



## **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**

July 13, 2021

The regular meeting of the Lake Zurich Police Pension Board was held on July 13, 2021 at 8:00 a.m. in the Community Room at the Lake Zurich Police Department, 200 Mohawk Trail, Lake Zurich, Illinois.

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

Vice President Andy Sieber called the meeting to order at 8:00 a.m.

Roll call shows the following Board members were present: Andy Sieber, Eric Burk, Colin Gaffney, and Mike Moran. Dave Bradstreet 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; Amy Sparkowski, Senior Accountant, and Stephanie Steiner, Police Department Management Assistant.

Also in attendance: Heidi Andorfer, Foster & Foster.

Colin Gaffney made a motion to make Andy Sieber pro-tem president, seconded by Eric Burk and passed on a voice vote.

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

There was no public comment.

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

Motion was made by Eric Burk to approve the minutes from the regular meeting of the Lake Zurich Police Pension Fund from April 13, 2021. Motion was seconded by Colin Gaffney and passed upon a voice vote.

AYES: Sieber, Burk, Gaffney, Moran

NAYS: None

ABSENT: Bradstreet

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

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

Andy Sieber explained the following bills have been paid: Lauterbach & Amen \$1485.00 for services; \$3377.00 to the Village of Lake Zurich for half of the 2021 actuarial valuation cost for Foster & Foster; \$3000.00 to Ottosen DiNolfo Hasenbalg & Castaldo, Ltd. for annual retainer services; \$1100 to Andy Sieber for reimbursement for new trustee training registration; and \$5284.16 to the Illinois State Treasurer for the DOI fee for fiscal year 2022. There was also a voided check for paying Foster and Foster directly for the actuarial valuation instead of to the Village.



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Motion was made by Colin Gaffney to approve the payment of bills as presented, seconded by Eric Burk and passed upon a voice vote.

AYES: Sieber, Burk, Gaffney, Moran  
NAYS: None  
ABSENT: Bradstreet

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

Derek Flessner reviewed the monthly financial report. As of May 31, 2021, the Fund's net position is \$31,645,882.14.

Motion was made by Colin Gaffney to approve the financial report as presented, seconded by Eric Burk and passed upon a voice vote.

AYES: Sieber, Burk, Gaffney, Moran  
NAYS: None  
ABSENT: Bradstreet

### **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 June 30, 2021 was 7.9% as compared to the account benchmark return of 8.3%. Since inception in 2009, the total Fund investment return is 9.4%, compared to the account benchmark of 9.4%. It was noted that since 2009, the Fund's cumulative net investment gain is \$19,118,287.

Motion was made by Eric Burk to approve the investment report as presented, seconded by Colin Gaffney and passed upon a voice vote.

AYES: Sieber, Burk, Gaffney, Moran  
NAYS: None  
ABSENT: Bradstreet

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

No report at this time.

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

Attorney Jim Wargo discussed the pension litigation as Funds have filed complaints to challenge the consolidation. There was a motion to dismiss these complaints, and the court date will probably be in September.

Jim also discussed the Insights article and case law updates that were e-mailed out prior to the meeting, which covered what is considered pensionable salary and gives guidance to funds on that topic. He also noted there is a summary on disability cases covered.

Motion was made by Eric Burk to approve the attorney report as presented, seconded by Colin Gaffney and passed upon a voice vote.

AYES: Sieber, Burk, Gaffney, Moran  
NAYS: None





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ABSENT: Bradstreet

### **V. UNFINISHED BUSINESS**

#### **A. Cash Management Policy**

The fire funds have set dates to move their money. There is still confusion as to how the process will work as far as cash on hand even with their money moving by October. The police side is still moving slower and not much information had come forth at this time.

### **VI. NEW BUSINESS**

#### **A. Illinois Police Officers' Pension Investment Fund (IPOPIF) Updates**

Andy Sieber advised the Illinois Police Officers' Pension Investment Fund (IPOPIF) Board reached out to all pensions asking for a contact to send information and updates to. Our representatives will be Andy Sieber and Eric Burk.

#### **B. Adoption of Resolution to Appoint Authorized Representatives**

Mike Moran made a motion to approve the Resolution to appoint Andy Sieber and Eric Burk as Authorized Representatives of the Lake Zurich Police Pension Board to the IPOPIF. Motion was seconded by Eric Burk and passed on a roll call vote.

AYES: Sieber, Burk, Gaffney, Moran

NAYS: None

ABSENT: Bradstreet

#### **C. Approval of the IDOI Annual Statement**

Derek Flessner noted the year end paperwork has been completed and the IDOI Annual Statement was completed and was filed before the June 30<sup>th</sup> deadline.

Colin Gaffney motioned to approve the DOI Annual Statement, seconded by Eric Burk and passed on a voice vote.

AYES: Sieber, Burk, Gaffney, Moran

NAYS: None

ABSENT: Bradstreet

#### **D. Status of Village Audit**

Amy Sparkowski advised that the audit was completed and will be posted on the Village website soon. She will e-mail the Board a copy.

#### **E. Review of Actuarial Valuation and Tax Recommendation to Village**

Heidi Andorfer from Foster and Foster was on hand to discuss the actuarial report from her firm. She compared the numbers from the 1/1/2020 report to the 1/1/2021 report.

Normal cost, accrued liability and unfunded liability were touched on, and Heidi reviewed a list of assumptions and methods that were used in calculating the numbers. The recommended Village contribution for the 1/1/21 report is \$2,067,695.00.



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Colin Gaffney motioned to accept the actuarial report as presented, seconded by Eric Burk and approved on a voice vote.

AYES: Sieber, Burk, Gaffney, Moran

NAYS: None

ABSENT: Bradstreet

### **F. Reorganization of Board and election of officers**

Due to turnover and new trustees, a motion to reorganize the Board as listed below was made by Mike Moran, seconded by Eric Burk, and passed on with a voice vote. The Board Officers for the 2021/2022 year are as follows:

President: Dave Bradstreet

Vice President: Eric Burk

Secretary: Andy Sieber

Assistant Secretary: Colin Gaffney

### **VII. ADJOURNMENT**

There being no more business to come before the Board, Colin Gaffney motioned to adjourn the meeting at 9:23 a.m. Motion seconded by Eric Burk and passed on a voice vote.

The next meeting is October 12, 2021.

Respectfully submitted:

Secretary, Board of Trustees

Minutes prepared by Management Assistant Stephanie Steiner

Approved by the Board of Trustees at a meeting held on 10/2/21