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**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 18, 2018 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, and Tom Morris. Trustees Absent: Linda Wegge. Also in attendance: Attorney Jeff Goodloe, Finance Director Thomas Lyons of Lauterbach & Amen, John Falduto from Sawyer Falduto Asset Management (SFAM) (arrived at 8:13 a.m.), and Steve Eitel 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, Morris made a motion, seconded by Gutraj to close public discussion. All "Ayes." Motion Carried.

**III. Approval of Minutes of October 19, 2017 Regular Meeting**

The minutes of the October 19, 2017 Regular Meeting were reviewed.

Morris made a motion, seconded by Ernst, to approve the October 19, 2017 regular meeting minutes as presented. All "Ayes." Motion Carried.

**IV. Sawyer / Falduto Financial Report – Equity Report**

John Falduto presented the 2017 Fourth Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 5.75% net of fees. Total account return year to date of 21.95% net of fees.

Gutraj made a motion, seconded by Morris to accept the 2017 Fourth Quarter Investment Report. All "Ayes." Motion Carried.

**V. PNC Financial Report – Fixed Income Report**

Steve Eitel presented the 2017 Fourth Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of -0.28% net of fees. Total account return year to date of 2.00% net of fees.

Morris asked a question regarding the decrease in treasury bonds relative to the increase in corporate bonds in the fixed income portfolio.

Morris made a motion, seconded by Ernst to accept the 2017 Fourth Quarter Investment Report. All “Ayes.” Motion Carried.

**VI. Treasurer’s Report**

- A) Village Treasurer’s Report** – Mr. Lyons presented the treasurer’s report. Pension Fund net present assets at approximately \$20.9 million reflecting a 15.5% net increase in the portfolio for the year ended December 2017.

Morris asked a question regarding the percent funded status for the pension fund and whether Mr. Lyons could include that estimated information on future reports. Mr. Falduto discussed with Mr. Lyons rebalancing the portfolio in preparation for the April 30th fiscal year end.

Morris made a motion, seconded by Ernst to accept the treasurer’s report. All “Ayes.” Motion Carried.

**VII. Attorney’s Report**

- A) Attorney Goodloe provided an update regarding new legislation and case law. (*Keeling v. Forest Park Police Pension Board; Naden v. Sugar Grove Firefighters’ Pension Board; Martin v. Shiloh Police Pension Board; and the Comptroller’s new intercept rules*).**
- B) Discussion and action regarding proposed PGM fee increase** – Attorney Goodloe advised that effective April 1, 2018 PGM would be raising its quarterly retainer from \$600 to \$650 and its hourly rate from \$165 to \$175. Morris made a motion, seconded by Ernst, to approve PGM’s proposed fee increase. All “Ayes.” Motion Carried.

**VIII. Old Business – None**

**IX. New Business**

- A) Joseph Manges annual medical exam for disability pension until age 50** – Attorney Goodloe advised that disabled pensioner Joseph Manges is due for his annual examination pursuant to 40 ILCS 5/3-115. Gutraj made a motion, seconded by Ernst, to

schedule Joseph Manges for his annual examination with Dr. Craig Bennett, M.D. All "Ayes." Motion Carried.

**B) Statement of Economic Interest Forms** – Ernst reminded trustees that they must complete and file their statement of economic interest forms on or before May 1, 2018.

**C) Discussion and acceptance of Rudulf Hegland's retirement application** – Rudulf Hegland is entitled to a regular retirement pension based on the following information:

Entry Date:	November 16, 1988
Retirement Date:	December 10, 2017
Pension Effective Date:	December 11, 2017
Age at Date of Pension:	54
Years of Creditable Service:	29
Salary Attached to Rank:	\$101,023.47
Applicable Pension Percent:	72.50%
Amount of Original Monthly Pension:	\$6,103.50
Prorated December 2017 Benefit:	\$4,134.63

The Pension Board discussed Officer Hegland's retirement application. The Pension Board asked whether approving the application would trigger the 35-day administrative review law time period. Attorney Goodloe advised that pursuant to *Howe v. Retirement Board of the Chicago Policemen's Annuity & Benefit Fund* the approval and payment of the application would arguably not trigger the 35-day administrative review law time period absent the Pension Board approving a written order and serving it on Officer Hegland. Attorney Goodloe advised that pursuant to *Sola v. Roselle Police Pension Board* the approval and payment of the application would arguably trigger the 35-day administrative review law time period even without a written Pension Board order served on Officer Hegland.

Crowley made a motion, seconded by Gutraj to approve the regular retirement pension benefits for Officer Hegland as set forth above and subject to approval of a written decision and order at the next quarterly meeting. Discussion – Morris advised that he was going to vote "no" on the motion because he believed based on Attorney Goodloe's advice that a written decision and order was superfluous and the pension board would incur unnecessary legal fees.

Roll Call Vote: Ayes – Crowley, Ernst, Gutraj. Nays – Morris. Abstain – None. Absent – Wegge. Motion Carried.

**D) Discussion and acceptance of Mark Voykin QILDRO** – Attorney Goodloe advised that the pension board received the certified copy of the Voykin QILDRO and \$50 administrative fee on October 10, 2017. Attorney Goodloe advised the QILDRO was acceptable and that PNC had processed the QILDRO. Morris made a motion, seconded

by Ernst, to accept the QILDRO entered in the matter of *In Re the Marriage of Voykin*, Nineteenth Judicial Circuit Court number 16 D 1402. All "Ayes." Motion Carried.

- E) **Discussion and action regarding trustee elections / appointments** – No elected trustee terms expire this year. Trustee elections will take place in April 2019. Trustee Wegge's appointment expires this year. Ernst will follow up with the Mayor regarding the appointed position currently held by Trustee Wegge.
- F) **Appoint FOIA / OMA Officers** – Ernst made a motion, seconded by Gutraj to reappoint Jennifer Hess as the Pension Board's Freedom of Information Act Officer and Open Meetings Act Officer. All "Ayes." Motion Carried.
- G) **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 semiannual review** – None. All closed session minutes have been made public.
- H) **Discussion and vote to destroy the 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 sessions** – Morris made a motion, seconded by Ernst, to authorize destruction of the verbatim recording of the February 15, 2016 closed session in the matter of the disability pension hearing of Joseph Manges. Roll Call Vote: Ayes – Crowley, Ernst, Morris. Nays – Gutraj. Abstain – None. Absent – Wegge. Motion Carried.
- I) **Pay Bills.** – Gutraj made a motion, seconded by Ernst, to approve the payment of the bills as presented in the treasurer's report. Roll Call Vote: Ayes – Crowley, Gutraj, Morris, Ernst. Nays – None. Abstain – None. Absent – Wegge. Motion Carried.

X. Adjournment

Morris made a motion, seconded by Ernst to adjourn the meeting at 9:04 a.m. All "Ayes". Motion carried.

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MINUTES APPROVED on

4/19/18

  
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PRESIDENT

  
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SECRETARY