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

MINUTES OF A REGULAR MEETING OF THE GRAYSLAKE POLICE PENSION FUND held January 21, 2021 at 8:00 a.m. at the Grayslake Village Hall, 10 South Seymour Avenue, Grayslake, IL. Due to COVID-19 the meeting was also held remotely via Zoom pursuant to Public Act 101-640.

**1. Call to order and roll call**

Trustees present: Matt Gore (in-person), Brian Ernst (remote), Tom Morris (remote – arrived at 8:08 a.m.), Linda Wegge (remote), Stu Crowley (in-person). Trustees Absent: None. Also in attendance (all by remote attendance): Attorney Jeff Goodloe, John Falduto and Ed Lavin from Sawyer Falduto Asset Management (SFAM), Steve Eitel and Dwight McTizic from PNC, and Tim Gavin from Lauterbach & Amen (L&A).

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

No members of the public were present for the meeting or participated in public comment by submitting emails to President Gore or Attorney Goodloe prior to the meeting.

**2. Public Comment**

Gore invited members of the public to speak. There being no response, Gore made a motion, seconded by Wegge to close public comment. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Morris. Motion Carried.

**3. Approval of Minutes of October 15, 2020 Regular Meeting**

The minutes of the October 15, 2020 regular meeting were reviewed.

Wegge made a motion, seconded by Gore, to approve the October 15, 2020 regular meeting minutes as presented. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – Morris. Motion Carried.

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

John Falduto and Ed Lavin presented the 2020 Fourth Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 14.63% net of fees. Total account return YTD of 17.75% net of fees.

Morris asked both SFAM and PNC a question regarding positioning the portfolio to address potential inflation in light of continued government spending.

Gore made a motion, seconded by Crowley to accept the 2020 Fourth Quarter Investment Report. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

#### **5. PNC Financial Report – Fixed Income Report**

Steve Eitel and Dwight McTizic presented the 2020 Fourth Quarter Investment Performance Report including performance review, market commentary, portfolio statement, and the transaction ledger. Total account return for the quarter of 0.31% net of fees. Total account return YTD of 5.98% net of fees.

Morris advised that he was unable to read PNC's report that was included in the meeting packet for the second meeting in a row. The other trustees advised that they were able to read PNC's report. Morris requested that PNC and Mr. Gavin work together to address this issue moving forward. Mr. Gavin emailed a separate copy of the report for the trustees to review.

Gore made a motion, seconded by Wegge to accept the 2020 Fourth Quarter Investment Report. Roll Call Vote: Ayes – Gore, Ernst, Wegge, Crowley. Nays – None. Abstain – Morris. Absent – None. Motion Carried.

#### **6. Treasurer's Report**

- A) Village Treasurer's Financial Report** – Mr. Gavin presented the treasurer's report. Pension Fund net present assets at approximately \$28.9 million reflecting an approximate 15.7% increase in the portfolio for the year ended December 2020.

Mr. Gavin advised the portfolio's equity allocation was at approximately 68.6%. Attorney Goodloe advised the Pension Board was not statutorily required to rebalance to 65% equity until the April 30, 2021 fiscal year end.

Wegge made a motion, seconded by Gore, to not rebalance the portfolio at this time and to address rebalancing during the April regular meeting. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

- B) Approve Fiscal Year End 2020 Audit** – Mr. Gavin presented the fiscal year 2020 financial audit report prepared by Eder Casella & Co. Mr. Gavin advised there were no issues with the audit. Morris asked a question regarding the use of the actuary's use of a 7% discount rate and whether the Pension Board should consider lowering the discount rate. Attorney Goodloe advised he would add this issue to the April regular meeting agenda for potential Pension Board action.

Gore made a motion, seconded by Wegge, to approve the fiscal year 2020 financial audit. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

- C) Approve Department of Insurance Annual Statement Filing for 2020 – Mr. Gavin** presented the fiscal year 2020 Department of Insurance annual statement and advised the report was timely filed on or before October 30, 2020.

