



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, 2022

The regular meeting of the Lake Zurich Police Pension Board was held on October 11, 2022 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

Dave Bradstreet called the meeting to order at 8:02 a.m.

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

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

Also in attendance: Dave Anderson, Deputy Chief.

II. PUBLIC COMMENT

There was no public comment.

III. APPROVAL OF MINUTES

Motion was made by Andy Sieber to approve the minutes from the regular meeting of the Lake Zurich Police Pension Fund from July 12, 2022. Motion was seconded by Dave Bradstreet and passed upon a voice vote.

AYES: Sieber, Burk, Bradstreet, Gaffney, Moran

NAYS: None

IV. FINANCIAL/INVESTMENT REPORTS

A. Payment of bills

Andy Sieber explained the following bills have been paid: Lauterbach & Amen \$700.00 and \$700.00 for services, and \$1215.00 for the IDOI report; IPPFA \$795.00 for membership dues and \$525.00 for 2022 conference registration fees, and \$6101.29 to the Illinois State Treasurer for the DOI fee for fiscal year 2022, with an additional \$305.00 in fees to the Illinois State Treasurer for a DOI late fee assessment.

Motion was made by Dave Bradstreet to approve the payment of bills as presented, seconded by Mike Moran and passed upon a roll call 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, 2022, the Fund's net position is \$28,740,082.77.

C. Sawyer Falduto Asset Management – Quarterly Report

John Falduto reviewed the Quarterly Investment Report in detail. As of July 1, 2022, prior to consolidation, the beginning market value was \$28,258,730.00. Year-to-date, the beginning market value is \$34,070,955.00. It was noted that since 2009, the Fund's cumulative net investment gain is \$14,827,800.

D. IPOPIF – Verus Advisory, Inc. Report

John Falduto advised the Verus Investment Performance Review was published but it doesn't include the Lake Zurich Pension Fund's assets yet. As of June 30, 2022, the review shows that the Illinois Police Officers' Pension Investment Fund was valued at \$2,746,308,452.

E. IPOPIF – State Street Report

John Falduto advised this report shows what the Fund's share of the consolidated fund is for every month. Derek Flessner noted his firm should have access to the reports and will look into supplying it to the Board when it is published.

F. Village Treasurer Report

Amy Sparkowski advised the Village has collected 88% of property taxes so far. They anticipate 3 more distributions this year.

G. Attorney's Report

Attorney Jim Wargo advised in the Pension Insights report there is a note how to access the Verus monthly report. It's unknown if it will be proactively sent out to each fund.

When he prepared the tax levy report, he wanted to note that Foster and Foster didn't have the state minimum as the report was not produced until the end of July. The IDOI Actuarial Valuation Report had the minimum recommended contribution amount from the Village - \$1,994,943 – which is fairly close to Foster and Foster's recommended contribution amount of \$2,142,608. Typically the IDOI's number is a lot lower – but it looks like they are using an assumed rate of return of 6.5% opposed to the Pension Fund's established 6.75% assumed rate of return. Amy Sparkowski will touch base with the actuary before the report next year to have some input on what the assumptions would be.

Motion was made by Andy Sieber to approve the financial report, quarterly asset management report, treasurer report, and attorney report as presented, seconded by Eric Burk and passed upon a roll call vote.

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

V. UNFINISHED BUSINESS

A. Illinois Police Officer Pension Investment Fund (IPOPIF)

- 1. Status on Transfer of Assets to IPOPIF**



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John Falduto asked if the Board received a receipt after the transfer of funds. Andy advised it was received, and John will make sure a reconciliation is completed.

2. Discussion/possible action on recurring withdrawals

John Falduto noted that the Board is still requesting funding from the Schwab account to fund benefits and bills on a monthly basis. He suggested keeping one month of pension benefits and bills on hand, and moving the extra money into the consolidated fund so it can be invested. He reminded the Board that Lauterbach and Amen will not move money unless the Board signs off on a transfer form.

A motion was made by Andy Sieber to set the target balance in the Schwab account at \$250,000 once monthly withdrawals from IPOPIF are established. When the balance exceeds \$300,000, remit the excess above \$250,000 to the Harris account for investment in the consolidated fund. Motion was seconded by Dave Bradstreet and approved on a roll call vote.

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

A motion was made by Andy Sieber, seconded by Dave Bradstreet, to set the monthly withdrawal amount from IPOPIF State Street to Harris Bank in the amount of \$215,000 effective as soon as possible. Motion passed on a roll call vote.

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

A motion was made by Andy Sieber, seconded by Eric Burk, to set the cash target in the Harris Bank account at \$10,000, and when the balance exceeds \$30,000, sweep the excess to the consolidated fund.

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

B. Approval of the IDOI Report

Derek Flessner noted the year end paperwork has been completed and the IDOI Annual Statement was completed and was filed on the June 30th deadline.

Andy Sieber motioned to approve the DOI Annual Statement, seconded by Dave Bradstreet and passed on a voice vote.

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

VI. NEW BUSINESS

A. Cash Management Policy

Jim Wargo advised their firm is working on putting together a cash management policy but want to make sure that everything with the consolidation goes well before sending it out.



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B. Cash Flow/Amounts – updates as needed

This item was discussed above under unfinished business.

C. Review/Approval of the MCR

Derek Flessner provided a copy of municipal compliance report for review. He noted the recommended municipal contribution of \$2,142,608.

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

AYES: Sieber, Burk, Gaffney, Moran, Bradstreet

NAYS: None

D. Pension Levy Request Letter to the Village – 2022 Levy

Jim Wargo provided a draft tax levy request letter for the Board's review. Andy Sieber motioned to approve the tax levy request from the Fund as presented in the amount of \$2,142,608.00, seconded by Dave Bradstreet, and approved on a roll call vote. Andy Sieber will present this at the Village Board meeting on October 17, 2022.

AYES: Sieber, Burk, Gaffney, Moran, Bradstreet

NAYS: None

E. Set 2023 Meeting Dates

The Board approved the following meeting dates for 2023 at 8 a.m. at the Police Department: January 10th, April 11th, July 11th, and October 10th.

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

AYES: Sieber, Burk, Gaffney, Moran, Bradstreet

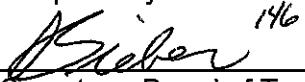
NAYS: None

VII. ADJOURNMENT

There being no more business to come before the Board, Andy Sieber motioned to adjourn the meeting at 9:31 a.m. Motion seconded by Dave Bradstreet and passed on a voice vote.

The next meeting will be January 10, 2023.

Respectfully submitted:



Secretary, Board of Trustees

Minutes prepared by Management Assistant Steiner

Approved by the Board of Trustees at a meeting held on 01/10/23