

ROUND LAKE BEACH POLICE PENSION FUND
1947 Municipal Way, Round Lake Beach, IL 60073
QUARTERLY BOARD MEETING
July 27, 2021 - 9:00 a.m.

1. MEETING CALLED TO ORDER

Attorney Laura Goodloe called the meeting to order at 09:02 a.m.

2. ROLL CALL

Roll Call: James Simoncelli, Paul Henken and Jerry Mattingly. Chris Cordes and Bill Murphy are absent. Also present: Attorney Laura Goodloe, Tom Sawyer of Sawyer Falduto Asset Management, Richard Lamb and Stephanie Bay of Lauterbach & Amen, and Administrative Secretary Carol McMullen.

3. READING & APPROVAL OF MINUTES

A motion was made by Jerry Mattingly to approve the minutes of the Regular Meeting of 04-27-2021, as presented; second by Paul Henken. Jerry Mattingly - Aye. Paul Henken - Aye. James Simoncelli - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

A motion was made by Jerry Mattingly to approve the Executive session minutes from the Administrative Hearing of Roger Callese dated 05-03-2021 and retain them as closed from the public at this time; second by Paul Henken. Jerry Mattingly - Aye. Paul Henken - Aye. James Simoncelli - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

A motion was made by Jerry Mattingly to approve the open session minutes from the Administrative Hearing of Roger Callese dated 05-03-2021; second by Paul Henken. Jerry Mattingly - Aye. Paul Henken - Aye. James Simoncelli - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

4. PUBLIC COMMENTS - None at this time.

5. TREASURER/ACCOUNTANT REPORTS

Richard Lamb reviewed the Lauterbach & Amen Financial Report as of 06-30-2021. There was \$31,722,797.46 net position held in trust for pension benefits. Total bills for April 1 through June 30, 2021 were \$73,825.36.

A motion was made by Jerry Mattingly to approve the 06-30-2021 Financial Report as prepared by Lauterbach & Amen; second by Paul Henken. Jerry Mattingly - Aye. Paul Henken - Aye. James Simoncelli - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

A motion was made by Jerry Mattingly to approve the payment of the bills and disbursements as shown on the Lauterbach & Amen report as of 06-30-2021 in the amount of \$73,825.36 and to pay the bills as they become due; second by James Simoncelli. Roll call vote taken. Jerry Mattingly - Aye. James Simoncelli - Aye. Paul Henken - Aye. Chris Cordes - Absent. William Murphy - Absent. Motion approved.

Richard Lamb stated that the DOI Annual Statement is in process.

Stephanie Bay reviewed the draft Actuarial Report for the contribution year ending 04-30-2022 for funding purposes and for the fiscal year ending 04-30-2021 for financial statement reporting. The recommended contribution is \$1,646,168 which is a 1.66% increase over last year. The Board is 68.09% funded. The Illinois

statutory minimum contribution is \$1,168,780 which is a 4.50% increase over last year. The statutory minimum funded percentage is 68.32%.

There are no cash flow needs at this time.

6. INVESTMENT ACTIVITY

Tom Sawyer reviewed the Quarterly Investment Portfolio as of 06-30-2021; the beginning market value was \$29,884,021, contributions/additions of \$712,705, distributions of (\$345,685), ending market value was \$31,719,073, with an investment return of \$1,468,031 for the second quarter of 2021. He gave a brief commentary on the fixed income, economic and equity markets.

A motion was made by Paul Henken to accept the 06-30-2021 Quarterly Investment Performance Report as presented; second by Jerry Mattingly. Jerry Mattingly - Aye. Paul Henken - Aye. James Simoncelli - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

7. ATTORNEY REPORT

Attorney Goodloe stated HB 126 was signed on 07-23-2021 relating to active police officers. There is a 6 month window of opportunity for individuals who have some form of participation in IMRF to transfer that service credit. However, it is only for individuals who participate in SLEP (Sheriff's Law Enforcement), those working on a full-time basis with a Forest Preserve District that participates in IMRF, or a person employed by a participating municipality to perform police duties (she will contact IMRF to see if this third item includes CSO officers). Attorney Goodloe will forward HB 126 to Paul Henken.

