



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 9, 2024

The regular meeting of the Lake Zurich Police Pension Board was held on July 9, 2024 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

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

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

Also present: John Falduto, Sawyer Falduto Asset Management LLC; Attorney Jeffrey Goodloe, Puchalski Goodloe LLC; Derek Flessner, Lauterbach & Amen; Stephanie Steiner, Police Department Management Assistant; and Amy Sparkowski, Finance Director.

Also in attendance: Heidi Andorfer, Foster & Foster.

II. PUBLIC COMMENT

There was no public comment.

III. APPROVAL OF MINUTES

Motion was made by Colin Gaffney to approve the minutes from the special meeting of the Lake Zurich Police Pension Fund from March 13, 2024. Motion was seconded by Eric Burk and passed upon a voice vote.

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

Motion was made by Eric Burk to approve the minutes from the regular meeting of the Lake Zurich Police Pension Fund from April 9, 2024. Motion was seconded by Mike Moran and passed upon a voice vote.

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

IV. FINANCIAL/INVESTMENT REPORTS

A. Payment of bills

Andy Sieber explained the following bills have been paid: Lauterbach & Amen \$740.00, \$740.00 and \$740.00 for services and \$1100.00 for fiscal year 2023 papers.

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



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

B. Lauterbach & Amen: Financial Report

Derek Flessner reviewed the monthly financial report. As of May 31, 2024, the Fund's net position is \$33,165,621.44.

Motion was made by Andy Sieber to approve the financial report, seconded by Colin Gaffney and passed upon a voice vote.

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

C. Sawyer Falduto Asset Management – Quarterly Report

John Falduto reviewed the Quarterly Investment Report in detail. As of June 30, 2024, the beginning market value was \$251,807 and the ending market value was \$513,896. It was noted that since 2009, the Fund's investment return is \$14,839,985.

Motion was made by Andy Sieber to approve the quarterly asset management report, seconded by Colin Gaffney and passed upon a voice vote.

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

D. IPOPIF – Verus Advisory, Inc. Report

No report was available at the time of the meeting.

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, 2024 report with the Board. The year-to-date started with \$32,406,698.67 in the account. After transactions, the ending value in the account was \$32,904,199.47, up 2.82% for the month, .22% for the quarter and 4.28% year-to-date, and since joining the fund in July 2022, up 10.38% annualized.

The Board acknowledged receipt of the IPOPIF report.

F. Village Treasurer Report

Amy Sparkowski advised the annual audit was finalized. As of the end of June, property taxes were collected at half of what was levied so far this year. She noted that the October board meeting would be a good meeting to attend for the levy request.

Motion was made by Andy Sieber to approve the treasurer report, seconded by Colin Gaffney and passed upon a voice vote.

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



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EXCUSED: Bradstreet

G. Attorney's Report

Attorney Jeffrey Goodloe introduced himself and then gave a brief legal update. He touched upon the topic of possibly getting rid of tier 2, or at least changing the benefits. He hasn't seen any legislation on the topic yet. He then spoke about municipalities wanting to extend the amortization period of the statutory minimum to 2050, but nothing has gained traction on that yet. Finally, he discussed the House bill 3765, amendment 2 and 3, instituting a deferred retirement option plan, and adopt article 20, the Retirement Systems Reciprocal Act. This act gives retiring Illinois public employees the option to use service credit earned within the public retirement. It's a part of other Illinois systems currently, but not for fire and police pensions.

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

AYES: Burk, Sieber, Gaffney, Moran

NAYS: None

EXCUSED: Bradstreet

V. UNFINISHED BUSINESS

A. Cash Management Policy

The board discussed current cash needs and the need to change the repeat withdrawal amounts pertaining to the monthly transfer of funds from IPOPIF to BMO and the Schwab account due to pending retirements.

A motion was made by Andy Sieber, seconded by Eric Burk, to set the monthly repeat withdrawal amount to the amount of \$260,000, and passed on a roll call vote.

AYES: Burk, Sieber, Gaffney, Moran

NAYS: None

EXCUSED: Bradstreet

A motion was made by Andy Sieber, seconded by Eric Burk, to set the target balance in the Schwab account at \$260,000, and when that balance exceeds \$310,000, remit the excess above \$260,000 to the BMO account for investment in the consolidated fund. Motion passed on a roll call vote.

