



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 11, 2023

The regular meeting of the Lake Zurich Police Pension Board was held on July 11, 2023 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, Colin Gaffney, and Eric Burk. Excused: Andy Sieber.

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

Also in attendance: Heidi Andorfer, Foster & Foster, and Dave Anderson, Deputy Chief.

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 18, 2023. Motion was seconded by Colin Gaffney and passed upon a voice vote.

AYES: Burk, Bradstreet, Gaffney, Moran

NAYS: None

EXCUSED: Sieber

IV. FINANCIAL/INVESTMENT REPORTS

A. Payment of bills

Colin Gaffney explained the following bills have been paid: Lauterbach & Amen \$720.00, 720.00, 720.00, 700.00, and 700.00 for services and \$855.00 for fiscal year 2022 papers, \$235.00 to Ottosen DiNolfo Hasenbalg & Castaldo, Ltd for a consultation fee, and also \$446.50 to Ottosen DiNolfo Hasenbalg & Castaldo for work on the IMRF transfers.

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

AYES: Burk, Bradstreet, Gaffney, Moran

NAYS: None

EXCUSED: Sieber



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B. Lauterbach & Amen: Financial Report

Derek Flessner reviewed the monthly financial report. As of May 31, 2023, the Fund's net position is \$28,947,193.24.

C. Sawyer Falduto Asset Management – Quarterly Report

John Falduto reviewed the Quarterly Investment Report in detail. As of June 30, 2023, the beginning market value was \$269,361 and the ending market value was \$425,658. It was noted that since 2009, the Fund's investment return is \$14,832,510.

Motion was made by Dave Bradstreet to approve the quarterly asset management report, seconded by Colin Gaffney and passed upon a roll call vote.

AYES: Burk, Bradstreet, Gaffney, Moran

NAYS: None

EXCUSED: Sieber

D. IPOPIF – Verus Advisory, Inc. Report

John Falduto briefly reviewed the Verus Investment Performance Review. As of May 31, 2023, the review shows that the Illinois Police Officers' Pension Investment Fund market value was \$9.07 billion. Year to date 2023, the investment return was 3.8% versus the benchmark return of 3.8%.

E. IPOPIF – State Street Report

John Falduto advised this report shows what the Fund's share of the consolidated fund is for every month. He briefly reviewed the May 31, 2023 report with the Board. The year-to-date started with \$28,347,163.55 in the account. After transactions, the ending value in the account was 28,567,444.00, down 1.33% for the month, down .45% for the quarter and up 3.83% year-to-date, and since joining the fund in July 2022, up 5.04%.

The Board acknowledged receipt of the IPOPIF reports.

F. Village Treasurer Report

Amy Sparkowski advised there were 4 property tax distributions so far this year. The Village annual audit is going well but it is very slow and delayed.

Amy passed along a copy of the invoice for the Pension Board's financial portion of the actuary report.

G. Attorney's Report

Attorney Meganne Trela discussed the Pension Insights article she handed out regarding a recent court case that could give some guidance in the future regarding rank and retirement.

She then touched on the pending Arlington Heights lawsuit. The Illinois Supreme Court will be hearing the case. She hasn't seen any briefs on the case yet.

Motion was made by Dave Bradstreet to approve the treasurer and attorney reports as presented, seconded by Colin Gaffney and passed upon a voice vote.

AYES: Burk, Bradstreet, Gaffney, Moran



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NAYS: None
EXCUSED: Sieber

V. UNFINISHED BUSINESS

A. Cash Management Policy

The Board reviewed their current financial policy and would not like to make any changes at this time.

B. IMRF to Downstate Pension Transfer Availability

Derek advised two members requested calculations for their IMRF transfer. Angela Lonski will be able to buy 1 year and 4 months of time. Payment has not yet been received. Jennie Alber is eligible to buy 12 years and 1 month of service. Her financial amount is significant, and she has requested the Board offer a finance plan for her. Based on guidance from the Fund attorney and after some board discussion, the Board decided not to offer a payment plan and will require the amount to be paid in full by September 30th should Alber choose to transfer time. The Board asked Meganne to have her firm draft a document that reflects their interpretation of the statute for the Board to use.

VI. NEW BUSINESS

A. Approval of the IDOI

Derek Flessner advised the report has been completed and filed. The annual audit has not been completed yet but as soon as that is done they will upload it. Colin Gaffney motioned to accept the report as presented, seconded by Dave Bradstreet and approved on a roll call vote.

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

B. 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 1/1/2022 report to the 1/1/2023 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 assumed payroll growth rate assumption was reduced from 3.25% to 3.0%. The Board requested a few new sets of numbers showing different actuarial methods that could adjust the projected unfunded accrued liability amortization table. This item will be discussed again at the October meeting when this information is available.

Colin Gaffney motioned to accept the actuarial report as presented, seconded by Mike Moran and approved on a roll call vote.

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



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C. Reorganization of Board and election of officers

A motion to keep the Board the same as listed below was made by Dave Bradstreet, seconded by Eric Burk, and passed on with a voice vote. FOIA and Open Meetings officer will also be assigned to Andy Sieber. The Board Officers for the 2023/2024 year are as follows:

President:	Dave Bradstreet
Vice President:	Eric Burk
Secretary:	Andy Sieber
Assistant Secretary:	Colin Gaffney

D. Removal of Officer Marra 6/23/2023

Officer Marra was terminated by the Department on 6/23/23. As of today, no request has been received to pull his contributions from the Fund.

E. Retirement of Officer Frost 6/1/2023

Officer Scott Frost retired on June 1, 2023, after 27 years of earned service. He retired with an annual salary of \$110,784.00. He will receive 67.5% of his annual salary each year. Dave Bradstreet made a motion to approve the retirement figure as presented and calculated by Lauterbach & Amen, seconded by Colin Gaffney and passed on a roll call vote.

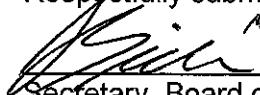
AYES: Burk, Gaffney, Moran, Bradstreet
NAYS: None
EXCUSED: Sieber

VII. ADJOURNMENT

There being no more business to come before the Board, Colin Gaffney motioned to adjourn the meeting at 9:52 a.m. Motion seconded by Eric Burk and passed on a voice vote.

The next meeting will be October 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 10/16/23