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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 October 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, Brian Ernst, Stu Crowley, Linda Wegge, Brett Henne (left meeting at 8:47 a.m.). Trustees Absent: None. Also in attendance: Attorney Jeff Goodloe, John Falduto from Sawyer Falduto Asset Management (SFAM), and Tim Gavin, Julie Wons, and Stephanie Bay from Lauterbach & Amen (L&A).

President Gore called the meeting to order at 8:02 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, Gore made a motion, seconded by Wegge to close public comment. All "Ayes." Motion carried.

**3. Approval of Minutes of July 21, 2022 Regular Meeting and the August 4, 2022 special meeting and closed meeting**

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

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

The minutes of the August 4, 2022 special meeting and closed meeting were reviewed.

Gore made a motion, seconded by Crowley, to approve the August 4, 2022 special meeting minutes as presented. All "Ayes." Motion carried.

Gore made a motion, seconded by Ernst, to approve the August 4, 2022 closed meeting minutes as presented. All "Ayes." Motion carried.

**4. Sawyer / Falduto Financial Report**

John Falduto presented the 2022 Third Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. SFAM

transferred \$19,327,845 in equity investments to IPOPIF on August 1, 2022. SFAM's investment return for the pension fund since the January 27, 2011 date of inception was \$12,562,717.

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

**A) Discussion and action regarding cash management guidelines**

Following a discussion with Mr. Gavin and Mr. Falduto on cash management guidelines, Gore made a motion, seconded by Wegge to establish a recurring monthly withdrawal of \$125,000 from the IPOPIF investment account to the BMO Harris account with an effective funds transfer date of November 15, 2022 and on the fifteenth of each subsequent month. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley, Henne. Nays – None. Abstain – None. Absent – None. Motion Carried.

At this time, the Pension Board will continue to maintain a cash target of \$400,000 in the Schwab money market account. The Pension Board will keep this as a standing agenda item for future meetings in order to reassess recurring monthly withdrawal and cash target instructions.

Mr. Gavin advised that employer and employee contributions are now being remitted to the Schwab money market account as opposed to the Old National Bank account. Mr. Gavin is working to transfer the remaining cash from the PNC investment account into the Old National Bank account. Once those funds have transferred from PNC, all remaining funds in the Old National Bank account will be transferred to the Schwab money market account and the Old National Bank account will be closed.

**B) Review State Street Bank Statements and Verus Advisory, Inc. Reports**

Mr. Gavin advised the pension fund's August 2022 monthly statement from State Street Bank was available however it was not in the packet. The Pension Board requested that future State Street Bank statements and Verus Advisory reports be included in the packet for review.

**5. Treasurer's Report**

**A) Village Treasurer's Financial Report** – Mr. Gavin presented the treasurer's report. Pension Fund net present assets at approximately \$28.9 million as of September 30, 2022 representing an approximate 10.13% decrease for the trailing year.

Mr. Gavin advised that with consolidation he would like to change the reporting he presents to the Pension Board. Mr. Gavin is going to provide a sample of the new reporting format to the Pension Board.

**B) Approve Audit Fiscal Year End 2022** – Mr. Gavin provided the Pension Board with the draft FY 2022 financial audit. This matter will be included on the next agenda for review and approval.

**C) Approve Department of Insurance Annual Statement Filing** – Mr. Gavin advised that a draft of the FY 2022 IDOI annual statement has been completed. He requested the Pension Board review the draft and to advise of any changes. Otherwise, the annual statement will be timely filed by L&A on or before October 31, 2022.

**D) Approve actuarial valuation tax levy and GASB reports** – Ms. Bay from L&A presented the FY 2022 actuarial valuation (for the 2023 contribution).

Ernst made a motion, seconded by Crowley, to change the assumed rate of return from 7.0% to 6.8% for the 2023 actuarial valuation to match IPOPIF's rate of return. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Henne. Motion Carried.

