

Tel: (847) 223-2341

Fax: (847) 223-4831

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

MINUTES OF A REGULAR MEETING OF THE GRAYSLAKE POLICE PENSION FUND held January 21, 2016 at 8:00 a.m. at the Village Hall, 10 South Seymour Avenue, Grayslake Illinois.

I. Call to order and roll call

Trustees present: Stu Crowley, Brian Ernst, Conrad Gutraj, Tom Morris, and Linda Wegge. Also in attendance: Attorney Jeff Goodloe, Thomas Sawyer from Sawyer Falduto Asset Management, and Steve Eitel from PNC.

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

No members of the public were present.

II. Public Discussion

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

III. Approval of Minutes of October 22, 2015 Regular Meeting

The minutes of October 22, 2015 Meeting were reviewed.

Wegge made a motion, seconded by Morris to approve the October 22, 2015 minutes as presented. All "Ayes". Motion Carried.

IV. Sawyer / Falduto Financial Report – Equity Investment Report

Thomas Sawyer presented the 2015 Fourth Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 5.88% net of fees. Total account return year to date of 0.75% net of fees.

Wegge asked a question regarding SFAM management fees. Morris asked a question regarding rebalancing into the natural resources/commodities asset class.

Wegge made a motion, seconded by Morris to accept the 2015 Fourth Quarter Investment Report. All "Ayes". Motion Carried.

V. PNC Report – Fixed Income Report

Steve Eitel presented the 2015 Fourth Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of -0.68% net of fees. Total account return year to date of 0.54% net of fees.

Wegge asked a question regarding the impact of political change on both the bond and equity markets. Morris asked a question regarding the probability of the postponement of a Federal Reserve Bank rate increase due to weakness in the economy and whether PNC should maintain a defensive position in the bond portfolio.

Wegge made a motion, seconded by Morris to accept the 2015 Fourth Quarter Investment Report. All "Ayes". Motion Carried.

On January 21, 2016 the pension fund transferred \$230,000 from First Midwest to PNC for investment in the fixed income account.

VI. Treasurer's Report

- A) **Financial Report – Printed Version for Review** – Finance Director O'Connell was absent and submitted a printed copy of the treasurer's report for review. Pension Fund net present assets at approximately \$16.7 million.

Wegge made a motion, seconded by Gutraj to accept the treasurer's report. All "Ayes". Motion Carried.

VII. Attorney's Report – Attorney Goodloe provided an update regarding Pension Reform Litigation, consolidation, and *Swoboda v. Sugar Grove Police Pension Fund*.

- A) **Update on Appeal in *Gutraj v. Board of Trustees of the Police Pension Fund of the Village of Grayslake, Illinois (2-14-0831)*** – Attorney Goodloe provided an update on the status of the appeal. Attorney Goodloe advised that the Illinois Supreme Court denied the plaintiff's petition for leave to appeal on November 25, 2015 and issued its mandate on December 30, 2015.

VIII. Old Business

- A) **Update regarding Officer Manges disability hearing set for February 15, 2016 at 9:00 a.m.** – Attorney Goodloe reminded the trustees about the disability hearing and distributed copies of proposed Pension Board exhibit 16 to supplement the Pension Board's exhibits.

IX. New Business

- A) **Shaun McMahon Application to the Fund** – Ernst made a motion, seconded by Gutraj to accept Officer Shaun McMahon's application for admission into the pension fund (Hire date of January 3, 2016; Tier 1 Benefits). Ayes – Crowley, Ernst, Gutraj, Morris, Wegge. Nays – None. Abstain – None. Motion Carried.

- B) Statement of Economic Interest Forms** – Trustees were reminded that the county clerk will be emailing trustees regarding the statement of economic interest forms and that each trustee’s form must be completed and filed on or before May 1, 2016.
- C) Appoint FOIA / OMA Officers** – Wegge made a motion, seconded by Ernst, to reappoint Jennifer Wells as the Freedom of Information Act Officer and to reappoint President Crowley as the Open Meetings Act Officer. All “Ayes”. Motion Carried.
- D) Semi-Annual Review of closed session minutes pursuant to 5 ILCS 120/2.06(d). The Board may enter closed session pursuant to 5 ILCS 120/2(c)(21) to perform the semi-annual review.**
1. October 17, 2012
 2. July 18, 2013
 3. March 11, 2014

Ernst made a motion, seconded by Wegge to make the closed session minutes of October 17, 2012; July 18, 2013; and March 11, 2014 public. Ayes – Crowley, Ernst, Morris, Wegge. Nays – None. Abstain – Gutraj. Motion Carried.

- E) Discussion and vote to destroy verbatim recordings of closed session minutes 18 months or older pursuant to 5 ILCS 120/2.06(c). The Board may enter closed session pursuant to 5 ILCS 120/2(c)(21) to review the verbatim recordings of closed session minutes.**

1. March 11, 2014

Morris made a motion, seconded by Wegge, to destroy the March 11, 2014 verbatim closed session recording.

Ayes – Crowley, Ernst, Morris, Wegge. Nays – None. Abstain – Gutraj. Motion carried.

F) Bills Paid / Pay Bills

Wegge made a motion, seconded by Gutraj, to approve the payment of the bills as presented in the treasurer’s report. Ayes – Crowley, Ernst, Gutraj, Wegge. Nays – None. Motion Carried.

G) Other

Morris had a question regarding the intergovernmental agreement between the Village of Grayslake and the Village of Hainesville whereby the Village of Grayslake provides police protection for the Village of Hainesville. Morris inquired as to whether the pension fund was receiving adequate consideration from the Village of Hainesville, either through the agreement or through a possible Village of Hainesville police pension tax levy, for the police services provided by the Village of Grayslake. Morris wanted assurance that the Pension Board’s trustees were not violating their fiduciary duty to the pension fund if the Village of Hainesville was not paying sufficient money to the Village of Grayslake to cover the pension fund’s potential liability. Attorney Goodloe will obtain copies of the agreement and discuss at the next regular meeting.

X. Adjournment

Wegge made a motion, seconded by Ernst to adjourn the meeting at 9:15 a.m. All "ayes". Motion carried.

MINUTES APPROVED on 4/21/16



PRESIDENT



SECRETARY