

**ROUND LAKE BEACH POLICE PENSION FUND**  
1947 Municipal Way, Round Lake Beach, IL 60073  
**QUARTERLY BOARD MEETING**  
**VIA ZOOM**  
January 26, 2021 - 9:00 a.m.

**1. MEETING CALLED TO ORDER**

President Ryan Rodriguez called the meeting to order at 09:00.

Due to the COVID pandemic, the Board President deemed it feasible and prudent to meet remotely; Ryan Rodriguez and Paul Henken were at the meeting location. Everyone attending via the zoom application was able to see and communicate with each other. All votes will be taken via roll call vote during this meeting.

**2. ROLL CALL**

Roll Call: Ryan Rodriguez, Paul Henken, James Simoncelli, Jerry Mattingly. Bill Murphy was absent. Also present: Attorney Laura Goodloe, Steve Earnhardt and Christian Ebeling of Lauterbach & Amen, Tom Sawyer of Sawyer Falduto Asset Management, Village Finance Director Matt Rossi, and Administrative Secretary Carol McMullen.

**3. READING & APPROVAL OF MINUTES**

A motion was made by James Simoncelli to approve the minutes of the Regular Meeting of 10-27-2020, as presented; second by Paul Henken. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Abstain. Bill Murphy - Absent. Motion approved.

**4. PUBLIC COMMENTS** - None at this time.

**5. TREASURER/ACCOUNTANT REPORTS**

Steve Earnhardt reviewed the Lauterbach & Amen Financial Report as of 12-31-2020. There was \$29,620,301.72 net position held in trust for pension benefits. Total bills for October 1 through December 31, 2020 were \$182,546.16.

A motion was made by Paul Henken to approve the 12-31-2020 Financial Report as prepared by Lauterbach & Amen; second by James Simoncelli. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

Steve reviewed the changes recently made to the checking account with BMO Harris as he discussed at the October Board meeting. He wanted to ensure the Board was aware that these changes were implemented and fees should start showing up on the vendor check report for the activity incurred by the fund in that account. L&A did reach out to other financial institutions and they feel that BMO Harris is still the lead provider in this service. Any transaction that goes in and out of the account has a fee associated with it. For the month of December the total fees assessed to the account was \$48.80. Based on the balance in the account the earned interest credit against those fees was \$7.50, netting a fee of \$41.30 that will be posted to the account. Steve anticipated that \$40-\$50 would be a standard amount posted based on the fact that the account activity does not fluctuate too much each month.

A motion was made by Paul Henken to approve the 2021 cost of living increases as prepared and presented by Lauterbach & Amen; second by James Simoncelli. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

A question was raised as to what the IPPFA membership dues covers. Steve Earnhardt stated that it covers the same as before, educational conferences, new trustee training and seminars; the membership provides better pricing on those conferences. The membership dues help bring down the cost; the cost difference between a member and non-member might pay for itself. Tom Sawyer stated that he recently sat down with Jim McNamee and they do plan on having their Spring and Fall conferences, detail and format to follow. The Board expressed concern that the seminars that are presented do not provide a lot of training and feel they do not get a lot out of it; the workshops lack substance but they unfortunately do serve to check the statutory required boxes. There are some legal updates, but there are a lot of sales pitches, and the fee for these conferences is hefty. Attorney Goodloe stated that this has been brought up with many pension boards in light of the consolidation legislation and the changes in training requirements. She stated she does not know what IPPFA plans on doing when consolidation is completed, but stated that IPPFA is trying to remain influential to keep up with these changes and offer different types of services and seminars. Based upon her clients that have the same concerns most of them did pay their membership dues for this year; some of them have a wait and see approach with respect to the consolidation. At that point it might be beneficial to re-discuss the training requirements and what IPPFA will offer that would be an added value to continue membership with them. The Board opted to pay the membership dues for this year and re-evaluate this issue when the consolidation is finalized in 2022. James Simoncelli stated that he gets training for his insurance licenses and his continuing education classes for about \$250.00 every two years, feels they have substance, and would like to see some changes made with the large training fees charged by the IPPFA.

