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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 16, 2020 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 (in-person), Brian Ernst (remote pursuant to Public Act 101-640), Stu Crowley (in-person), Tom Morris (remote pursuant to Public Act 101-640), and Linda Wegge (in-person). Trustees Absent: None. Also in attendance: Attorney Jeff Goodloe, Ed Lavin from Sawyer Falduto Asset Management (SFAM), and Jeff Eberhardt from PNC.

President Gore called the meeting to order at 8:02 a.m.

No members of the public were present for the meeting or participated in public comment by submitting emails to President Gore prior to the meeting.

2. Public Comment

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

3. Approval of Minutes of April 16, 2020 Regular Meeting and April 16, 2020 Closed Meeting

The **minutes of the April 16, 2020 regular meeting and April 16, 2020 closed meeting** were reviewed.

Wegge made a motion, seconded by Crowley, to approve the April 16, 2020 regular meeting minutes as presented. Roll Call Vote: Ayes – Crowley, Gore, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

Wegge made a motion, seconded by Crowley, to approve the April 16, 2020 closed meeting minutes as presented. Roll Call Vote: Ayes – Crowley, Gore, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

4. Sawyer / Falduto Financial Report – Equity Report

Ed Lavin presented the 2020 Second Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 21.41% net of fees. Total account return YTD of -5.00% net of fees.

Morris asked a question regarding the use of the term “anchored” in the SFAM report and Wegge asked a question regarding net/gross returns.

Wegge made a motion, seconded by Gore to accept the 2020 Second Quarter Investment Report. Roll Call Vote: Ayes – Crowley, Gore, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

5. PNC Financial Report – Fixed Income Report

Jeff Eberhardt presented the 2020 Second Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 3.42% net of fees. Total account return YTD of 5.13% net of fees.

Morris made a motion, seconded by Wegge to accept the 2020 Second Quarter Investment Report. Roll Call Vote: Ayes – Crowley, Gore, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

6. Investment Policy and Asset Allocation – Review and Approve Updates

Mr. Lavin presented the updated Investment Policy the Board approved during the July 16, 2020 regular meeting. Mr. Lavin obtained the trustees’ signatures on the Investment Policy. Mr. Lavin will work with Lauterbach & Amen and Mr. Gavin to ensure the Investment Policy is filed within 30 days.

7. Treasurer’s Report

A) Village Treasurer’s Financial Report – Mr. Gavin presented the treasurer’s report. Pension Fund net present assets at approximately \$24.7 million reflecting an approximate 6% increase in the portfolio for the year ended June 2020.

Mr. Gavin reported the Pension Fund currently has \$525,000 available for investment. Gore made a motion, seconded by Crowley, to invest \$225,000 in its equity portfolio with SFAM and \$300,000 in its fixed income portfolio with PNC. Roll Call Vote: Ayes – Crowley, Gore, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

- B) Actuarial Valuation and Village Contribution** – Mr. Gavin advised that L&A is in the process of preparing the actuarial valuation report for presentation at the next meeting.
- C) Audit Update** – Mr. Gavin advised that the audit is currently in progress and should be finalized by the next meeting.
- D) Department of Insurance Annual Statement Update** – Mr. Gavin advised that L&A is in the process of preparing the Illinois Department of Insurance Annual Statement so that it will be ready for filing on or before the October 31 deadline.
- E) Annual Treasurer’s Report to Village Board (40 ILCS 5/3-141)** – Mr. Gavin presented the Annual Treasurer’s Report pursuant to 40 ILCS 5/3-141. Wegge made a motion, seconded by Gore, to accept the Annual Treasurer’s report. Roll Call Vote: Ayes – Crowley, Gore, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

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

8. Attorney’s Report

- A) Legal Updates** – Attorney Goodloe provided an update on consolidation and the permanent board election status.
- B) Joseph Manges annual examination** – Attorney Goodloe advised the Pension Board that Manges underwent his annual examination with Dr. Bennett on May 13, 2020 and that Dr. Bennett issued his report concluding that Manges remains disabled. Morris made a motion, seconded by Wegge, to accept Dr. Bennett’s report and to continue Manges on disability subject to annual examinations. Roll Call Vote: Ayes – Crowley, Gore, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.
- C) Update on Kurt Newman disability** – Attorney Goodloe advised that former police officer Kurt Newman is receiving his disability pension pursuant to the Agreement.

9. Old Business

- A) IPPFA Annual Training Conference – Naperville** – Ernst advised that he will register the trustees for the IPPFA annual training conference. The Pension Board discussed the new training requirements.
- B) Review and vote on acceptance of Gutraj application and tax filing for increase in disability pension pursuant to 40 ILCS 5/3-114.1(d)** – The Pension Board reviewed Conrad Gutraj’s application and tax filing for his increase pursuant to 40

ILCS 5/3-114.1(d). Crowley made a motion, seconded by Wegge, to accept Conrad Gutraj's application and tax filings for his annual 3% pension increase in October pursuant to 40 ILCS 5/3-114.1(d). Roll Call Vote: Ayes – Morris, Ernst, Gore, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

10. New Business

- A) Vote to approve Scott Heimos QILDRO / \$50 payment received** – Attorney Goodloe advised the Pension Board had received a certified copy of the entered QILDRO, the \$50 payment, and Officer Heimos' signed consent to issuance of the QILDRO. Wegge made a motion, seconded by Gore, to accept the QILDRO in the matter of the marriage of Heimos (16 DV 874). Roll Call Vote: Ayes – Morris, Ernst, Gore, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.
- B) Select Board Officers** – Gore made a motion, seconded by Wegge, to select the following slate of Pension Board Officers: President (Gore); Vice President (Crowley); Secretary (Ernst); Assistant Secretary (Morris). Roll Call Vote: Ayes – Morris, Ernst, Gore, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.
- C) 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)** – Gore made a motion, seconded by Wegge, to keep the October 17, 2019; January 16, 2020; and April 16, 2020 closed session minutes confidential subject to semi-annual review. Roll Call Vote: Ayes – Morris, Ernst, Gore, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.
- D) 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 – None subject to destruction at this time)** – The Pension Board did not take any action on this matter as none of the listed verbatim recordings are subject to possible destruction at this time.
- E) Approve Payment Bills** – Morris made a motion, seconded by Crowley, to approve the payment of the bills as presented in the treasurer's report and ExamWorks Invoice 280-2077385 in the amount of \$2,875 for Manges' annual exam. Roll Call Vote: Ayes – Crowley, Gore, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.
- F) Other** – Ernst inquired about pensioner McCutcheon's initial COLA and advised that another officer inquired about applying for a possible refund of contributions or a deferred retirement pension.

11. Closed Session – None.

12. Adjournment

Wegge made a motion, seconded by Crowley to adjourn the meeting at 9:06 a.m. Roll Call
Vote: Ayes – Crowley, Gore, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent –
None. Motion Carried.

MINUTES APPROVED on 10/15/2020



PRESIDENT



SECRETARY