She gave an update on the status of the consolidation litigation. A Motion to Dismiss was filed by all of the defendants to the litigation. The defendants are claiming that they have failed to state a cause of action upon which any relief could be granted. They are also arguing that there is a lack of standing which means that the plaintiffs have failed to identify a tangible damage. The parties are in a briefing schedule now where the plaintiffs will have the opportunity to file a written response, the defendants will have the opportunity to file a reply memorandum; the parties are now scheduled for early September to argue the motion to dismiss. This may be extended out depending what the court wants to do. If the motion to dismiss is granted there will most likely be an appeal taken. If the motion to dismiss is denied, they could potentially appeal. If it's denied in full they could move to the next step of the litigation, which would mostly likely be arguments over whether injunctive relief needs to be put into play.

8. OLD BUSINESS

Status as to FY2021 Audit- Richard Lamb stated that they have provided the Village and Sikich with all necessary documentation needed for the audit.

Pension member file review - The pension member files were reviewed by Paul Henken, Chris Cordes and Carol McMullen on 05-20-2021.

Trustee Training Status - Carol will register all Trustees who need to complete their 2021 training.

9. APPLICATION FOR MEMBERSHIP

A motion was made by Paul Henken to approve the pension application of new hire Gilbert Sanchez, DOH 04-12-2021, DOB 1995, Tier II; second by Jerry Mattingly. Jerry Mattingly - Aye. Paul Henken - Aye. James Simoncelli - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

A motion was made by Paul Henken to approve the pension application of new hire Michael Nierman, DOH 04-12-2021, DOB 1990, Tier II; second by Jerry Mattingly. Jerry Mattingly - Aye. Paul Henken - Aye. James Simoncelli - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

10. NEW BUSINESS

Board Officer Positions Vote - Nominations were made to appoint Paul Henken as President, Jerry Mattingly as Vice-President, Chris Cordes as Secretary and James Simoncelli as Assistant Secretary as Board Officers for the Round Lake Beach Police Pension Fund.

A motion was made by Paul Henken to accept the slate of nominees for Board Officer Positions as presented; second by James Simoncelli. Jerry Mattingly - Aye. Paul Henken - Aye. James Simoncelli - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

OMA/FOIA Officer - A motion was made by Paul Henken to appoint Chris Cordes as the Open Meetings Act/Freedom of Information Act Officer; second by Jerry Mattingly. Jerry Mattingly - Aye. Paul Henken - Aye. James Simoncelli - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

Adopt ILPOPIF Resolution to appoint authorized representatives - ILPOPIF provided a Resolution asking the Board to appoint two authorized representatives as points of contact for the Pension Board.

A motion was made by Jerry Mattingly to adopt the ILPOPIF Resolution and appoint Paul Henken and James Simoncelli as the authorized representatives; second by Paul Henken. Roll call vote taken. Jerry Mattingly - Aye. James Simoncelli - Aye. Paul Henken - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

Quarterly Board Meeting Time Update - Mayor appointed Trustee Bill Murphy is unable to attend meetings during normal business hours and has asked the Board to consider evenings or weekends to accommodate his work schedule. Jerry Mattingly contacted mayor appointed Trustee Bill Murphy who stated that he would only be able to attend meetings that were held in the evenings or weekends due to his employment. He would not be able to attend any Board meeting during normal business hours; he is not flexible there, but he wishes to remain on the Board. Jerry Mattingly also spoke with the Mayor who stated he would like the Board to try and accommodate Bill Murphy's current work schedule if at all possible. Paul Henken stated that Chris Cordes's shift starts at 2:45 and he is often in charge of the shift or on duty making it difficult for him to attend an evening meeting, but could attend late morning or early afternoon. Paul Henken will speak with Chris to see what time would work for him. Several Trustees stated that they would be unable to attend weekend meetings and prefer to conduct the meeting during normal business hours Monday through Friday. After further discussion, it was the consensus of the Board to have Attorney Goodloe look into the Boards duties and responsibilities under the Open Meetings Act with respect to meeting arrangements and put her findings in a memo to the Board. Jerry will then discuss this again with the Mayor. This is tabled.

AVG Virus Protection Renewal - The AVG virus protection was renewed for two years for the pension office computer. Paul Henken stated that this virus protection is not necessary since there is a built-in virus protection in Windows.

Pension Office Move - The Pension Office is being moved to a new office tomorrow.

Annual Review of Administrative Rules & Regulations - There are no changes at this time. Once the Consolidation takes effect there will be amendments made accordingly.

Annual Reevaluations - Mario Sankis is the only disabled pensioner under age 50. His last reevaluation took place in October 2020. Attorney Goodloe will start the process for this year in late August and should have that report back by the October meeting.

Semi-annual Review of Closed Session Meeting Minutes - Attorney Goodloe recommended that any closed session meeting minutes remain exempt from the public disclosure at this time; no further action needs to be taken.