AYES: Burk, Sieber, Gaffney, Moran

NAYS: None

EXCUSED: Bradstreet

VI. NEW BUSINESS

A. Update regarding IDOI annual statement and financial audit

Derek advised the IDOI has been completed and uploaded.

B. Department of Insurance past system administrators

Andy Sieber advised one of our retirees either tried to access the IDOI portal, or we received a scam email that listed an old village finance director. Derek advised there is a



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security administrator form that can be filled out that would give a current employee permission to approve access to the portal.

A motion was made by Andy Sieber, seconded by Colin Gaffney, to appoint Amy Sparkowski as the security administrator for the IDOI. Motion was passed on a voice vote.

AYES: Burk, Sieber, Gaffney, Moran

NAYS: None

EXCUSED: Bradstreet

C. Update regarding 40 ILCS 5/3-143 municipal compliance report

Derek advised the report was received this morning, and they are waiting for the consolidated fund to complete their report as well. He will draft a report for the next meeting.

D. 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 1/1/2023 report to the 1/1/2024 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. There were no assumption or method changes since the prior valuation. Foster and Foster's recommended contribution amount from the Village for the upcoming 2024 tax levy is \$2,509,796.00.

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

AYES: Burk, Sieber, Gaffney, Moran

NAYS: None

EXCUSED: Bradstreet

E. Reorganization of Board and election of officers

A motion to keep the Board the same as listed below was made by Andy Sieber, seconded by Eric Burk, and passed on with a voice vote. The Board Officers for the 2024/2025 year are as follows:

President: Dave Bradstreet

Vice President: Eric Burk

Secretary: Andy Sieber

Assistant Secretary: Colin Gaffney

F. Select pension board FOIA and OMA officers

The Fund FOIA and Open Meetings officer will remain assigned to Andy Sieber.

A motion was made by Andi Sieber to assign the FOIA and OMA officer responsibilities to the secretary of the Fund, seconded by Eric Burk, and passed on with a voice vote.

AYES: Burk, Sieber, Gaffney, Moran

NAYS: None

EXCUSED: Bradstreet



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G. Trustee Training

Andy advised some of the trustees would like to get their training at the pension conference to change their training options for this year. Eric has his training already, and will not need to attend the conference.

H. Semi-Annual review of closed meeting minutes and verbatim recordings

There are no closed meeting minutes to review.

I. Update regarding annual examinations for disabled pensioners under age 50

Jeff Goodloe advised since our fund does not have any disabled pensioners under the age of 50 at this time, this does not apply.

J. Lateral Transfer for Christopher Reese

Officer Reese came to Lake Zurich from Island Lake PD on 11/27/2023. He had 8 years, 8 months of time that he has requested to transfer. The Fund is waiting for check from the Island Lake Police Pension Fund.

K. Retirement of Deputy Chief Dave Anderson, 4/24/2024

Deputy Chief Dave Anderson retired on April 24, 2024, after 28 years of earned service. He retired with an annual salary of \$150,059.52. Andy Sieber made a motion to approve the retirement figure as presented and calculated by Lauterbach & Amen, seconded by Colin Gaffney and passed on a voice vote.

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

L. New Officer – Jeremy Peace, 5/13/2024

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

Jeremy Peace Hire Date: 5/13/2024 Tier II

Jeremy started with a yearly salary of \$78,377.60. Andy Sieber made a motion to accept the new officer into the Lake Zurich Police Pension Fund, seconded by Eric Burk and passed on a voice vote.

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

M. Removal of Officer Dudek, 6/26/2024

Officer Dudek was terminated by the Department on 6/26/2024. As of today, no request has been received to pull his contributions from the Fund.

VII. ADJOURNMENT

There being no more business to come before the Board, Andy Sieber motioned to adjourn the meeting at 9:21 a.m. Motion seconded by Eric Burk and passed on a voice vote.



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The next meeting will be October 8, 2024.

Respectfully submitted, *116*

Secretary, Board of Trustees

Minutes prepared by Management Assistant Steiner

Approved by the Board of Trustees at a meeting held on 10/8/24