

Lake in the Hills Police Department Pension Board
Regular Meeting Minutes
April 19, 2021

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 4:06 PM. In attendance were: President Howell, Vice President Helgerson, Trustee Coduto (arrived at 4:18 PM), Trustee Wolf and Trustee Recchia. Also present was Finance Director Stefan, Mary Tomanek of Graystone Consulting and Recording Secretary Carson, along with Kevin Cavanaugh of Lauterbach & Amen (L&A).

Meeting Minutes

The minutes from the January 18, 2021 and the special meeting minutes from March 19, 2021 were presented to the Board for review. Vice President Helgerson made a motion to accept the meeting minutes, with a correction to the January meeting minutes under New Business. A modification to have Vice President Helgerson make the motion for the COLA benefits with Trustee Coduto seconded the motion. Trustee Wolf seconded the motion for approval of the minutes. A voice vote was taken with all ayes, and no nays. Motion was passed.

Public Comments

None at this time.

Consultant's Report

Mary Tomanek then provided the Board with the first quarter review. She advised seeing strong economic numbers since January 2021. She continued and advised the projected unemployment numbers should go down to 3%, but that inflation was a concern to be wary of. Overall, the economy is doing well, and she is not expecting significantly higher interest rates, nor hyper-inflation, due to the government's plan to keep interest rates low.

She continued and advised that the portfolio was up just 2.25% for the quarter and the year so far, with equities showing a 5% gain, and fixed income coming in lower. She continued and stated there was a down turn with fixed income due to higher interest rates and the market reset. She continued and made the recommendation for rebalancing the Mutual Funds because of the 68% is past the 65% maximum. She suggested to move PIMCO (3.3% or \$1,325,210) to meet the requirement.

Vice President Helgerson advised of only a 3% variance over the target investment percentage, and with no new money to invest, he suggested any rebalancing be held off until the next meeting. He continued and suggested the rebalancing may take care of itself, due to the continued decline in fixed income. He did make a motion to authorize the Finance Director to invest new money in \$100,000 increments to be directed to the financial advisor to be invested into fixed income to allow for rebalancing of the portfolio. Trustee Coduto seconded the motion. There was no further discussion. A roll call voice vote was taken with all ayes and no nays. Motion was passed.

Mary also presented information about an upcoming webinar training, and an update about the pension consolidation process.

Vice President Helgerson made a motion to approve the investment report as presented. Trustee Wolf seconded the motion. There was no further discussion. A roll call voice vote was taken with all ayes and no nays. Motion was passed.

Presentation of the Bills

Finance Director Stefan presented the bills for the pension check register for January, February and March 2021, from the Lauterbach & Amen (L&A) report, totaling \$249,948.93. The vendor check registers for December 2020, January, February and March 2021 totaled \$128,949.93, for a combined total of \$378,898.86. Finance Director Stefan advised all payments are within the guidelines. Trustee Wolf made a motion to approve and pay the bills as presented. Trustee Coduto seconded the motion. There was no further discussion. A roll call voice vote was taken with all ayes and no nays. Motion was passed.

Treasurer's Report

Finance Director Stefan presented the financial statements through March 31, 2021 from the Lauterbach & Amen report with total assets being at \$40.1 million. Finance Director Stefan advised of a gain of \$715, 673.83 for the first quarter. Vice President Helgerson made a motion to approve the Treasurer's Report through March 31, 2021. Trustee Coduto seconded the motion. There was no further discussion. A roll call 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 there was a plan to hold a special meeting for hearing Wednesday, April 21, 2021. He continued and advised that the Board Attorney had made contact with him, with Officer Lewis' attorney requesting a 45 to 60-day continuance. The Board Attorney made a recommendation to allow the continuance. Vice President Helgerson made a motion to allow the continuance and cancel the hearing planned for Wednesday, April 21, 2021. He continued and advised the Board Attorney would make arrangements and provide dates for a future hearing. Trustee Wolf seconded the motion. There was no further discussion. A roll call voice vote was taken with all ayes and no nays. Motion was passed.

