



## **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 13, 2021

The regular meeting of the Lake Zurich Police Pension Board was held on April 13, 2021 at 8:00 a.m. in the Village Hall Board Room, 70 E. Main Street, Lake Zurich, Illinois.

#### **I. CALL TO ORDER**

Dave Bradstreet called the meeting to order at 8:03 a.m.

Roll call shows the following Board members were present: Dave Bradstreet, Dave Anderson, Andy Sieber, and Catherine Williams. Eric Burk was absent.

Also present: John Falduto, Sawyer Falduto Asset Management LLC; Tom Sawyer, Sawyer Falduto Asset Management LLC; Attorney Jim Wargo, Ottosen DiNolfo Hasenbalg & Castaldo, Ltd; Derek Flessner, Lauterbach & Amen; and Stephanie Steiner, Police Department Management Assistant; and Bane Thomey, Village Finance Director.

Colin Gaffney and Mike Moran were also in attendance and will be taking over as trustees in May.

#### **II. PUBLIC COMMENT**

There was no public comment.

#### **III. APPROVAL OF MINUTES**

Motion was made by Dave Anderson to approve the minutes from the regular meeting of the Lake Zurich Police Pension Fund from January 12, 2021. Motion was seconded by Catherine Williams and passed upon a roll call vote.

AYES: Anderson, Sieber, Williams, Bradstreet

NAYS: None

ABSENT: Burk

#### **IV. FINANCIAL/INVESTMENT REPORTS**

##### **A. Payment of bills**

Dave Anderson explained the following bills have been paid: Lauterbach & Amen \$680.00, \$660.00, and \$885.00 for services and 1099 processing; and \$4909.00 to Mesirow Financial for fiduciary liability insurance coverage.

Motion was made by Andy Sieber to approve the payment of bills as presented, seconded by Dave Bradstreet and passed upon a roll call vote.

AYES: Anderson, Sieber, Williams, Bradstreet

NAYS: None

ABSENT: Burk



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### **B. Lauterbach & Amen: Financial Report**

Derek Flessner reviewed the monthly financial report. As of February 28, 2021, the Fund's net position is \$30,566,814.11.

### **C. Sawyer Falduto Quarterly Investment Performance Report.**

John Falduto reviewed the Quarterly Investment Report in detail. Year-to-date, the Fund's net investment return through March 31, 2021 was 2.5% as compared to the account benchmark return of 3.0%. Since inception in 2009, the total Fund investment return is 9.2%, compared to the account benchmark of 9.1%. It was noted that since 2009, the Fund's cumulative net investment gain is \$17,505,319.00.

#### **1. Review of and updates to the Investment Policy/Asset Allocation Parameters**

John Falduto reviewed the Fund's allocations. No changes were made.

### **D. Village Treasurer Report**

Bane Thomey advised the Village is in their second week of audit field work. The second levy payment was received so the Fund payment will be paid in full shortly.

### **E. Attorney's Report**

Jim Wargo briefly noted the 16-hour training that the new trustees will need to take and also touched on the articles that Carolyn Clifford e-mailed regarding funding and making sure the minutes are covering everything, including closed sessions.

He then discussed a few issues regarding the pension consolidation. There was one complaint filed in Kane County that is still being investigated regarding benefits being protected under the Constitution. The fire side is being more aggressive, and the police side is taking a more conservative approach.

Motion was made by Andy Sieber to approve the investment reports as presented, seconded by Dave Anderson and passed upon a voice vote.

AYES: Anderson, Sieber, Williams, Bradstreet

NAYS: None

ABSENT: Burk

## **V. UNFINISHED BUSINESS**

### **A. Cash management policy**

John Falduto noted that the local boards will still be in charge of their payments and will need to keep some cash flow on hand. There are no decisions being made yet from the new consolidation board. He also noted the Board had 7 responses from the investment RFP. The Board has two possible firms in mind.

### **B. Review/approve revised attorney engagement letter and retainer for 2021**

Dave Anderson advised the attorney letter has been revised to change the costs back to \$3000, which is the original fee from two years ago.

Motion was made by Dave Anderson to accept the revised retainer fee for 2021, seconded by Andy Sieber and passed on a roll call vote.





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NAYS: None  
ABSENT: Burk

### **VI. NEW BUSINESS**

#### **A. DOI Compliance Fee**

Derek Flessner advised that the DOI compliance fee will be out soon and he will touch base with the Board regarding payment, as it is due by June 30th. A motion was made by Dave Anderson, seconded by Andy Sieber and passed on a roll call vote, to approve payment of the fee not to exceed \$8000.00.

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

#### **B. Status of DOI Annual Statement**

Derek Flessner noted that a draft of the report is being prepared and will be sent out. The information will need to be verified with the Village audit before it is submitted. There have been a few changes this year and it has turned into a more compliance audit. Copies of bank statements, applications, etc. have been requested. They are working on gathering all the material.

#### **C. Trustee elections and appointments**

Jim Wargo noted the new trustees will take office the second Tuesday in May, so the Board elections will take place at the July meeting.

A motion was made by Dave Anderson to approve Colin Gaffney, elected by acclamation, seconded by Dave Bradstreet, and approved on a roll call vote.

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

#### **D. Training update**

Andy Sieber noted there are not as many training opportunities as there has been in years past. He asked the Board what their preference was, if the conference should be an option, or just stick to some online training this year since some of the new trustee training is only being offered online. John Falduto advised the May conference is going to offer a hybrid option. No word on what the fall conference will be offering.

#### **E. Joan Balfanz retirement benefits**

On March 8, 2021, pensioner Bill Balfanz passed away. His wife is eligible for his pension of \$4724.24, with no annual colas moving forward. A motion was made by Dave Anderson to approve the survivor benefits to Joan Balfanz in the amount of \$4724.24, seconded by Dave Bradstreet and approved on a roll call vote.

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



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### **F. Resolutions for Anderson and Williams**

Andy Sieber thanked Dave Anderson and Catherine Williams for their time on the Pension Board. He drafted a resolution for each of the Board members and read resolutions 21-1 and 21-2 to the room. Motion made by Andy Sieber to accept resolutions 21-1 and 21-2, seconded by Dave Bradstreet and passed on a roll call vote.

AYES: Anderson, Sieber, Williams, Bradstreet

NAYS: None

ABSENT: Burk

### **VII. ADJOURNMENT**

There being no more business to come before the Board, Dave Anderson motioned to adjourn the meeting at 9:01 a.m. Motion seconded by Dave Bradstreet and passed on a voice vote.

The next meeting is July 13, 2021.

Respectfully submitted:

Secretary, Board of Trustees

Minutes prepared by Management Assistant Steiner

Approved by the Board of Trustees at a meeting held on July 13, 2021