



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 12, 2021

The regular meeting of the Lake Zurich Police Pension Board was held on October 12, 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

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

Roll call shows the following Board members were present: Dave Bradstreet, Andy Sieber, Eric Burk, Colin Gaffney, and Mike Moran.

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, Village of Lake Zurich Finance Director; and Stephanie Steiner, Police Department Management Assistant.

Deputy Chief Dave Anderson was also in attendance.

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 July 13, 2021. Motion was seconded by Andy Sieber and passed upon a voice vote.

AYES: Sieber, Burk, Gaffney, Moran, Bradstreet

NAYS: None

IV. FINANCIAL/INVESTMENT REPORTS

A. Payment of bills

Andy Sieber explained the following bills have been paid: Lauterbach & Amen \$1360.00 and \$680.00 for services, and \$1860.00 for the IDOI report; IPPFA \$795.00 for membership dues and \$1925.00 for 2021 conference registration fees, and \$115.00 to Ottosen DiNolfo Hasenbalg & Castaldo, Ltd. for legal services.

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

AYES: Sieber, Burk, Gaffney, Moran, Bradstreet

NAYS: None



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B. Lauterbach & Amen: Financial Report

Derek Flessner reviewed the monthly financial report. As of August 31, 2021, the Fund's net position is \$33,536,867.08.

C. Sawyer Falduto Quarterly Investment Performance Report.

John Falduto reviewed the Quarterly Investment Report in detail. Year-to-date, the Fund's gross investment return through September 30, 2021 was 7.4% as compared to the account benchmark return 8.0%. Since inception in 2009, the total Fund investment return is 9.2%, compared to the account benchmark of 9.2%. It was noted that since 2009, the Fund's cumulative net investment gain is \$18,923,989.00.

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

The Board and Sawyer Falduto reviewed the Investment Policy and Asset Allocation and determined no changes were needed at this time.

D. Village Treasurer Report

Amy Sparkowski advised the budget for next year is underway and will be presented to the Board on November 13th. Andy Sieber advised he will attend the November 1, 2021 Board meeting to discuss the tax levy request.

E. Attorney's Report

Attorney Jim Wargo referenced the information that he sent out prior to the meeting. He touched base on the latest consolidation issues such as having authorized reps to the Fund, which we did last meeting, and he also discussed the litigation from the summer, which is still on-going. The hope is the judge will rule on it before the end of the year. He also discussed legislation changes, with the main ones noted under new business.

Motion was made by Andy Sieber to approve the financial, investment and attorney reports as presented, seconded by Eric Burk and passed upon a voice vote.

AYES: Sieber, Burk, Gaffney, Moran, Bradstreet

NAYS: None

V. UNFINISHED BUSINESS

A. Cash Management Policy

There is still confusion as to how the process will work as far as cash on hand and when money will move. The idea of transferring it in December has been tossed around, but this seems unreal to those involved. Fire funds started moving October 1st, but they were a lot more organized prior to the move than where the police side is at. There was a discussion regarding what types of responsibility the Board will have once the transfer occurs. This will be revisited again at the next meeting.

VI. NEW BUSINESS

A. Review/Approval of MCR

Derek Flessner provided a copy of municipal compliance report for review. He noted the recommended municipal contribution of \$2,067,695.00.



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Motion was made by Andy Sieber to approve the Municipal Compliance Report as presented, seconded by Dave Bradstreet and passed on a roll call vote.

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

B. Tax Levy Recommendation to Village

Jim Wargo provided a draft tax levy request letter for the Board's review. Dave Bradstreet motioned to approve the tax levy request from the Fund as presented, seconded by Andy Sieber, and approved on a roll call vote.

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

C. Signatory Authority

Paperwork was signed to establish Amy Sparkowski as an authorized signer on the Fund. Andy Sieber made a motion to delegate signatory authority to Amy Sparkowski, replacing Bane Thomey. Motion was seconded by Eric Burk and passed on a voice vote. A resolution will be completed to finalize this change at the next meeting.

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

D. Portability from IMRF to Article III pension funds

There is a 6-month window for those who are eligible to transfer their IMRF benefits to an Article III pension Fund. The deadline to apply is January 22, 2022. Andy advised we have two current officers who were telecommunicators prior to being sworn, and he was told they do not qualify. Jim Wargo will double check to see if there is another way.

E. Portability from Chicago Pension Funds to Article III pension funds

Jim Wargo advised another piece of legislation is to allow an Article III officer to establish credit for up to five years of service as a participant from Chicago Pension Funds, if they meet the criteria. Andy advised we have one officer that this may apply to. Derek noted their firm has not seen any requests yet, but will send out a memo with guidance once they know more.

F. Class action lawsuits for our Fund

Dave Bradstreet discussed a presentation he attended at the recent conference regarding being a part of class action lawsuits. After a brief discussion, it was decided that this isn't relevant to our Fund.

G. Cybersecurity

Dave Bradstreet noted cybersecurity also came up at the conference. The Board wanted to make sure that all of our vendors have cyber insurance and internal processes to protect the data they have. It can be added to future contracts to make sure the Fund is covered. Jim Wargo noted that we need to make sure if we digitize anything, we need to make sure to follow the Local Records Act.



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H. Approval of Retirement – Patrick Stone

Sergeant Patrick Stone retired on August 26, 2021, after 24 years. He retired with an annual salary of \$120,460.76. He will receive 60.0% of his annual salary each year. Andy Sieber made a motion to approve the retirement figure as presented and calculated by Lauterbach & Amen, seconded by Dave Bradstreet and passed on a roll call vote.

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

I. Approval of new membership – Gregory Scarry, August 23, 2021

The Board received an application for membership into the Fund from the following newly hired officer:

Gregory Scarry Hire Date: 8/23/2021 Tier II

Greg Scarry started with a yearly salary of \$70,536.41. Andy Sieber made a motion to accept the new officer into the Lake Zurich Police Pension Fund, seconded by Dave Bradstreet and passed on a roll call vote.

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

J. Set Regular Meeting Dates for 2022

The Board approved the following meeting dates for 2022 at 8 a.m. at the Police Department: January 11th, April 12th, July 12th, and October 11th.

Andy Sieber made a motion to accept the meeting dates as presented, seconded by Dave Bradstreet passed by a voice vote.

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

VII. ADJOURNMENT

There being no more business to come before the Board, Andy Sieber motioned to adjourn the meeting at 9:20 a.m. Motion seconded by Dave Bradstreet and passed on a voice vote.

The next meeting is January 11, 2022.

Respectfully submitted:

Secretary, Board of Trustees

Minutes prepared by Management Assistant Steiner

Approved by the Board of Trustees at a meeting held on 1/11/22