

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 19, 2017 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. Trustees Absent: Linda Wegge and Tom Morris. Also in attendance: Attorney Jeff Goodloe, Finance Director Bettina O'Connell, John Falduto from Sawyer Falduto Asset Management (SFAM), and Steve Eitel and David Lewis from PNC.

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

No members of the public were present.

II. Public Discussion

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

III. Approval of Minutes of October 20, 2016 Regular Meeting

The minutes of the October 20, 2016 Regular Meeting were reviewed.

Gutraj made a motion, seconded by Ernst, to approve the October 20, 2016 regular meeting minutes as presented. All "Ayes". Motion Carried.

IV. Sawyer / Falduto Financial Report – Equity Report

John Falduto presented the 2016 Fourth Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 4.15% net of fees. Total account return year to date of 10.51% net of fees.

Gutraj made a motion, seconded by Ernst to accept the 2016 Fourth Quarter Investment Report. All "Ayes". Motion Carried.

V. PNC Financial Report – Fixed Income Report

Steve Eitel and David Lewis presented the 2016 Fourth Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of -2.21% net of fees. Total account return year to date of 1.42% net of fees.

Finance Director O’Connell asked whether PNC’s report could track performance on the same time frame as the bank statement. Mr. Eitel indicated that PNC could provide the appropriate performance number for the requested time frame. Finance Director O’Connell asked whether PNC would be purchasing any treasury inflation protected securities in the future. Mr. Eitel indicated that the possibility existed. Ernst asked a question regarding the proposed increased allocation to corporate credit. Gutraj asked about the effect of an interest rate increase on mortgage-backed securities. Mr. Eitel indicated that a rise in interest rates will have a negative effective on the portfolio’s mortgage-backed securities.

Gutraj made a motion, seconded by Ernst to accept the 2016 Fourth Quarter Investment Report. All “Ayes”. Motion Carried.

VI. Treasurer’s Report

- A) Financial Report** – Finance Director O’Connell presented the treasurer’s report. Pension Fund net present assets at approximately \$18.1 million reflecting an 8.2% net increase in the portfolio for the year ended December 2016. Finance Director O’Connell presented the projected retirement benefit payments over the next 10 years and has requested that Lauterbach & Amen prepare a 20-year projection.

Ernst 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 proposed consolidation and contribution enforcement legislation and discussed *Village of North Riverside v. Boron*. Attorney Goodloe advised that he did not believe that the pension board’s current fiduciary liability insurance policy provided all necessary coverage related to a cyber-security breach. Attorney Goodloe also discussed “choice of counsel” language in the current policy. Ernst will reach out to the broker.

- VIII. Old Business** – None.

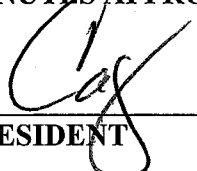
IX. New Business


- A) Retiree Max Vogel passed away – Barbara Vogel survivor’s pension** – Retiree Max Vogel passed away on December 16, 2016. At the date of his death, he was receiving a monthly benefit of \$2,910.61 (\$34,927.32 annualized). Pursuant to 40 ILCS 5/3-112(a), retiree Vogel’s surviving spouse, Barbara Vogel, is entitled to the same annualized pension to which retiree Vogel was receiving at the date of death. However, Barbara Vogel is not entitled to any future cost of living increases. Gutraj made a motion, seconded by Ernst, to approve the survivor’s pension benefit of Barbara Vogel as set forth above. Roll Call Vote: Ayes – Crowley, Ernst, Gutraj. Nays – None. Abstain – None. Motion Carried.
- B) Statement of Economic Interest Forms** – Attorney Goodloe reminded trustees that they are required to complete and file their statement of economic interest forms on or before May 1, 2017 and that failure to complete and file the forms may result in a personal fine.
- C) Discussion and action regarding trustee elections and appointments** – See IX(D).
- D) Biennial elections of active/beneficiary trustees to be held on April 17, 2017** – Ernst indicated that all three elected positions are subject to election this year. Ernst will send out the appropriate nominating forms for both the active and beneficiary elections. Per 40 ILCS 5/3-128 the elections will be held on April 17, 2017. Ernst noted that appointed trustee Morris is also up for re-appointment this year.
- E) Appoint FOIA / OMA Officers** – Ernst made a motion, seconded by Gutraj to appoint Village employee Jennifer Hess as the Pension Board’s Freedom of Information Act Officer (FOIA) and Open Meetings Act (OMA) Officer. Finance Director O’Connell advised that Hess performs the annual required training by virtue of being the Village’s FOIA and OMA officers.
- F) 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.** – None.
- G) 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 recording of closed session minutes.** – None. The verbatim recording of the February 15, 2016 closed session meeting is not subject to possible destruction at this time.
- H) Pay Bills** – Ernst made a motion, seconded by Gutraj, to approve the payment of the bills as presented in the treasurer’s report. Roll Call Vote: Ayes – Crowley, Ernst, Gutraj. Nays – None. Abstain – None. Motion Carried.

X. Adjournment

Ernst made a motion, seconded by Gutraj to adjourn the meeting at 8:58 a.m. All "Ayes".
Motion carried.

MINUTES APPROVED on 4/19/17

 V.P.
PRESIDENT


SECRETARY