



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

January 9, 2024

The regular meeting of the Lake Zurich Police Pension Board was held on January 9, 2024 at 8:00 a.m. 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, Andy Sieber, Mike Moran and Eric Burk.

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

Excused: Board member Colin Gaffney

Also in attendance: Heidi Andorfer, Foster & Foster; 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 October 10, 2023. Motion was seconded by Dave Bradstreet and passed upon a voice vote.

AYES: Sieber, Burk, Bradstreet, Moran

NAYS: None

EXCUSED: Gaffney

IV. FINANCIAL/INVESTMENT REPORTS

A. Payment of bills

Andy Sieber explained the following bills have been paid: Lauterbach & Amen \$720.00 for services and \$1365.00 for services and the MCR report; \$250.00 and \$250.00 to Ottosen DiNolfo Hasenbalg & Castaldo, Ltd for retainer fees.

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

AYES: Sieber, Burk, Bradstreet, Moran

NAYS: None

EXCUSED: Gaffney



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B. Lauterbach & Amen: Financial Report

Derek Flessner reviewed the monthly financial report. As of November 30, 2023, the Fund's net position is \$31,406,690.97.

C. Sawyer Falduto Asset Management – Quarterly Report

John Falduto reviewed the Quarterly Investment Report in detail. As of December 31, 2023, the beginning 2023 cash balance market value was \$550,020 and the ending market value was \$251,807. It was noted that since 2009, the Fund's investment return is \$14,836,874.

D. IPOPIF – Verus Advisory, Inc. Report

No report at this time.

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 November 30, 2023 report with the Board. The year-to-date started with \$29,248,770.05 in the account. After transactions, the ending value in the account was 31,107,297.93, up 6.59% for the month-to-date, up 3.94% for the quarter-to-date and up 8.64% year-to-date, and since inception, up 7.53%.

The Board acknowledged receipt of the IPOPIF State Street report.

F. Village Treasurer Report

The property tax levy so far is just shy of what was levied for the Fund. They are waiting to see if any more filter in. If not, the Village will make up for the difference.

Heidi Andorfer from Foster and Foster reviewed methods for the amortization of unfunded liabilities. The three methods discussed during the meeting were open, closed, and layered amortization. Heidi provided information on the impact of the different amortization approaches. The Board will review which method to use when selecting a funding policy to pay down the unfunded accrued liability with the Village. This item will be discussed at the next meeting.

G. Attorney's Report

Attorney Meganne Trela briefed the Board on the consolidated lawsuit. The Illinois Supreme Court started hearing oral arguments on the case. A ruling hasn't been issued yet, but she anticipates it coming out in the coming weeks. She emailed out an article from Crain's Chicago Business that discussed some of the justice's arguments on the case.

Meganne also briefly discussed handouts she brought for the Board, which cover topics on disability hearing delays, pension trustee training requirements, and a new case law that effects public pension funds.

Motion was made by Andy Sieber to approve the financial report, quarterly asset management report, Village Treasurer report, and attorney report as presented, seconded by Dave Bradstreet and passed upon a roll call vote.

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



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V. UNFINISHED BUSINESS

A. Cash Management Policy

The Board discussed current cash needs and the need to change the Repeat Withdrawal amount for 2024 pertaining to the monthly transfer of funds from IPOPIF to BMO.

A motion was made by Andy Sieber, seconded by Eric Burk, to set the Monthly Repeat Withdrawal amount for 2024 in the amount of \$240,000, and passed on a roll call vote.

AYES: Moran, Sieber, Moran; Bradstreet

NAYS: None

EXCUSED: Gaffney

VI. NEW BUSINESS

A. Six-month review of closed meeting minutes

There are no closed meeting minutes to review.

B. Proposed Engagement Letter with Lauterbach and Amen

Derek briefly discussed the three-year engagement letter he passed out to the Board. All of the services will remain the same, with a minimal cost increase. A discussion followed by the Board.

A motion was made by Andy Sieber to approve the engagement letter with Lauterbach and Amen, seconded by Eric Burk and approved on a roll call vote.

AYES: Sieber, Burk, Bradstreet, Moran

NAYS: None

EXCUSED: Gaffney

C. Proposed engagement letter with Ottosen Dinolfo Hasenbalg & Castaldo, Ltd.

Meganne Trela passed out her two-year engagement letter for her firm. She advised her firm is no longer allowing retainers but instead went to an hourly rate of \$250/hr. for her services with the Lake Zurich Pension Fund. A discussion followed by the Board.

A motion was made by Andy Sieber to approve the engagement letter with Ottosen Dinolfo Hasenbalg & Castaldo, Ltd, seconded by Eric Burk and approved on a roll call vote.

AYES: Sieber, Burk, Bradstreet, Moran

NAYS: None

EXCUSED: Gaffney

D. Discussion on request for proposal for legal services

The Board discussed getting proposals from other law firms since the Fund has been with the same firm for many years, and with the new hourly rate change and the departure from a retainer with the current firm, the Board would be interested to see what other firms might be able to offer the Fund. The Board will be sending out an RFP for legal services with hopes of getting results before the April meeting.



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A motion was made by Dave Bradstreet to go out for an RFP for legal services. Motion was seconded by Andy Sieber and passed on a roll call vote.

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

E. Approval of scheduled pension benefit increases for the 2024 calendar year

Derek presented a spreadsheet showing the annual benefit increases pensioners for the 2024 calendar year that Lauterbach & Amen calculated. Dave Bradstreet made a motion to approve the COLA's for the 2024 calendar year, seconded by Andy Sieber and passed on a roll call vote.

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

F. New officer – Christopher Reese 11/27/2023

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

Christopher Reese Hire Date: 11/27/2023 Tier II

Christopher started with a yearly salary of \$88,524.80. 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 voice vote.

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

G. Preparation for Board elections and appointment renewals

Andy Sieber advised his term and Eric Burk's terms are up in April. He will have Colin Gaffney send out an email to the department to see if there is any interest in his position. Eric advised he will stay on the Board for another term. Andy will reach out to the Village to get Eric's term renewed.

H. State Police Pension Fund Transfers

Andy Sieber advised there is a possibility for us to hire a lateral applicant from the State Police. He was wondering what the pension transfer process would be. Meganne Trela will look into the portability options and get back to him.

I. Hearings for Disability Pensions

Andy Sieber asked for clarification on what the process was should a disability request be received. Meganne Trela advised the disability form and a medical authorization form should be filled out, and both forms should be sent to her firm and they will open a new file for the disability matter. They will request medical records, police department records, etc. Once all the records are received, three independent medical examinations must take place. Then hearings would be scheduled, with hopes of coinciding with the board meetings.



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VII. ADJOURNMENT

There being no more business to come before the Board, Dave Bradstreet motioned to adjourn the meeting at 10:14 a.m. Motion seconded by Andy Sieber and passed on a voice vote.

The next meeting will be April 9, 2024.

Respectfully submitted:

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Secretary, Board of Trustees

Minutes prepared by Management Assistant Steiner

Approved by the Board of Trustees at a meeting held on # 2/12/24