Gore made a motion, seconded by Wegge, to approve the fiscal year 2020 Department of Insurance annual statement. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

Wegge made a motion, seconded by Gore to accept the treasurer’s report as presented. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

**7. Attorney’s Report**

- A) Legal Updates** – Attorney Goodloe provided an update on consolidation, the permanent board election status, and new case law.

**8. Old Business – None**

**9. New Business**

- A) Joe Manges annual medical exam for disability pension until age 50** – Attorney Goodloe advised that pursuant to Pension Board rule, Officer Manges is required to provide a report from his treating physician for purposes of his 2021 annual examination. Attorney Goodloe advised that he will notify Officer Manges of his 2021 annual examination requirement.

**B) Appoint FOIA / OMA officers**

Ernst made a motion, seconded by Wegge, to appoint Jennifer Hess as the Pension Board’s Freedom of Information Act (FOIA) officer. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

Gore made a motion, seconded by Wegge, to appoint Brian Ernst as the Pension Board’s Open Meetings Act (OMA) officer. Roll Call Vote: Ayes – Gore, Morris, Wegge, Crowley. Nays – None. Abstain – Ernst. Absent – None. Motion Carried. Attorney Goodloe reminded Ernst of his annual OMA training requirement.

- C) **Trustee Appointments** – Attorney Goodloe advised that Morris’ term expires on April 30, 2021. Ernst advised he would contact the Mayor about reappointing Morris to the Pension Board.
- D) **Active and Retiree Trustee Elections – April 2021** – The elected terms for Crowley, Gore, and Ernst expire on April 30, 2021. Ernst advised that he will issue election documents to the beneficiaries and active police officers for the respective elections for these positions. The elections will be conducted in April in accordance with 40 ILCS 5/3-128.
- E) **Vote to approve Ariel Goldberg’s application for a deferred pension** – This matter was tabled for consideration until the April regular meeting.
- F) **Vote to approve Officer Eric Cahanin application for admission into the pension fund as Tier 2.**

Wegge made a motion, seconded by Morris, to approve Officer Eric Cahanin’s application for admission into the pension fund as a Tier 2 participant with a hire date of January 6, 2021. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

- G) **Vote to approve Officer Theodore Kent Richter application for admission into the pension fund as Tier 2.**

Wegge made a motion, seconded by Gore, to approve Officer Theodore Kent Richter’s application for admission into the pension fund as a Tier 2 participant with a hire date of January 6, 2021. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

- H) **Vote to approve Officer Kyle Proper application for admission into the pension as Tier 2.**

Wegge made a motion, seconded by Gore, to approve Officer Kyle Proper’s application for admission into the pension fund as a Tier 2 participant with a hire date of January 11, 2021. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

- I) **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. The board may review the minutes in closed session but will only take action in open session.**

The following closed session meeting minutes remain confidential and are subject to semi-annual review: October 17, 2019; January 16, 2020; and April 16, 2020. The Pension Board discussed whether to open the minutes or to keep them confidential subject to semi-annual review.

Gore made a motion, seconded by Ernst, to keep the closed session meeting minutes of October 17, 2019, January 16, 2020, and April 16, 2020 confidential subject to semi-annual review. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

- J) 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 ICLS 120/2(c)(21) to review the verbatim recording of closed session minutes. The Board may review the verbatim recordings in closed session but will only take action in open session.**

The Pension Board maintains the verbatim recordings of the following closed session meetings: October 17, 2019; January 16, 2020; and April 16, 2020. Those verbatim recordings are not subject to possible destruction at this time. The Pension Board did not take any action on this matter.

- K) Bills Paid / Pay Bills – Wegge made a motion, seconded by Gore, to approve the payment of the bills as presented in the treasurer’s report. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.**

**10. Closed Session – None.**

**11. Adjournment**

Gore made a motion, seconded by Crowley to adjourn the meeting at 9:23 a.m. Roll Call Vote: Ayes – Gore, Morris, Ernst, Wegge, Crowley. Nays – None. Abstain – None. Absent – None. Motion Carried.

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MINUTES APPROVED on 4/15/21

  
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**PRESIDENT**

  
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**SECRETARY**