11. MEMBERSHIP BENEFITS

Blake DeWelde - L&A calculated the deferred pension benefits for Blake DeWelde showing that his pension benefits will begin 07-01-2029 and he will receive \$4,069.05 monthly.

A motion was made by Paul Henken to approve the deferred pension benefits as calculated by Lauterbach & Amen; second by Jerry Mattingly. Roll call vote taken. Jerry Mattingly - Aye. James Simoncelli - Aye. Paul Henken - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

A letter was prepared by L&A dated May 4, 2021 confirming that Officer Blake DeWelde paid the actuarially determined true cost in the amount of \$2,281.86 to the Round Lake Beach Police Pension Fund, and that Melrose Park Police Pension Fund issued payment to Round Lake Beach Police Pension Fund in the amount of \$35,835.14. This letter will be placed in Blake DeWelde's pension file.

A motion was made by Paul Henken to accept the \$2,281.86 payment, to recognize the transfer of creditable service time and to acknowledge that the revised date of hire for Officer Blake DeWelde as February 8, 2001; second by James Simoncelli. Roll call vote taken. Jerry Mattingly - Aye. James Simoncelli - Aye. Paul Henken - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

Robert Gannon - A letter was prepared by L&A dated May 24, 2021 confirming that Officer Robert Gannon elected not to pay the actuary determined true cost and that Fox Lake Police Pension Fund issued payment in the amount of \$69,382.22 to the Round Lake Beach Police Pension Fund. This letter will be placed in Robert Gannon's pension file.

A motion was made by Paul Henken to accept the payment from Fox Lake Police Pension Fund, to recognize the transfer as paid in full and to acknowledge that the revised date of hire for Officer Robert Gannon is August 21, 2007; second by James Simoncelli. Roll call vote taken. Jerry Mattingly - Aye. James Simoncelli - Aye. Paul Henken - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

Lucia Dorado Carranza - Officer Dorado Carranza resigned 02-05-2021. Her DOH was 09-09-2020. She requested and received a full pension refund in the amount of \$3,205.81 on 06-17-2021.

A motion was made by Paul Henken to approve the pension refund of Officer Dorado Carranza in the amount of \$3,205.81; second by Jerry Mattingly. Roll call vote taken. Jerry Mattingly - Aye. James Simoncelli - Aye. Paul Henken - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

Timothy Cramer - Officer Cramer resigned 04-08-2021. His DOH was 08-25-2017. He requested that his pension contributions in the amount of \$27,367.66 be rolled into his Vanguard IRA; this amount was distributed on 07-14-2021.

A motion was made by Paul Henken to approve the pension contribution distribution of Officer Cramer in the amount of \$27,367.66 to his IRA; second by James Simoncelli. Roll call vote taken. Jerry Mattingly - Aye. James Simoncelli - Aye. Paul Henken - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

Teresa Suchy AitHa - Resigned 01-13-2021. Her DOH was 06-24-2020. No paperwork has been received as to disposition of her pension contributions. This is tabled.

Evelyn Gaitan - Resigned 12-12-2020. Her DOH was 09-09-2020. No paperwork has been received as to disposition of her pension contributions. This is tabled.

Roger Callese Disability Update - The consensus of the board was to allow a continuance based upon Officer Callese's own request that we continue it because he was on vacation. Attorney Goodloe reached out twice to both counsel and received one email from the Village attorney indicating that she is on vacation. We have been asking counsel for dates to hold a hearing and whether we would be taking depositions between now and then. According to the Village Attorney she does want to depose one, if not all, of the doctors. Attorney Goodloe will be issuing subpoenas for those depositions and will try to get dates of availability from counsel for the last two weeks of September to hold a hearing. Officer Callese is working light-duty and being fully compensated, so the effective date of the pension if granted would not have a huge retroactive date.

12. ADJOURNMENT

There was discussion regarding the possibility of the pension fund computer being put on the internet with the Village internet for security purposes. Paul Henken will inquire with the Village.

The next meeting is scheduled for October 26, 2021. With no further business, a motion was made by Jerry Mattingly to adjourn the meeting at 09:56 a.m.; second by James Simoncelli. Jerry Mattingly - Aye. Paul Henken - Aye. James Simoncelli - Aye. Chris Cordes - Absent. Bill Murphy - Absent. Motion approved.

Respectfully submitted,

Chris Cordes
Secretary

BY: Carol McMullen
Recording Secretary