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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 July 21, 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, Brian Ernst, Stu Crowley, Linda Wegge. Trustees Absent: Tom Morris. Also in attendance: Attorney Jeff Goodloe, John Falduto from Sawyer Falduto Asset Management (SFAM), Jeffrey Eberhardt from PNC, and Tim Gavin from Lauterbach & Amen (L&A).

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

No members of the public were present for the meeting.

2. Public Comment

Gore invited members of the public to speak. There being no response, Wegge made a motion, seconded by Ernst to close public comment. All "Ayes." Motion carried.

3. Approval of Minutes of April 21, 2022 Regular Meeting

The minutes of the April 21, 2022 regular meeting were reviewed.

Wegge made a motion, seconded by Gore, to approve the April 21, 2022 regular meeting minutes as presented. All "Ayes." Motion carried.

4. Approval of Minutes of the June 9, 2022 Special Meeting

The minutes of the June 9, 2022 special meeting were reviewed.

Wegge made a motion, seconded by Gore, to approve the June 9, 2022 special meeting minutes as presented. All "Ayes." Motion carried.

5. Sawyer / Falduto Financial Report

A) Equity Report

John Falduto and Ed Lavin presented the 2022 Second Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of -16.5% net of fees. Total account return YTD of -22.7% net of fees. Total account return annualized since inception of 9.4%.

Wegge made a motion, seconded by Gore to accept the 2022 Second Quarter Investment Report. All "Ayes." Motion Carried.

6. PNC Financial Report – Fixed Income Report

Mr. Eberhardt presented the 2022 Second Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of -2.28% net of fees. Total account return YTD of -6.59% net of fees. Total account annualized return since inception of 1.81% net of fees.

Wegge made a motion, seconded by Gore to accept the 2022 Second Quarter Investment Report. All "Ayes." Motion Carried.

7. Treasurer's Report

- A) Village Treasurer's Financial Report** – Mr. Gavin presented the treasurer's report. Pension Fund net present assets at approximately \$27.7 million as of June 30, 2022 representing an approximate 14.6% decrease for the trailing year.
- B) Actuarial Valuation and Village Contribution** – Mr. Gavin advised that L&A is in the process of preparing the actuarial valuation report as of May 1, 2022. L&A will present the report at the next quarterly meeting.
- C) FY 2022 Audit Update** – Mr. Gavin advised the Village's auditor is in the process of performing the FY 2022 audit. Mr. Gavin anticipates he will have the final audit report for the next quarterly meeting.
- D) Department of Insurance Annual Statement Update** – Mr. Gavin advised that L&A is in the process of preparing the annual statement so the report will be timely filed on or before October 31, 2022.
- E) Annual Report to the Village Board (40 ILCS 5/3-141)** – Pursuant to 40 ILCS 5/3-141 Mr. Gavin presented the annual report for the fiscal year ended April 30, 2022. Mr. Gavin also presented the report to the Village. Wegge made a motion, seconded by Gore, to accept the report. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Morris. Motion Carried.

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

8. Attorney's Report

- A) **Legal Update** – Attorney Goodloe advised Officer Manges' annual examination is scheduled for September 28, 2022 at 3:30 p.m. with Dr. Bennett.
- B) **Consolidation Update** – Attorney Goodloe discussed the consolidation litigation status. The Pension Fund's assets are scheduled to transfer on August 1, 2022. See section X(F) below.
- C) **Heather Andrews Disability Application – Update** – Attorney Goodloe advised the hearing on Heather Andrews' disability application is scheduled for August 4, 2022 at 8:00 a.m.
- D) **Sean Madden Disability Application – Update** – Attorney Goodloe advised Mr. Madden's IMEs are scheduled for August 2, August 4, and August 8. Once Attorney Goodloe has all three IME reports, he will assemble the proposed hearing exhibits and work with the parties to schedule the disability hearing.

9. Old Business

- A) **IPPFA-ATC, Oak Brook Hills Resort October 5 through October 7** – Ernst advised that he had completed the registrations for Gore, Crowley, Wegge, and Ernst to attend the conference. Morris will not be attending as he intends on resigning from the Pension Board prior to the conference.
- B) **Discussion and action on SFAM post consolidation services proposal** – Mr. Falduto presented SFAM's post consolidation services proposal. Wegge made a motion, seconded by Crowley, to accept SFAM's post consolidation services proposal as presented effective with the Pension Fund's transfer of assets to State Street Bank. The agreement can be terminated at any time by any party with 30-days' notice. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Morris. Motion Carried.

