



Lake Zurich Police Pension Board
200 Mohawk Trail, Lake Zurich IL 60047
(847) 719-1690 Ext. 366

**MINUTES OF THE MEETING OF
THE LAKE ZURICH POLICE PENSION FUND**

October 11, 2011

The regular meeting of the Lake Zurich Police Pension Board was held on October 11, 2011 at 8:00 a.m. in the Administrative Conference Room at the Lake Zurich Police Department, 200 Mohawk Trail, Lake Zurich, Illinois.

I. CALL TO ORDER

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

Roll Call shows the following members were present John Filantres; David Anderson; David Bradstreet and Eric Burk

Absent: Catherine Williams

Also present: John Falduto and Tom Sawyer, Sawyer Falduto Asset Management; Attorney, Carolyn Welch Clifford, Ottosen Britz Kelly Cooper Gilbert & DiNolfo Ltd; Kelly Brainerd, Lauterbach & Amen; Office Manager Diana Chesser, Lake Zurich Police Department.

II. PUBLIC COMMENT

None

III. APPROVAL OF MINUTES

Carolyn Clifford pointed out a correction to the minutes from August 30, 2011. Motion was made by David Anderson to approve the amended minutes from the special meeting on August 30, 2011. Seconded by David Bradstreet and passed upon the following roll call vote

AYES: Anderson, Bradstreet, Filantres, Burk

NAYS: None

ABSENT: Williams

IV. FINANCIAL/INVESTMENT REPORTS

A. Payment of bills

David Anderson explained the bills that have been paid. \$666.08 to Eric Burk for reimbursement of his registration and lodging at the IPPFA conference; \$525.00, to Lauterbach & Amen for monthly services for September and \$525.00 to Lauterbach & Amen for October monthly services; \$1,147.00 to Ottosen Britz Kelly Cooper, Gilbert & DiNolfo, Ltd. for services rendered in July and services rendered in August for \$1,147.00.

Motion was made by David Bradstreet to pay the bills as read off for the last quarter. Seconded by David Anderson and passed by a roll call vote.



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AYES: Anderson, Bradstreet, Filantres, Burk
NAYS: None
ABSENT: Williams

B. Lauterbach & Amen Financial Report Kelly Brainerd reviewed the Financial Report for the month ending August 31, 2011 in detail. Eric Burk asked questions on compilations. Ms. Brainerd answered and explained.

C. Sawyer Falduto Investment Report: Tom Sawyer reviewed performance through September 30th. There was a bit of a decline in cash flow. John Falduto added that interest rates have gone down quite a bit so you don't want to be too risky or aggressive in your portfolio. David Anderson asked Tom Sawyer if there are fees for purchasing funds. Tom explained there are transaction costs which are operational costs. It is part of our custodial expense.

D. Fiduciary Liability coverage: This will be tabled until January. Dave Bradstreet explained the application that needs to be filled out which is very lengthy. We will also have someone here at the January meeting regarding this.

David Anderson made a motion to approve the reports as presented. Seconded by Dave Bradstreet and passed by roll call vote

AYES: Anderson, Bradstreet, Filantres, Burk
NAYS: None
ABSENT: Williams

V. UNFINISHED BUSINESS

A. New Actuary Figures. Carolyn Clifford handed out a draft letter and explained figures were based on Tim Sharpe's figures with a 7% interest rate assumption and a 3.5% salary assumption with a new target year of 2040. The final report is based on that. She went on and explained the letter she had prepared and answered questions. John Filantres expressed his feeling that the explanation be shortened for the presentation and can hand out the detailed portion of the explanation.

Carolyn Clifford mentioned changing the current annual pension payment payroll. We have increased the amount now to \$768,000 per year.

David Anderson made a motion to accept Tim Sharpe's report from May 1, 2011 through April 30, 2012 and make the recommendation of \$1,137,126 from the Village as the tax levy for 2012. Seconded by Dave Bradstreet and passed by roll call vote

AYES: Anderson, Bradstreet, Filantres, Burk
NAYS: None
ABSENT: Williams



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Carolyn Clifford will get the letter cleaned up and will get it back to us. And will be with the Municipal Compliance Report. She will also make a statement sheet for the November 7, 2011 presentation to the Village.

B. Rules Update. Carolyn Clifford explained she has updated the rules to include changes in the pension laws in the last year, she has incorporated the civil unions laws, some changes to the Open Meetings Act, she cleaned up military service credit section and has gotten this reviewed by Lauterbach and Amen. She will send a clean copy to David Anderson. Dave Bradstreet made a motion to table approving this until the January meeting so members have time to read the rules. Seconded by Eric Burk. All ayes. Motion passed by a unanimous voice vote.

C. Zak annual exam – review. Carolyn Clifford has not received anything back from Mr. Zak nor has he responded to anything. David Anderson advised he understood two items came back unclaimed. Carolyn Clifford will send a letter that will say if he fails to submit the affidavit by a certain date we shall start the process to potentially terminate your benefits based on failure to cooperate with the annual IMA process. Dave Bradstreet will deliver the letter to him.

D. Review letter to Village for tax levy request. This was discussed previously.

E. Municipal compliance report. Kelly Brainerd handed out the letter and explained that the numbers come from the DOR report, DOI tax levy and Tim Sharpe's report. Carolyn Clifford asked if the statutory municipal contribution should be 1,094,595. As well as the private actuary percentage should be changed to 7.5%. Kelly Brainerd answered yes. She will make change and send it to us. Carolyn Clifford stated she will put everything together. This will be bundled with the tax levy letter and a copy of Tim Sharpe's report. Dave Bradstreet explained that this has to be to the Village next week to be included in the board packet.

Dave Bradstreet made a motion to certify the Municipal Compliance report as amended to reflect 7.5% to 7% and the contribution amount to 1,094,595. Seconded by David Anderson and passed by roll call vote.

AYES: Anderson, Bradstreet, Filantres, Burk
NAYS: None
ABSENT: Williams

VI. NEW BUSINESS

A. Approve DOI annual statement. David Anderson explained Lauterbach & Amen prepared this; it was signed by the board and sent off. Kelly Brainerd brought copies of the statement. Eric Burk had questions about what the "other member revenue" amount was. David Anderson explained this was someone who bought Military time. Eric Burk also asked why the receipts are different than



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costs but we have no profit or loss. Kelly Brainerd explained it was the end of the month date that was used which explains why the report said we sold investments after their maturity date.

Dave Bradstreet made a motion to approve the annual DOI statement. Seconded by John Filantres and passed by roll call vote.

AYES: Anderson, Bradstreet, Filantres, Burk

NAYS: None

ABSENT: Williams

B. Regular meeting schedule for 2012. John Filantres reviewed the dates for the meeting for 2012 which will follow the same quarterly schedule. The actual dates are Jan 10, April 10, July 10 and October 9.

John Filantres made a motion to approve the regular meeting schedule for 2012 Seconded by Dave Bradstreet. All ayes. Motion passed by a unanimous voice vote.

C. Six-month review of closed meeting minutes. For the record there are no closed meeting minutes to review for the past 6 months.

VIII Adjournment

There being no more business to come before the Board, Dave Bradstreet made a motion to adjourn. Seconded by Eric Burk and passed by a unanimous voice vote. Meeting adjourned at 9:25 a.m.

Respectfully submitted:

Secretary, Board of Trustees

Minutes prepared by Diana Chesser

Approved by the Board of Trustees at a meeting held on 1/10/, 2012.