

Lake in the Hills Police Department Pension Board
Regular Meeting Minutes
October 19, 2020

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

Roll Call

The meeting was called to order at 4:00 PM. In attendance were: President Howell, Vice President Helgerson, and Trustee Coduto. Trustee Recchia attended via telephone, however refrained from voting in any motions. Trustee Wolf was absent. Also present was Interim Finance Director Frerichs, and Recording Secretary Carson.

Meeting Minutes

The minutes from the July 20, 2020 meeting were presented to the Board for review. Vice President Helgerson made a motion to accept the meeting minutes as presented, and Trustee Coduto seconded the motion. A voice vote was taken with all ayes, and no nays. Motion was passed.

Public Comments

None at this time.

Presentation of the Bills

Interim Finance Director Frerichs presented the bills for the pension check register for July, August and September 2020, from the Lauterbach & Amen (L&A) report, totaling \$243,520.93. The vendor check registers for June, July and August 2020 totaled \$69,793.87, for a combined total of \$313,314.80. Interim Finance Director Frerichs advised all payments are within the guidelines. Trustee Coduto made a motion to approve and pay the bills as presented. Vice President Helgerson seconded the motion. There was no further discussion. A roll call vote was taken with all ayes and no nays. Motion was passed.

Treasurer's Report

Interim Finance Director Frerichs presented the financial statements through August 31, 2020 from the Lauterbach & Amen report with total assets being just over \$36.5 million. Interim Finance Director Frerichs advised of losses from \$1.4 million to a gain of \$2.3 million over the past quarter. Vice President Helgerson made a motion to approve the Treasurer's Report through August 31, 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.

Consultant's Report

Mary Tomanek then provided the Board with the third quarter review, via telephone. She stated we are currently in a 'repair' economic cycle, with earning all being positive, but that the earnings over the next 12 months would probably be single digit gains. Earnings for the quarter were at 5.23% with year to date at 3.81%. Mary advised that the technology stocks have been pushing the good returns.

Vice President Helgerson advised the Board that \$500,000.00 in new money was available for investment. He made a motion to invest the new money in a 50/50 (\$250,000.00 each) split between Vanguard Large Cap Value and PIMCO. 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 Board next discussed Pax World and OakMark International funds. Mary advised that a search was completed, at the request of the Board, to look for replacement funds. She advised the search to replace OakMark, resulted in a fund called Harding Loevner. She advised that the fees were similar to that of OakMark, but offered better returns. Vice President Helgerson made a motion to sell 100% of OakMark and move into Harding Loevner. 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.

Mary advised that a search to replace Pax World showed Fuller & Thaler. She again advised the fees were similar to Pax World. Vice President Helgerson made a motion to sell off 100% of Pax World and move into Fuller & Thaler. 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.

Mary also talked about the trigger points for the investment strategy, that was outlined in April. She suggested rescinding the order for the time being. Vice President Helgerson made a motion to rescind the standing order on re-investment at the trigger points of 2200 and 2400 respectively. Trustee Coduto seconded the motion. There was no further discussion. A voice vote was taken with all ayes and no nays. Motion was passed.

Old Business

Vice President Helgerson next provided an update for Officer Lewis. He advised the application has been received, and the Board Attorney is waiting for additional information from her attorney and they are also waiting on the doctor's. Vice President Helgerson added that there will be no action until all the doctor's have been seen.

Vice President Helgerson provided the Board with a consolidation update. He advised that they are hoping to have the money start to be moved mid-year 2021. He advised at some-point, there would be contact and the portfolio would freeze so it could be moved. He also advised that active employees would be receiving ballots, via US Mail, to vote for the trustees of the funds. The ballots should be received by October 31.

New Business

The portability request for Officer Kotlowski was presented to the Board. The Board is in receipt of a letter from L&A with the amounts required and requested. Officer Kotlowski would need to pay \$45,085 to the fund, and in turn \$104,426.08 would then be transferred to the Crystal Lake Police Pension Fund. These figures are valid through November 15, 2020. Vice President Helgerson made a motion to authorize the transfer of \$104,426.08, once the fund receives the prescribed amount from Officer Kotlowski to purchase his time back from Lake in the Hills. President Howell seconded the motion. There was no further discussion. A roll call vote was taken with all ayes and no nays. Motion was passed.

The disability application consideration from Officer Domagala was next presented to the Board. Vice President Helgerson advised that he has spoken with the Board attorney, and they are currently processing the request and the appropriate non-duty disability forms are being completed. Vice President Helgerson advised that this would be a 50% taxable salary disability for a specified period of time.

Correspondence

Trustee Coduto advised that he received some information for President Howell that would be passed along via the Interim Finance Director.

Training Status

Vice President Helgerson and President Howell advised they attended the IPPFA conference virtually. He advised that the sessions are available online and would be available until December. Trustee Coduto asked if this would count towards the required training and he was advised it would.

2021 Meeting Schedule

The next year's meetings are scheduled on the following Monday's: January 18, April 19, July 19, and October 18, 2021, all at 4:00 pm.

Adjournment

There being no further business at this time, at 4:53 pm, Vice President Helgerson made a motion for adjournment, and Trustee Coduto 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

Pension Board President