Crowley made a motion, seconded by Wegge, to approve the 2022 actuarial valuation report and to recommend a 2023 Village contribution of \$695,468. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Henne. Motion Carried.

**E) Approve 40 ILCS 5/3-143 Municipal Compliance Report** – Ms. Bay from L&A presented the FY 2022 Municipal Compliance Report. Crowley made a motion, seconded by Wegge, to approve the Municipal Compliance Report. All "Ayes." Motion Carried. Ernst will present the signed Municipal Compliance Report to the Village along with the tax levy/contribution request.

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

## **6. Attorney's Report**

**A) Legal Update** – Attorney Goodloe provided an update regarding PA 102-857, the consolidation lawsuit, and IPOPIF' assumed rate of return selection and trustee elections.

**B) Consolidation Updates** – See 4(A) and 4(B) above.

**C) Sean Madden Disability Application – Update** – Attorney Goodloe advised he has received all three IME reports in the Madden matter. He indicated the Village has objected to certain reports, so he is working to set up evidence depositions of the IME providers.

**D) Joseph Manges annual examination – Update** – Attorney Goodloe advised the exam was rescheduled to October 28 due to Hurricane Ian. Attorney Goodloe advised the report should be available for the next meeting.

- E) **Review and approve final “decision and order” and “certificate of payment” for Heather Andrews disability pension** – Ernst made a motion, seconded by Crowley to approve the “decision and order” and “certificate of payment” for Heather Andrews disability pension as presented. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – Henne. Absent – None. Motion Carried.

7. **Old Business**

- A) **Approve final written “decision and order” and “certificate of payment” for Guy Fiasche retirement pension effective September 2, 2022** – Ernst made a motion, seconded by Crowley to approve the “decision and order” and “certificate of payment” for Guy Fiasche’s regular retirement pension as presented. Roll Call Vote: Gore, Ernst, Wegge, Crowley, Henne. Nays – None. Abstain – None. Absent – None. Motion Carried.

8. **New Business**

- A) **Report on IPPFA’s ATC in Oak Brook, IL** – Gore, Ernst, Crowley, and Wegge attended the IPPFA annual training conference.
- B) **Mayoral appointment of Brett Henne to the board on October 4, 2022** – The Mayor appointed Brett Henne to fill the remainder of former trustee Tom Morris’ term.
- C) **Conrad Gutraj \$2.88 over payment (\$0.36 per year / 8 years)** – Due to a clerical error, Conrad Gutraj was overpaid by \$2.88. Ernst made a motion, seconded by Crowley to correct Conrad Gutraj’s disability pension benefit and to not take any action to recoup the \$2.88 overpayment. All “Ayes.” Motion Carried.
- D) **Approve payment of bills** – Gore made a motion, seconded by Wegge to approve the payment of the bills as presented. Roll Call Vote: Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Henne. Motion Carried.
- E) **Authorize Secretary Ernst to request recommended property tax levy from the Village Board** – Wegge made a motion, seconded by Gore, to authorize Ernst to request a property tax levy of \$695,468 for the 2023 contribution. Roll Call Vote: Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Henne. Motion Carried.
- F) **Authorize Secretary Ernst to proceed with purchase of annual fiduciary liability insurance** – Wegge made a motion, seconded by Crowley, to authorize Ernst to proceed with the renewal and purchase of the fiduciary liability insurance policy. Roll Call Vote: Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Henne. Motion Carried.

**G) Set annual schedule meeting dates for January, April, July and October 2023 –**  
Gore made a motion, seconded by Wegge to set the following 2023 regular meeting dates at 8:00 a.m. on the following dates: January 19, April 20, July 20, and October 19. All “Ayes.” Motion Carried.

**H) Other – None.**

**9. Closed Session – None.**

**10. Adjournment**

Gore made a motion, seconded by Wegge to adjourn the meeting at 9:28 a.m. All “Ayes.” Motion Carried.

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MINUTES APPROVED on 11/19/2023

  
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PRESIDENT

  
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SECRETARY