



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**

April 17, 2012

The special meeting of the Lake Zurich Police Pension Board was held on April 17, 2012 at 8:00 a.m. in the 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 8:05 a.m.

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

Absent: None

Also present: John Falduto and Tom Sawyer, Dave Harrington, Sawyer Falduto Asset Management LLC Attorney, Carolyn Welch Clifford, Ottosen Britz Kelly Cooper, Gilbert & DiNolfo, Ltd; Kelly Brainerd, Lauterbach & Amen; Roy Witherow, Interim Village Administrator; Jodi Andrew, Finance Director Village of Lake Zurich; Office Manager Diana Chesser.

II. PUBLIC COMMENT

John Falduto introduced Dave Harrington, the new member of the Sawyer Falduto firm.

Roy Witherow introduced Jodi Andrew who is the new Finance Director for the Village of Lake Zurich. She will be appointed on April 27, 2012

III. APPROVAL OF MINUTES

Motion was made by Dave Bradstreet to approve the minutes from the regular meeting on January 10, 2012. Seconded by Catherine Williams and passed upon the following voice vote

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

IV. FINANCIAL/INVESTMENT REPORTS

A. Payment of bills

Dave Bradstreet explained the following bills that have been received: \$525.25 to Lauterbach & Amen for December services; \$525.00 to Lauterbach & Amen for January services; \$555.00 to Ottosen Britz Kelly Cooper, Gilbert, & DiNolfo, Ltd. for services; \$1,019.62 to Ottosen Britz Kelly Cooper, Gilbert, & DiNolfo, Ltd. For preparation for the Zak annual IME; \$2,405.00 to Lauterbach & Amen for audit, compliance report, IRS forms and account services for September and February.



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Motion was made by Dave Bradstreet to approve the bills as read off. Seconded by David Anderson and passed by a roll call vote.

AYES: Bradstreet, Filantres, Burk, Anderson, Williams

NAYS: None

ABSENT: None

B. Lauterbach & Amen: Financial Report

Kelly Brainerd explained the changes in the look of the financial report. She reviewed the report. Asked question on Cash Analysis Report. John Falduto asked a question regarding employee contributions on the Cash Analysis Report. Kelly explained the monthly employee contributions are current and the other two are buybacks. Carolyn Clifford asked how the Municipal Contribution aligned with the levied amount. Kelly Brainerd stated she believes it was caught up. She will verify but believes that is complete. Eric Burk asked if the Board members can get the reports prior to the meetings. Kelly Brainerd advised yes, she emailed this one but it was late. She will be sure she has his correct email address.

C. Sawyer Falduto Quarterly Investment Performance Report

John Falduto reviewed the investment policy. He explained it in detail to Jodi Andrew. He continued reviewing the report. Carolyn Clifford commented that by the end of fiscal year, it should probably be a decent year. John Falduto agreed with her. Tom Sawyer continued discussing the portfolio findings for the past quarter. Discussed mutual funds, explained transactions, bonds, fixed income portfolio. Catherine Williams asked what our market value benchmarks were. Carolyn Clifford explained to her that in July we may have a discussion of it being at 50/55%. Dave Bradstreet asked what our policy says for a benchmark. 45 or 50% Carolyn Clifford explained it goes by statute. John explained the policy references what the statute allows and then the Board confirms what the target and the range is. The Board has a range of 50 built in.

Motion was made by Catherine Williams to accept the Financial Report from Lauterbach and Amen and the Quarterly Investment Report from Sawyer Falduto. Seconded by Dave Bradstreet and passed by a roll call vote.

AYES: Bradstreet, Filantres, Burk, Anderson, Williams

NAYS: None

ABSENT: None

D. Pension Adjustments

Carolyn Clifford explained that at the January meeting we did not approve the annual increases because it was not on the agenda. So it was tabled until this meeting. Lauterbach and Amen prepared the increases. Carolyn Clifford added the increases are always 3% for those who are eligible. David Anderson explained there is a total of \$868.65 in increases over 5 members.



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David Anderson made a motion to approve the cost of living increases for pensioners for the previous year as prepared by Lauterbach & Amen. Dave Bradstreet seconded and passed by roll call vote.

