the final FY 2021 audit report. Following discussion Morris made a motion, seconded by Wegge, to accept the FY 2021 audit report. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Morris, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.
- C) **Review and Approve FY 2021 IDOI Annual Statement Filing** – Mr. Gavin advised the 2021 annual statement was filed with the IDOI on or before the October 31, 2021. Wegge made a motion, seconded by Crowley, to accept the FY 2021 IDOI annual statement. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Morris, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

- D) Update regarding Statement of Economic Interest Filings** – Attorney Goodloe reminded the Pension Board the Village’s list of filers is due to the county on or before February 1, 2022 and the trustees’ Statement of Economic Interest forms must be filed on or before May 1, 2022.

Wegge made a motion, seconded by Morris to accept the treasurer’s report as presented. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Morris, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

**7. Attorney’s Report**

- A) Legal Update / Update on Pension Consolidation Lawsuit** – Attorney Goodloe provided an update on the status of the consolidation lawsuit. The parties are waiting for the court to rule on the motions for summary judgment and the plaintiffs’ motion for a temporary restraining order.
- B) Update on Sean Madden Disability Application** – Attorney Goodloe advised his office was in the process of obtaining Mr. Madden’s records in order to schedule the three independent medical examinations.
- C) Review and possible approval of Village of Grayslake’s motion to intervene** – The Village of Grayslake submitted a motion to intervene as a party in Mr. Madden’s disability hearing. Mr. Madden indicated by email he did not object to the Village’s motion. Ernst made a motion, seconded Wegge to grant the Village of Grayslake’s motion to intervene in the matter of the disability application of Sean Madden. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Morris, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.
- D) Update on Heather Andrews Disability Application** – Attorney Goodloe advised his office was in the process of obtaining Officer Andrews’ records in order to schedule the three independent medical examinations.

**8. Old Business**

- A) Approve Department of Insurance Annual Statement Filing** – See 6(C) above.
- B) Approve 40 ILCS 5/3-143 Municipal Compliance Report** – The Pension Board previously approved the 40 ILCS 5/3-143 Municipal Compliance report during its October 21, 2021 regular meeting.

**9. New Business**

- A) Joe Manges annual medical exam for disability pension until age 50** – Attorney Goodloe advised the Pension Board’s administrative rules require that Officer Manges undergo an examination with an independent physician this year. Ernst made a motion, seconded by Wegge to authorize Attorney Goodloe to schedule

Officer Manges' annual examination with Dr. Bennett. Roll Call Vote: Ayes – Gore, Crowley, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

- B) Appoint FOIA / OMA Officers** – Ernst made a motion, seconded by Wegge, to appoint Jennifer Hess as the Pension Board's FOIA officer and Brian Ernst as the Pension Board's OMA officer. Attorney Goodloe reminded Ernst that he must perform the annual Illinois Attorney General Public Access Counselor training course. Roll Call Vote: Ayes – Gore, Crowley, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.
- C) Trustee Appointments** – Trustee Wegge's term is up for reappointment. Ernst advised he would follow-up with the Village to see whether the Mayor intends on reappointing Wegge to the Pension Board.
- D) IPOPIF – Illinois Police Officers' Pension Investment Fund**

**1. Review and possible approval of IPOPIF Exhibit A Resolution**

**Appointing Authorized Agents** – The Pension Board reviewed the IPOPIF Exhibit A proposed resolution appointing authorized agents. Following discussion, Morris made a motion, seconded by Gore to approve an amended version of the resolution establishing Ernst and Gore as the pension board's authorized agents but limiting their authority to execute a letter of direction ("LOD") to transfer assets unless and until the Pension Board has voted to approve the LOD. Roll Call Vote: Ayes – Gore, Crowley, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

- 2. Review and possible approval of IPOPIF Exhibit B Notice regarding transfer of investments to IPOPIF** – The Pension Board reviewed the IPOPIF Exhibit B Notice regarding the transfer of investments to IPOPIF in conjunction with items 9(E), 9(F), and 9(G) below. Following discussion, Morris made a motion, seconded by Wegge, to table approval of Exhibit B and agenda items 9(E) through 9(G) and to direct Attorney Goodloe to request from IPOPIF an extension of the asset transfer date for the following reasons: (1) IPOPIF has not provided the Pension Board with adequate information to complete a March 1, 2022 asset transfer; (2) the Pension Board has not received a letter of direction from IPOPIF; (3) the Pension Board has not received information regarding its designated auditor or completion of the statutorily required certified asset list; (4) it is unclear whether IPOPIF has approved contracts with any auditing firms; (5) IPOPIF has not provided information as to when the pension fund's assets would be frozen prior to the transfer date or for how long; (6) IPOPIF has not provided information as to how the Pension Board can deposit funds or withdraw funds from IPOPIF; (7) IPOPIF's custodian ("State Street Bank") has not established a viable process for the Pension Board to share its financial information with IPOPIF; (8) the Pension Board should not have to transfer its assets prior to the end of the

current fiscal year; and (9) the consolidation lawsuit remains pending and there are legitimate questions as to whether the law is or is not constitutional. Roll Call Vote: Ayes – Gore, Crowley, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

- E) **Discussion and action regarding local cash account for benefit payments and administrative cost payments and collateralization of local cash account –**  
Tabled: See 9(D)(2) above.
- F) **Discussion and action regarding interim cash management policy during consolidation transition period –** Tabled: See 9(D)(2) above.
- G) **Discussion and action regarding employer and employee contribution deposits –**  
Tabled: See 9(D)(2) above.
- H) **Semi-annual review of closed session minutes pursuant to 5 ILCS 120/2.06(d) (October 17, 2019; January 16, 2020; and April 16, 2020) –** Wegge made a motion, seconded by Morris to open and make public the closed session minutes of October 17, 2019; January 16, 2020; and April 16, 2020. Roll Call Vote: Ayes – Gore, Crowley, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.
- I) **Review and vote to destroy verbatim recordings of closed sessions 18 months or older pursuant to 5 ILCS 120/2.06(c). (October 17, 2019; January 16, 2020; and April 16, 2020) –** Morris made a motion, seconded by Wegge to destroy the verbatim recordings of the October 17, 2019 closed meeting, January 16, 2020 closed meeting, and April 16, 2020 closed meeting pursuant to 5 ILCS 120/2.06(c). Roll Call Vote: Ayes – Gore, Crowley, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.
- J) **Bills Paid / Pay Bills –** Wegge made a motion, seconded by Morris, to approve payment of the bills as presented in the treasurer’s report. Roll Call Vote: Ayes – Gore, Crowley, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

10. **Closed Session** – None.

**11. Adjournment**

Wegge made a motion, seconded by Morris to adjourn the meeting at 9:56 a.m. All "Ayes."  
Motion Carried.

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MINUTES APPROVED on 4/21/2022

  
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PRESIDENT

  
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SECRETARY