An update for Officer Domagala was also presented to the Board. Finance Director Stefan advised no payment has been made yet, as the final paperwork was just received. Finance Director Stefan provided paperwork showing Officer Domagala will receive a check in the amount of \$9,484.92 for January 2021-March 2021, and would be receiving a monthly payment of \$4,261.34 as of April 2021. His disability date is listed as January 24, 2021, with his effective date of pension being January 25, 2021. He has 16 years of creditable service. His pension is based on an ending salary of \$102,272.14 at 50% for the monthly pension at \$4,261.34.

Vice President Helgerson provided the Board with a consolidation update. He advised that the revised time to start moving money is now the first quarter of 2022.

Trustee Coduto provided the results of certified election for Trustee Recchia's seat and President Howell's seat. He advised that both Trustee Recchia and President Howell were both re-elected. The tabulated votes were as follows: Active Sworn Officers: one vote for Mike Gnuetchel, one vote for David DeStefano, two votes for Adam Carson, and 16 votes for James Recchia. The retired representative results were as follows: three votes for Larry Howell, two votes for Ted Ziarkowski, and one vote for Craig James. Joyce Griggel, administrative assistant verified the ballot counts. Vice President Helgerson made a motion to ratify the election results of the active member representative and the retired member representative. Trustee Wolf seconded the motion. There was no further discussion. A roll call voice vote was taken with all ayes and no nays. Motion was passed.

New Business

Kevin Cavanaugh presented the actuarial reports review summary for the Board. He advised the fund is 83.91% funded and advised recommended contribution difference was down 12%. The unfunded liability was reduced by 20% since the inception of the layering system, due partially to the fund out performing returns being at 12.65% vs the 6.75% expectation. Kevin advised that this was a draft report and would be finalized for the next meeting.

The updated authorized signature cards. Was next discussed. Finance Director Stefan wanted confirmation of the authorized signers for the fund. Authorized signers are President Howell, Trustee Coduto and Finance Director Stefan.

The Fiduciary Liability Insurance Policy Renewal was next presented. In the policy it had one employee listed, which was incorrect and will be corrected for the next meeting and will be renewed at the next meeting.

The FY2020 Audit Report draft and Department of Insurance (DOI) reports were next discussed. Vice President Helgerson advised that L&A prepares the reports for final approval. A question was asked regarding spousal information for the DOI report and if a signature page was still required. Vice President Helgerson advised that the signature page was no longer required and was filed electronically.

The FY2021 Budget was next presented. Finance Director Stefan presented the proposed FY2021 Budget showing total revenue at \$4.7 million. Vice President Helgerson made a motion to approve the FY2021 Budget as presented. Trustee Coduto seconded the motion. A roll call voice vote was taken with all ayes and no nays. Motion was passed.

The new hire pension application for Officer Aleksandra Bielawiec was presented to the Board for admission into the fund. Her date of hire was March 17, 2021. She is 29 years old and came from Chicago Police Department after three years of working there. No transfer of creditable service can be completed as she is coming from an Article 1 pension system. L&A has the application to be used for admission into the pension. Vice President Helgerson made a motion to accept Officer Bielawiec into the fund as of March 17, 2021 as a Tier II member. Trustee Wolf seconded the motion. There was no further discussion. A roll call voice vote was taken with all ayes and no nays. Motion was passed.

The Intent to Retire for Chief Brey was next presented. He has advised the department, village and pension board of his intent to retire in July 2021. President Howell instructed Finance Director Stefan to ensure that all documentation and paperwork is returned and is in order. President Howell continued and advised that the finalization will be completed at July meeting, and a retro payment would be made in August to him.

Training Status

Vice President Helgerson suggested attending the IGFOA web training that Mary Tomanek provided to the Board. He additionally advised of the IPPFA web series that would satisfy the eight-hour requirement.

Correspondence

None at this time.

Next Quarterly Meeting

The next meeting is scheduled for July 19, 2021, at 4:00 pm. The special meeting for Wednesday, April 21, 2021 has been postponed.

Adjournment

There being no further business at this time, at 5:23 pm, Trustee Wolf made a motion for adjournment, and Trustee Coduto seconded the motion. There was no further discussion. A roll call voice vote was taken with all ayes, and no nays. Motion was passed.

Pension Board Secretary

Pension Board President