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

V. UNFINISHED BUSINESS

A. Fiduciary Liability Insurance

Carolyn Clifford explained we do not currently hold. We have been talking about procuring. Dave Bradstreet stated we were waiting for some information from Lauterbach & Amen. Kelly Brainerd will email the information. Tim Bowen from Mesirow will then come out and present his quote at the July meeting. This issue will be tabled until the July meeting. Hopefully we will have a conference call or appearance by Tim Bowen. Jodi Andrew asked when our currently policy expires. She was advised currently we have no policy. The Board members explained to her the past experience with IDOI and the fine.

B. Rules Update

Carolyn Clifford explained the amendments to the rules that reflect statutory changes. We have consolidated and articulated a military policy and form. This is more statutory updates. Catherine Williams asked what the changes are. Carolyn Clifford explained she has added a section on fiduciary responsibility of Board Members; Amended the election of Board Members; Open Meetings change; Added the provision of Open Meetings act designee and the Open Meetings Act training; Clarified the audit of the pension Fund. Discussed using the Village Auditor as well, instead of using Kelly Zabinski. Discussed with Jodi Andrew about going with the same auditor as the village uses. The Board gave her direction to go with the Village Auditor to do the Police Pension audit as well. A lot of changes with regards to FOI's; privacy protection; Disabled adult children benefits; credit for military service; added a section for transfer of credible service; effective date of a pension. She went on to explain this. The rest was forms that have changed. She will send out clean copies of this.

Dave Bradstreet made a motion to approve the amended Lake Zurich Police Pension Rules. Catherine Williams seconded and passed by a roll call vote.

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

C. Zak annual exam

Carolyn Clifford advised we are still waiting for records from the treator. It was decided to get another look at this from Dr. Gleason of the IL Bone & Joint Institute. David Anderson asked if this is a statutory requirement to send him every year. Carolyn Clifford advised yes it is. And we can send him to any doctor.



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D. Annual Pension Increases

This was covered previously.

E. Six-month review of closed meeting minutes

Nothing to review.

F. DOI Annual statement-preparations/actuarial study

Kelly Brainerd advised after April 30th, she will be sending out requirements of what she need such as salaries, interrogatory questions, so that Lauterbach & Amen can get started and file with the actuary, Tim Sharpe. Discussed Levy ordinance. Carolyn Clifford advised that DOI may begin issuing tax levy recommendations in September. So we may have that to work with as well. This will be put on the agenda for July.

G. Statement of Economic Interests

Discussed these come electronically from the county.

H. Training status

David Anderson explained everyone went to the annual conference. Eric Burk has completed his 32 hour course. What is still needed is Open Meetings Act. He reminded everyone that he needs copies of everyone's trainings. We are all registered for the annual conference in October. He has 4 hotel rooms booked. Carolyn Clifford explained a packet she brought for everyone regarding training items. She explained when the training year runs. As well as consequences for those who failed to train within the required time frame. The statute reads they are automatically removed from the board.

VI. NEW BUSINESS

A. Preparations for spring elections and reappointments-Bradstreet and Burk

David Anderson advised he has sent out requests for those interested in running and got not responses. Carolyn Clifford explained that rules provide that in the event that there is only one nominated as vacancies, we can dispense with the formal election and declare the only nominee elected by acclamation. She added that he does not have to put ballots out. One appointee is Erik Burk which will be wrapped up in July and we will have the reappointment.

David Anderson had a question for Lauterbach & Amen regarding them having some new procedures of paying bills in a timely manner over the internet. Kelly Brainerd explained they have new signature cards for a new Harris Bank Account so the funds can be transferred. Will wait for Jodi to get appointed as treasurer so the cards can be signed. This will be held until the July meeting.

Dave Bradstreet asked if we vote yearly for election of officers. Carolyn Clifford responded yes this is in July. He also explained we have a new Police Officer and does the board need to do anything to get him into the pension or is it taken care of? Carolyn Clifford explained by statute it is taken care of the moment he



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starts working. We need his application to formally admit him and in the July meeting we can acknowledge the receipt and formally accept him into the fund.

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 Chesson

Approved by the Board of Trustees at a meeting held on July 10th, 2012.