

Lake in the Hills Police Department Pension Board
Regular Meeting Minutes
April 15, 2019

The Police Pension Board Meeting was held at the Village of Lake in the Hills Conference Room, 600 Harvest Gate, Lake in the Hills, Illinois, in the county of McHenry.

Roll Call

The meeting was called to order at 4:03 PM. In attendance were: President Howell, Vice President Helgerson, Trustee Coduto, Trustee Recchia and Trustee Wolf. Also present was Kevin Cavanaugh, of Lauterbach & Amen, Mary Tomanek of Graystone Consulting, Village Treasurer Johnson, and Recording Secretary Carson.

Meeting Minutes

The minutes from the January 21, 2019 meeting were presented to the Board for review. Trustee Coduto made a motion to accept the meeting minutes as presented, and Trustee Recchia seconded the motion. There was no further discussion. A voice vote was taken with all ayes, and no nays. Motion was passed.

Public Comments

None at this time.

Presentation of the Bills

Village Treasurer Johnson presented the bills for the pension check register for January (2nd & 31st), February and March 2019, from the Lauterbach & Amen report, totaling \$295,656.51.

The vendor check registers for January and February 2019 totaled \$55,774.35, for a combined total of \$351,430.86. Vice President Helgerson made a motion to approve and pay the pension and vendor check registers and as presented. Trustee Wolf seconded the motion. There was no further discussion. A roll call vote was taken with all ayes and no nays. Motion was passed.

Consultant's Report

Mary Tomanek then provided the Board with the first quarter review. She attributed the slow growth to wages and the fiscal stimulus plan, with the government advising the stimulus is for long-term growth. The long-term will be a bull-market with short spurts of a bear market. She continued and stated the fund had a strong first quarter in both equities and fixed income, with a year to date return of 8.76%.

International funds provided a good contribution to the fund this quarter, along with Pax International doing well. Small cap got hit the hardest, but mid cap funds, Principal Mid-Cap, did well.

Mary advised the McDonnell transfer was still a work in progress, citing problems with US Bank. She informed the Board that she is following up with US Bank regularly and the transfer should be completed soon.

Vice President Helgerson advised the Board that there will be new money to invest in May and June, and suggested investing into equities. Vice President Helgerson made a motion to authorize the village treasurer invest new money in \$100,000 increments per the recommendation of the investment advisor. Trustee Coduto seconded the motion. There was no further discussion. A roll call vote was taken with all ayes and no nays. Motion was passed.

Vice President Helgerson made a motion to accept the investment report as presented. Trustee Wolf seconded the motion. A voice vote was taken with all ayes and no nays. Motion was passed. Information was presented to the Board regarding OakMark, but no action was taken at this time.

Treasurer's Report

Treasurer Johnson presented the financial statements through February 28, 2019 from the Lauterbach & Amen report with total assets being just over \$29.8 million. There was a gain of approximately \$2 million in revenues, with \$254,000 in expenses. Trustee Coduto made a motion to approve the Treasurer's Report through February 28, 2019. Trustee Recchia seconded the motion. There was no further discussion. A voice vote was taken with all ayes and no nays. Motion was passed.

Old Business

The Life Status 360 was discussed briefly and would be addressed at the next meeting.

New Business

Kevin Cavanaugh presented the draft copy of the Actuarial Funding Report to the Board for review. He highlighted the some of the exhibits in the report. He additionally provided the Board with a copy of the GASB 67/68 Report for review. The final version will be approved at the next meeting.

The investment advisor Request for Proposal (RFP) was next discussed. The law requires this to be completed every five years, for investment consultants. Vice President Helgerson advised he send it out to Mary Tomanek, Graystone Consulting, Craig Larsen, AHC Advisors, and Jessie Barrett, Barrett Group of Wells Fargo. He continued and advised a response was due March 21, 2019. AHC responded and advised they would not be submitting a proposal. The Barrett Group did not respond or submit a proposal. Graystone Consulting responded and submitted prior to March 21, 2019. They proposed to continue providing the services, previously provided as the incumbent consultant, and to keep the fee the same at .20% of the total portfolio. Vice President Helgerson made a motion to accept the proposal from GrayStone Consulting and extend the contract for another five years. Trustee Coduto seconded the motion. There was no further discussion. A roll call vote was taken with all ayes and no nays. Motion was passed.

The election of the employee representative was next discussed. The Board was informed that the election had not yet been held. Trustee Coduto and Trustee Recchia were advised this needed to be completed before the end of the month. The election is for Trustee Recchia's position.

The Mesriow Fiduciary Liability Renewal was next presented. Treasurer Johnson advised of the invoice received in the amount of \$4388.00 from May 1, 2019 through May 2, 2020, which was a minimal increase from last year. Vice President Helgerson made a motion to renew the policy through May 2, 2020. Trustee Coduto seconded the motion. There was no further discussion. A roll call vote was taken with all ayes and no nays. Motion was passed.

The annual medical review certificates were discussed. Vice President Helgerson advised the Board Attorney, Richard Reimer, would be taking over this responsibility. Vice President Helgerson made a motion to authorize Richard Reimer to contact and complete the medical review certificates for those under the age of 50, and are receiving disability benefits. Trustee Recchia seconded the motion. Vice President Helgerson will be contacting with the Board Attorney to plan for this to be completed. There was no further discussion. A voice vote was taken with all ayes and no nays. Motion was passed.

The FY 18 Draft Audit Report was presented to the Board. The Board was advised there were no management comments or findings and the Board would be awaiting the final version for approval.

The FY 18 Draft DOI report was presented to the Board as an annual report from Lauterbach & Amen. The Board was advised this was draft only and information only at this time, with no action required.

The FY19 Budget was also presented to the Board. Vice President Helgerson made a motion to accept the FY19 Budget as presented. Trustee Wolf seconded the motion. There was no further discussion. A voice vote was taken with all ayes and no nays. Motion Passed.

The Pension Calculation for Sgt. Eric Decker's pending retirement, effective August 1, 2019, was presented to the Board for a signature. The form was then forwarded to Lauterbach & Amen. Vice President Helgerson asked if there was a QUILDRO involved and was advised there was. No action was required at this time.

The authorized signatures for BMO Harris Bank was next presented to the Board. It was determined the authorized signatures were collected at the October 2018 meeting.

Training Status

Trustee Wolf advised he is still working on his training, and will complete his necessary requirements online. Vice President Helgerson reminded Trustee Coduto and Trustee Recchia that 16 additional hours would be needed this year.

Correspondence

None at this time.

Next Quarterly Meeting

The next meeting is scheduled for Monday, July 15, 2019.

Adjournment

There being no further business at this time, at 5:20 pm, Trustee Recchia made a motion for adjournment, and Vice President Helgerson seconded the motion. There was no further discussion. A voice vote was taken with all ayes, and no nays. Motion was passed.

Pension Board Secretary

Recording Secretary