A motion was made by Paul Henken to approve the payment of the 2021 IPPFA Membership Dues in the amount of \$795.00, and re-evaluate before moving forward with 2022 IPPFA dues; second by James Simoncelli. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

The invoice from Sikich for the FY 04-30-2020 audit in the amount of \$5,623.00 has previously been approved and submitted to L&A for payment.

A motion was made by James Simoncelli to approve the payment of the bills and disbursements as shown on the Lauterbach & Amen report of 12-31-2020 and to pay the bills as they become due; second by Paul Henken. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

A motion was made by James Simoncelli to ratify and approve the FY 04-30-2020 DOI Annual Statement as prepared and filed by Lauterbach & Amen; second by Paul Henken. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

Cash Flow Needs - No action needs to be taken at this time.

## **6. INVESTMENT ACTIVITY**

Tom Sawyer reviewed the Investment Policy and Asset Allocation Guidelines. The 12-31-2020 Quarterly Investment Performance report showed the ending market value at \$29,616,417, which is a YTD investment return of \$3,640,860. The fund was up 14.09% (gross) year-to-date, 13.86% (net). Since inception, there was a total account return of 10.52%. He gave an overview of the equity and fixed income markets and stated that they did a year-end rebalancing. There was 55.3% in equities, 43.4% in fixed income and 1.3% in cash equivalents. In answer to a questions asked by Trustee Mattingly: 1) regarding how much money the pension fund has invested in equities that have a significant overseas component, Tom presented the Morningstar portfolio snapshot of the Round Lake Beach Police Pension Fund and informed the Board that approximately 11% is in non-U.S. stocks; 2) who determines what equity funds we are invested in, Tom explained that Sawyer Falduto determines the mutual funds that are held in the portfolio through their screening and research process; 3) What's the balance between large cap, mid cap and small cap, Tom referred back to the Morningstar portfolio snapshot showing percentages in the Morningstar Equity Style Box.

A motion was made by Paul Henken to accept the 12-31-2020 Quarterly Investment Performance Report as presented; second by Jerry Mattingly. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

No changes need to be made to the Investment Policy at this time.

## **7. ATTORNEY REPORT**

Roger Callese Disability Update - Attorney Goodloe updated new Trustee Jerry Mattingly on the disability case of Roger Callese. She stated that we have obtained all three doctor medical reports. The Village has filed a Motion to Intervene; the applicant had an opportunity to file a response or objection to the Village's Motion, and the Village filed a reply. A packet of exhibits has been prepared in anticipation of the upcoming Hearing on the Village's Motion to Intervene, which contains all of this information. We will convene for a Hearing on February 24, 2021, at 10:00 a.m., in person in the Community Room at the police department. We will be maintaining social distancing and wearing masks.

Mario Sankis re-evaluation - Attorney Goodloe explained to the board and new Trustee Jerry Mattingly that Mario Sankis is required to undergo an annual evaluation to verify the continuance of his disability. Based on Mario's neurologic issue with respect to a brain lesion, we had him undergo a medical records review based on an IME this year. His records were reviewed by Neurologist Dr. Anthony K. Savino. Dr. Savino rendered the opinion that Mr. Sankis remains disabled from full and unrestricted police service. His report was reviewed by the Board.

A motion was made by Jerry Mattingly to accept the medical report of Dr. Savino and to take no further action at this time with respect to restoring Mr. Sankis to active duty; second by Paul Henken. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

PGM Increase - Attorney Goodloe announced that effective January 1, 2021, her quarterly retainer will increase from \$650 to \$725 per quarter and her hourly rate will increase from \$175 to \$190 per hour. This is the second increase in the last ten years; the last increase from her firm was in 2018.

