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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 **October 17, 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: Brian Ernst, Matt Gore, Stu Crowley, Tom Morris, Linda Wegge. Trustees Absent: None. Also in attendance: Attorney Jeff Goodloe, Finance Director Thomas Lyons and Actuary Bob Reitz from Lauterbach & Amen (L&A), Ed Lavin and John Falduto from Sawyer Falduto Asset Management (SFAM), and Jeff Eberhardt from PNC.

President Gore called the meeting to order at 8:04 a.m.

No members of the public were present.

II. Public Discussion

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

III. Approval of Minutes of July 18, 2019 Regular Meeting and August 20, 2019 Special Meeting

The **minutes of the July 18, 2019 Regular Meeting and August 20, 2019 special meeting** were reviewed.

Morris made a motion, seconded by Crowley, to approve the July 18, 2019 regular meeting minutes as amended, and the August 20, 2019 special meeting minutes as presented. All "Ayes." Motion Carried.

IV. Sawyer / Falduto Financial Report – Equity Report

Ed Lavin presented the 2019 Third Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 0.32% net of fees. Total account return year to date of 17.90% net of fees.

Morris asked a question regarding the Federal Reserve Bank's rationale for reducing interest rates and whether SFAM anticipated improvement or decline in the global economy over the

next 12 months. Morris asked a question regarding the partial sale of the LSV Value Fund and the purchase of the AQR Large Cap Defensive Fund.

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

V. PNC Financial Report – Fixed Income Report

Jeff Eberhardt presented the 2019 Third Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 1.29% net of fees. Total account return year to date of 6.30% net of fees.

Morris made a motion, seconded by Wegge to accept the 2019 Third 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 \$23.7 million reflecting an approximate 6% increase in the portfolio for the year ended September 2019.

Mr. Lyons reported the Pension Fund currently has \$425,000 available for investment. The Pension Board discussed economic scenarios and conditions with its investment advisers to determine how to invest the \$425,000. Wegge made a motion, seconded by Ernst, to transfer \$300,000 from the cash account to the Schwab account for investment in the equity portfolio and to transfer \$125,000 from the cash account to PNC for investment in the fixed income account. Roll Call Vote: Ayes – Crowley, Morris, Ernst, Gore, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

- B) Approve Fiscal Year End 2019 Audit** – Mr. Lyons presented the FY 2019 financial audit. Morris made a motion, seconded by Wegge, to approve the draft FY 2019 financial audit and to make the report final. All "Ayes." Motion Carried.
- C) Approve Department of Insurance Annual Statement Filing** – Morris made a motion, seconded by Wegge, to approve the filing of the FY 2019 IDOI annual statement and to make Ernst the designated signer. All "Ayes." Motion Carried.
- D) Discussion and Action regarding Actuarial Valuation Tax Levy and GASB Reports** – Mr. Reitz presented the actuarial valuation tax levy report as of May 1, 2019 and the GASB 67/68 report as of May 1, 2018. The recommended Village contribution is \$821,545. The Pension Fund is 82.58% funded on an actuarial value of assets. The Pension Board discussed whether to reduce the assumed rate of return used for future actuarial valuations but did not take any action. Wegge made a motion, seconded Morris, to approve the actuarial valuation tax levy and GASB reports and to recommend a

Village contribution of \$821,545. Roll Call Vote: Ayes – Gore, Morris, Ernst, Crowley, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

- E) Discussion and Action regarding 40 ILCS 5/3-143 Municipal Compliance Report** – Wegge made a motion, seconded by Crowley to approve the 40 ILCS 5/3-143 municipal compliance report for FY 2019. All “Ayes.” Motion Carried. Ernst will provide the report, including the investment policy, to the Village Board.

VII. Attorney’s Report

Attorney Goodloe provided an update on the Governor’s Pension Consolidation Feasibility Task Force’s report.

- A) Update Regarding Kurt Newman Disability Application** – Attorney Goodloe advised the pension board’s proposed exhibits have been assembled and a hearing on the application is on hold by agreement of all parties pending the results of settlement negotiations.
- B) Discussion and action regarding Kurt Newman settlement negotiations** – See Agenda Item X below.

VIII. Old Business

- A) Conrad Gutraj’s 3% October Pension Increase submitted to PNC** – Ernst reported that he had submitted the required information to PNC so that Conrad Gutraj will receive his 3% increase in October pursuant to 40 ILCS 5/3-114.1(d).
- B) Joseph Manges – Annual Disability Application – Accept Dr. Haynes’ Report** – Dr. Haynes issued her report dated May 24, 2019 concluding that Joseph Manges remained disabled. Crowley made a motion, seconded by Ernst, to accept Dr. Haynes’ report and to continue Manges on disability subject to future annual examinations. All “Ayes.” Motion Carried.
- C) Discussion and Action regarding updated Investment Policy** – No action.

IX. New Business

- A) Report on IPPFA’s ATC in Lake Geneva, WI** – The Pension Board’s trustees attended the IPPFA annual training conference from October 1, 2019 through October 4, 2019.
- B) Select Vice President / Pension Board Officers** – Ernst made a motion, seconded by Wegge, to appoint Crowley as the Vice President. All “Ayes.” Motion Carried.
- C) Approve Payment Bills** – Morris made a motion, seconded by Wegge, to approve the payment of the bills as presented in the treasurer’s report, to pay Wegge her expense reimbursement for attending the IPPFA training conference, and to approve payment of

the IPPFA annual dues in the amount of \$795. Roll Call Vote: Ayes – Crowley, Gore, Morris, Ernst, Wegge. Nays – None. Abstain – None. Absent – None. Motion Carried.

- D) Authorize Secretary Ernst to request recommended property tax levy from the Village Board** – Ernst made a motion, seconded by Wegge, to authorize Ernst to request a recommended property tax levy from the Village Board for the pension fund in the amount of \$821,545. All “Ayes.” Motion Carried.
- E) Schedule 2020 meeting dates (January 16, April 16, July 16, and October 15)** – Crowley made a motion, seconded by Wegge, to approve the following 2020 regular meeting dates: January 16, 2020; April 16, 2020; July 16, 2020; and October 15, 2020. All meetings start at 8:00 a.m. All “Ayes.” Motion Carried. Attorney Goodloe advised the list of regular meeting dates must be posted at the Village Hall on or before January 1, 2020.
- F) Other** – The Pension Board discussed the IPPFA pension fund consolidation resolution. The Pension Board signed the resolution. Ernst will forward the resolution to the IPPFA. The Pension Board will vote to ratify approval of the resolution at its next regular meeting.

X. Closed Session

At 9:45 a.m. Morris made a motion, seconded by Wegge, to enter closed session pursuant to sections 2(c)(1) and 2(c)(11) of the Open Meetings Act to discuss personnel and probable litigation. All “Ayes”. Motion carried.

XI. Adjournment

The Pension Board returned to open session at 10:32 a.m. Morris made a motion, seconded by Wegge to adjourn the meeting at 10:33 a.m. All “Ayes”. Motion carried.

MINUTES APPROVED on 11/16/2020



PRESIDENT



SECRETARY