

Lake in the Hills Police Department Pension Board  
Regular Meeting Minutes  
July 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 4:00 PM. In attendance were: President Howell, Vice President Helgerson, Trustee Coduto, and Trustee Wolf. Trustee Recchia was absent. Also present was Finance Director Stefan, and Recording Secretary Carson.

Meeting Minutes

The minutes from the April 19, 2021 were presented to the Board for review. Vice President Helgerson made a motion to accept the meeting minutes, 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

Finance Director Stefan presented the bills for the pension check register for April and May 2021, from the Lauterbach & Amen (L&A) report, totaling \$181,758.23. The vendor check registers for April and May 2021 totaled \$65,641.74, for a combined total of \$247,399.97. Finance Director Stefan advised all payments are within the guidelines. Vice President Helgerson made a motion to approve and pay the bills 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.

Consultant's Report

Mary Tomanek then provided the Board with the second quarter review. She advised of a terrific market and great fiscal year and calendar year end returns. She advised the S&P 500 has gained at least 5% or more in the last five quarters and the last time that has happened was in 1945.

She continued and advised there may be concern coming up about inflation, and continued stating it should not get bad, adding that interest rates have actually gone down within the last three to four weeks. She advised that inflation issue would continue to be monitored. She advised the leveraging and federal debt will also be watched closely. There is a projection for a flat market return towards the end of the year. Year to date returns for the portfolio are just under +8%, with the quarter just under +5.5%, with last year at +23.5%, putting the total portfolio at just under \$42 million dollars.

Vice President Helgerson advised there would be \$700,000 available for investment, and Mary reminded and made the recommendation for rebalancing the Mutual Funds because of the 68% is past the 65% maximum. Vice President Helgerson advised that the additional funds for investment would be put into fixed income in order to rebalance to the 65%. Mary made an additional recommendation to split 50/50 between the two fixed income managers. Vice President Helgerson advised that funds must be available to continue business before all the money is turned over for consolidation.

Vice President Helgerson made a motion to authorize the Finance Director to invest new money in \$200,000 increments once cash flow needs were reviewed by Vice President Helgerson and Treasurer Stefan, and that new money will 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.

Trustee Wolf made a motion to approve the investment report 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 May 31, 2021 from the Lauterbach & Amen report with the total assets being \$41,617,613.46. Finance Director Stefan advised of a gain of \$2.2 million through May 31, 2021. Vice President Helgerson made a motion to approve the Treasurer's Report through May 31, 2021. 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.

### Old Business

An update for Officer Lewis was given, advising that she had resigned. There was no further information about her disability hearing. The Board was going to make contact with the Board Attorney to get an update. The last information was a request for a continuance from her attorney for 45 days.

Vice President Helgerson provided the Board with a consolidation update. He advised there is no new information other than the selection of 'State Street' as the master custodian of all the consolidated funds.

The Actuarial Funding Report – Actuarial Valuation as of January 1, 2021 Final Report was presented to the Board. Finance Director Stefan advised of no changes with the contributions along with the unfunded liability being reduced. The fund is still on track for 100% funding by 2033. Vice President Helgerson inquired if there were any management comments and was advised there were none, which was in reference to the annual audit which was accepted under a separate vote. Vice President Helgerson made a motion to accept the Actuarial Funding Report as presented. Trustee Wolf seconded the motion. There was no further discussion. A voice vote was taken with all ayes and no nays. Motion was passed.

The Board was next presented with an update for Officer Bielawiec, and her new hire pension application. She has previously been voted into the fund, however, the actual application is needed for her file.

The pension application and calculation for Chief David Brey was presented to the Board. He retired on July 15, 2021 with 29 years of creditable service. His first day of eligible for pension payment is July 16, 2021. His final salary was \$167,991.62, and will be receiving a 72.5% pension as a Tier I employee. His initial monthly payment will be \$10,149.49, with his first increase being August 1, 2022. He is 54 years old. Vice President Helgerson made a motion to award Chief Brey his pension as previously detailed. 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.

### New Business

Vice President Helgerson advised the Board of the memo he has prepared for the Village Board for the Property Tax Levy Request. He advised this request is per state statute and is in the amount of \$1,435,317.00. Vice President Helgerson made a motion to present the property tax levy request to the Village Board. Trustee Coduto seconded the motion. There was no further discussion. A voice vote was taken with all ayes and no nays. Motion was passed.

The IPOPIF was next presented by Finance Director Stefan. He advised of the authorized representatives forms, with the default individual being President Howell. Discussion included adding Finance Director Stefan, and getting a list of authorized signatories for GrayStone Consulting.

The FY2020 Department of Insurance (DOI) Report was also presented to the Board for review, with this report being completed by L&A. It was filed on June 30, 2021 with DOI. Finance Director Stefan advised that three of the five training certificates were filed with the report with a couple still being waited on from Trustees. Vice President Helgerson made a motion to approve and ratify the FY2020 Department of Insurance Report as presented. Trustee Wolf seconded the motion. There was no further discussion. A voice vote was taken with all ayes and no nays. Motion was passed.

The FY2020 Municipal Compliance Report (MCR) was next presented, and is prepared by L&A. Vice President Helgerson advised the Board that this report needs to be submitted with the Property Tax Levy Request. Vice President Helgerson made a motion to approve the FY2020 MCR as presented. Trustee Coduto seconded the motion. A voice vote was taken with all ayes and no nays. Motion was passed.

The report on the annual medical review of officers under age 50 on disability was next discussed. Vice President Helgerson advised that this responsibility was designated to the Board Attorney and would be making contact with him advising of the need of this to be completed.

The new hire pension application for Officer Sergio Garcia was presented to the Board. His date of hire is April 28, 2021 as a Tier II pensioner. The Board was advised that he was previously a police officer at Chicago Police Department. Vice President Helgerson made a motion to accept him into the fund as of April 28, 2021. Trustee Wolf seconded the motion. There was no further discussion. A voice vote was taken with all ayes and no nays. Motion was passed.

The election of Board Officers was next discussed. President Howell made a motion to keep the same slate of offices: President Howell, Vice President Helgerson, Secretary Coduto, Assistant Secretary Recchia. Trustee Wolf seconded the motion. There was no further discussion. A voice vote was taken with all ayes and no nays. Motion was passed.

#### Training Status

Vice President Helgerson advised and Finance Director Stefan confirmed that he had completed and turned in his training certificate. President Howell advised that he would be attending the IPPFA training in October, virtually.

#### Correspondence

Officer Lathrop provided a new address for his pension checks to be sent to, with that information being forwarded on to L&A. Vice President Helgerson inquired about L&A maintaining the pensioner files. He directed Finance Director Stefan to obtain a proposal for maintaining the required records for the Board. Vice President Helgerson advised that there is a monthly fee for this, but all records would be in compliance.

#### Next Quarterly Meeting

The next meeting is scheduled for October 18, 2021, at 4:00 pm.

#### Adjournment

There being no further business at this time, at 5:11 pm, President Howell 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.

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Pension Board Secretary

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Pension Board President