A motion was made by Paul Henken to approve the fee increase from PGM as presented for a period of no less than three years; second by James Simoncelli. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

Attorney Goodloe gave an update on the Consolidated Fund. The permanent board has been seated; they convened on January 8<sup>th</sup> with a lengthy agenda. They are still working on start-up and administrative issues, including approving someone to create their website. The investment RFP's are in-process; there has been discussion and action with respect to the auditing process. The Consolidated Fund will have to audit all pension funds prior to them tying up the assets and requesting that the assets be sent to the Consolidated Board. She stated that a complaint has been filed; some pension funds are adamantly opposed to the Consolidation and they have decided to bring suit to try and undo this legislation. When she reads through the complaint she will be sending out a memo to the pension funds with further developments on the complaint filed.

She reviewed a current disability case, Griffin vs. New Lenox Police.

## **8. OLD BUSINESS**

2020 Affidavits of Eligibility - Affidavits have not been returned from Sandy Judd and deferred pension member Jason Kane. Paul Henken has a current address for Jason Kane; another affidavit will be sent to him. Lauterbach & Amen received a change of address for Sandy Judd and forwarded that to the pension office. Another affidavit was sent to Sandy Judd last week.

Trustee Training Status - Training certificates have been received for James Simoncelli, Ryan Rodriguez, Paul Henken and Bill Murphy. In addition to their annual training requirements they have all completed the 4 hours of Consolidation training. Carol will register Jerry Mattingly for his training with IPPFA.

## **9. APPLICATION FOR MEMBERSHIP**

A motion was made by Paul Henken to accept the pension application of Carlos J. Rosado, Tier II, DOH 01-18-2021, DOB 1986; second by James Simoncelli. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

## **10. NEW BUSINESS**

Introduction of New Trustee - The Board welcomed new Trustee Jerry Mattingly after he gave a brief introduction of himself to the Board.

John Falduto joined the meeting at 10:28 a.m.

Board Elections - There will be an election for one active police officer and one retired annuitant position for the pension Board. Ryan Rodriguez and James Simoncelli were both elected from May 2019 to April 2021. Nominations will go out in March and the election will be held in April.

FOIA Request - A Freedom of Information Act Request was received on 12-07-2020 from Blake Ellis with CNN requesting monthly/annual pension benefit paid to deceased police officer Leroy Kuffel since 2012. The information was provided to Attorney Goodloe who responded on 12-14-2020.

Fiduciary Liability Insurance Renewal - A motion was made by Paul Henken to approve the renewal of the Fiduciary Liability Insurance Policy with a premium not to exceed \$3,000; second by James Simoncelli. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

Drum unit/pension office printer - The drum unit for the pension office printer needed to be replaced and a new one was purchased from LD Office Supplies for a total of \$93.49 with tax.

## **11. MEMBERSHIP BENEFITS**

Gardiner Wade - A QILDRO was received and forwarded to Attorney Goodloe who prepared a response to Gardiner and Heidi Wade, with a copy to the law firm who prepared the QILDRO paperwork.

A motion was made by Paul Henken to accept the QILDRO of Gardiner and Heidi Wade; second by Jerry Mattingly. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

Robert Gannon - He has requested a transfer of creditable service from Fox Lake to Round Lake Beach. Steve Earnhardt stated that Lauterbach & Amen received a response from Fox Lake and L&A is in the process of doing the calculations.

Jose Nunez - Resigned 12-11-2020. Ryan Rodriguez will contact him as to the reimbursement of his pension contributions

Evelyn Gaitan - Resigned 12-12-2020. Ryan Rodriguez will contact her as to the reimbursement of her pension contributions.

## **12. ADJOURNMENT**

The next meeting is scheduled for April 27, 2021. With no further business, a motion was made by Jerry Mattingly to adjourn at 10:41 a.m., second by Paul Henken. Roll call vote taken. Ryan Rodriguez - Aye. Paul Henken - Aye. James Simoncelli - Aye. Jerry Mattingly - Aye. Bill Murphy - Absent. Motion approved.

Respectfully submitted,

**RYAN RODRIGUEZ**  
President

**BY: Carol McMullen**  
Recording Secretary