

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 April 18, 2019 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. Trustees Absent: Linda Wegge. Also in attendance: Attorney Jeff Goodloe, Finance Director Thomas Lyons from Lauterbach & Amen (L&A), John Falduto from Sawyer Falduto Asset Management (SFAM), and Jeff Eberhardt from PNC.

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

Officer Matt Gore was present.

II. Public Discussion

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

III. Approval of Minutes of January 17, 2019 Regular Meeting

The minutes of the January 17, 2019 Regular Meeting were reviewed.

Morris made a motion, seconded by Gutraj, to approve the January 17, 2019 regular meeting minutes as amended. All "Ayes." Motion Carried.

IV. Sawyer / Falduto Financial Report – Equity Report

John Falduto presented the 2019 First Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 13.75% net of fees. Total account return year to date of 13.75% net of fees.

Ernst made a motion, seconded by Gutraj to accept the 2019 First Quarter Investment Report. All "Ayes." Motion Carried.

V. PNC Financial Report – Fixed Income Report

Jeff Eberhardt presented the 2019 First Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 2.42% net of fees. Total account return year to date of 2.42% net of fees.

Ernst made a motion, seconded by Morris to accept the 2019 First Quarter Investment Report. All “Ayes.” Motion Carried.

VI. Treasurer’s Report

- A) Financial Report** – Mr. Lyons presented the treasurer’s report. Pension Fund net present assets at approximately \$22.3 million reflecting a 19.4% increase in the portfolio for the year ended March 2019. Morris asked a question regarding the revenue report figures and a question regarding the increase in the tax levy.

Mr. Lyons reported the Pension Fund currently has \$140,000 available for investment. Morris made a motion, seconded by Ernst, to transfer \$140,000 from the cash account to the Schwab account for investment in the equity portfolio. Roll Call Vote: Ayes – Crowley, Gutraj, Morris, Ernst. Nays – None. Abstain – None. Absent – Wegge. Motion Carried.

- B) Tax Levy Update** – Mr. Lyons advised the Village anticipated 2019 tax receipts of \$768,269. A representative from L&A will attend the next meeting to present the draft actuarial valuation tax levy report as of May 1, 2019.
- C) Audit Update** – Mr. Lyons advised the fiscal year 2019 preliminary audit field work is underway.
- D) Department of Insurance (DOI) Annual Statement Update** – Mr. Lyons advised work is underway on the fiscal year 2019 DOI Annual Statement and that it will be ready for filing on or before the October 31, 2019 due date.
- E) Compliance** – Mr. Lyons advised that all trustee Statement of Economic Interest forms have been filed.
- F) Illinois Finance Entity Form** – Mr. Lyons advised he will contact First Midwest Bank to obtain the completed High Risk Home Loan compliance form pursuant to 40 ILCS 5/1-110.10.

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

VII. Attorney's Report

A) Joseph Manges – Discussion and vote on full or partial annual disability evaluation

– The Pension Board discussed whether to send Manges to a full independent medical examination for purposes of his 2019 annual exam or whether to accept a report from Manges' treating physician. Morris and Gutraj discussed proposed rule changes to address annual examinations for out of state pensioners, and alternating the annual examinations so that in odd numbered years the pension board would accept a report from a disabled pensioner's treating physician and in even numbered years the pension board would send the disabled pensioner for an examination with an independent physician.

Morris made a motion, seconded by Ernst, to accept a report from Manges' treating physician for purposes of his 2019 annual examination pursuant to 40 ILCS 5/3-115. Roll Call Vote: Ayes – Crowley, Morris, Ernst. Nays – Gutraj. Abstain – None. Absent – Wegge. Motion Carried.

B) Update on Kurt Newman disability examinations – Attorney Goodloe provided an update on the status of Kurt Newman's disability application. Newman attended an examination on April 16 and has his other two examinations scheduled for April 22 and April 25. Finance Director Lyons addressed Newman's employment and creditable service status. Attorney Goodloe advised he would contact Newman's attorney and the Village's attorney regarding Newman's employment status for the purpose of determining whether Newman could continue to earn creditable service pursuant to 40 ILCS 5/3-110(a) assuming he paid the required pension contributions.

C) Legal Updates – Attorney Goodloe provided an update regarding new legislation and case law (*Anderson v. Libertyville Police Pension Board; and the consolidation bills*).

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

VIII. Old Business

A) Discussion and action regarding updated rules and regulations – Attorney Goodloe advised he needed additional time to incorporate Gutraj's proposed changes into the rules and to incorporate other proposed changes discussed during today's meeting. Gutraj advised he also wanted additional time to review the proposed updated rules and regulations. Crowley made a motion, seconded by Ernst, to table consideration of the updated rules and regulations. All "Ayes." Motion Carried.

IX. New Business

A) Stuart Crowley vote on final order for retirement on June 9, 2019 –

Stuart Crowley is entitled to a regular retirement pension based on the following information:

Entry Date:	May 29, 1997
Retirement Date:	June 9, 2019
Pension Effective Date:	June 10, 2019
Age at Date of Pension:	50
Years of Creditable Service:	22
Salary Attached to Rank:	\$106,582.46
Applicable Pension Percent:	55.00%
Amount of Original Monthly Pension:	\$4,885.03 (\$58,620.36 Annualized)
Prorated First Month Benefit:	\$3,419.52

Morris made a motion, seconded by Gutraj, to approve the retirement pension application of police officer Stuart Crowley, the written decision and order, and the certificate of payment as presented. Roll Call Vote: Ayes – Gutraj, Morris, Ernst. Nays – None. Abstain – Crowley. Absent – Wegge. Motion Carried.

B) Statement of Economic Interest Forms – All trustees filed their statement of economic interest forms. See VI(E) above.

C) Bi-Annual Pension Board Elections April 2019

Beneficiary Election – 9 of 11 beneficiaries returned ballots. Gutraj received 9 votes and is re-elected for a two-year term.

Active Participant Election – 20 of 29 active participants returned ballots. Ernst received 20 votes. Gore received 17 votes. Madden received 1 vote. McMahon received 1 vote (write-in). Goldberg received 1 vote (write-in). Ernst and Gore are elected for a two-year term.

Morris made a motion, seconded by Gutraj, to certify the election results. All “Ayes.” Motion Carried.

Mr. Falduto stated that he would send a resolution to update the signers on the Schwab account.

D) Pay Bills – Ernst made a motion, seconded by Gutraj, to approve the payment of the bills as presented in the treasurer’s report and the transfer of \$140,000 to the Schwab account for investment in the equity portfolio. Roll Call Vote: Ayes – Crowley, Gutraj, Morris, Ernst. Nays – None. Abstain – None. Absent – Wegge. Motion Carried.

E) **Other** – Conrad Gutraj submitted his application and tax related documents for the 3% increase in October pursuant to 40 ILCS 5/3-114.1(d). The Pension Board will consider the matter at the next meeting.

X. **Adjournment**

Gutraj made a motion, seconded by Morris to adjourn the meeting at 9:30 a.m. All “Ayes”.
Motion carried.

MINUTES APPROVED on 7/19/19

VCC



PRESIDENT



SECRETARY