10. New Business

- A) **Vote to approve Officer Adan Galarza's application for admission into the pension fund** – Crowley made a motion, seconded by Wegge to approve Adan Galarza's application for admission into the fund with an entry date of June 13, 2022 as a Tier 2 participant. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Morris. Motion Carried.
- B) **Vote to approve Officer Jazmine Townsend's application for admission into the pension fund** – Gore made a motion, seconded by Crowley to approve Jazmine Townsend's application for admission into the fund with an entry date of June 13, 2022 as a Tier 2 participant. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Morris. Motion Carried.

C) Discussion and action on Sgt. Guy Fiasche's pending retirement on September 2, 2022 – This matter was tabled for approval at the August 4, 2022 special meeting.

D) Review and approve final written "decision and order" and "certificate of payment" for the retirement pension of Douglas Hess – Crowley made a motion, seconded by Ernst to approve the written "decision and order" and "certificate of payment" for the retirement pension of Douglas Hess as presented. Roll Call Vote: Ayes – Gore, Ernst, Crowley. Nays – None. Abstain – None. Absent – Morris, Wegge (left meeting at 8:48 a.m.). Motion Carried.

E) Lauterbach & Amen

1. Discussion / Possible action – pension benefit discrepancies – L&A conducted a review of all pension benefits being paid and determined that Randulf Hegland was overpaid. Due to a clerical error, the COLA entered in 2022 was \$47.38/month too high. This resulted in an overpayment of \$238.80. Crowley made a motion to correct Hegland's monthly pension benefit to \$6,869.56 and to not take any action to recover the overpayment of \$238.80. Roll Call Vote: Ayes – Gore, Ernst, Crowley. Nays – None. Abstain – None. Absent – Morris, Wegge. Motion Carried.

2. Discussion / Possible action – pension pay date – Monthly pension benefits are currently slightly prepaid. For example, January 2022 pension benefits were paid on January 28, 2022. L&A recommends, in conjunction with an IDOI advisory opinion, that benefits should be remitted at the end of the month of the applicable benefit period, so they are not pre-paid in any way. Ernst made a motion, seconded by Crowley, to remit pension payments at the end of the month of the applicable benefit period beginning with the January 2023 pension payroll. L&A will provide notice to the pensioners. Roll Call Vote: Ayes – Gore, Ernst, Crowley. Nays – None. Abstain – None. Absent – Morris, Wegge. Motion Carried.

F) Discussion and possible action regarding any outstanding items related to the August 1, 2022 transfer of assets (the Pension Board addressed this agenda item while trustee Wegge was still present) – The Pension Board had extensive discussions regarding banking operations following the transfer of assets on August 1, 2022 and took the following actions:

1. Wegge made a motion, seconded by Crowley, that following the transfer of assets to State Street Bank on August 1, 2022, all remaining cash in the Old National Bank account would be transferred to the Schwab money market account. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Morris. Motion Carried.

2. Wegge made a motion, seconded by Crowley, to authorize SFAM to initiate requested cash transfers from the Schwab money market account to the BMO

Harris account in order for the pension fund to pay benefits, administrative costs, and to make cash transfers to State Street Bank for investment by IPOPIF. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Morris. Motion Carried.

3. Wegge made a motion, seconded by Crowley, to direct that all future employer and employee contributions be deposited into the Schwab money market account as opposed to the Old National Bank account. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Morris. Motion Carried.
4. Wegge made a motion, seconded by Crowley, that effective September 1, 2022 to establish a cash target in the Schwab money market account of \$400,000 and that when the balance in that account reaches \$450,000 or more, to direct SFAM to transfer the excess funds above the cash target to State Street Bank for investment. (Currently, these funds must first move through the BMO Harris account and then to State Street Bank for investment by IPOPIF using the eCFM portal). Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Morris. Motion Carried.

G) Select Board Officers – President, VP, Secretary, and Assistant Secretary – Crowley made a motion, seconded by Gore to select the following slate of Pension Board Officers: President (Gore); Vice President (Crowley); Secretary (Ernst); Assistant Secretary (Wegge). All “Ayes.” Motion Carried.

H) Semi-annual review of closed session minutes pursuant to 5 ILCS 120/2.06(d) – None.

I) Review and vote to destroy verbatim recordings of closed sessions 18 months or older pursuant to 5 ILCS 120/2.06(c) – None.

J) Pay Bills – Ernst made a motion, seconded by Crowley, to approve payment of the bills as presented in the treasurer’s report. Roll Call Vote: Ayes – Gore, Crowley, Ernst. Nays – None. Abstain – Morris, Wegge. Absent – None. Motion Carried.

K) Other – None.

11. Closed Session – None.

12. Adjournment

Gore made a motion, seconded by Crowley to adjourn the meeting at 9:06 a.m. All "Ayes."
Motion Carried.

MINUTES APPROVED on 10/20/22



PRESIDENT



SECRETARY