

JOHNSBURG POLICE PENSION FUND
1515 W. Channel Beach Avenue, Johnsburg, IL 60051
QUARTERLY BOARD MEETING
October 18, 2019 – 10:30 a.m.

1. MEETING CALLED TO ORDER

President Jason Greenwald called the meeting to order at 10:36 a.m.

2. ROLL CALL

Roll Call: Jason Greenwald, Tom Harrison and Keith VonAllmen; Mike Majercik joined the meeting at 10:47 a.m. Also present: Village Accountant Becky Kijak, Attorney Laura Goodloe, Lauterbach & Amen representative Derek Flessner and Administrative Secretary Carol McMullen. Guest speakers were Mark Wolter and Chris Morgan of Beacon Wealth Advisors; John Falduto and Tom Sawyer of Sawyer Falduto Asset Management, LLC.

3. PUBLIC COMMENT – None.

4. READING & APPROVAL OF MINUTES OF LAST MEETING

A motion was made by Keith VonAllmen to approve the minutes of the 07-19-2019 Board Meeting as presented; second by Tom Harrison. All Ayes; motion carried.

5. INVESTMENT PRESENTATION PROPOSALS

Mark Wolter of Beacon Wealth Advisors combined his investment proposal with his quarterly investment performance report as of 09-30-19. He reviewed the current advisory agreement and management fees with his firm. As of 09-30-19, there was \$2,182,379.41 in fixed income, and \$1,187,288.90 in the cash/equity account. There is 64.77% in fixed income and 35.23% in equities.

A motion was made by Keith VonAllmen to accept the Investment Report as presented; second by Tom Harrison. All Ayes; motion carried.

John Falduto and Tom Sawyer of Sawyer Falduto Asset Management LLC presented their investment proposal to the Board.

After reviewing both investment proposals, it was the consensus of the Board to not make a decision on investment firms until they had more information on the outcome of the upcoming pension consolidation legislation. Attorney Goodloe will contact both investment firms. This is tabled for the January meeting.

6. INVESTMENT ACTIVITY

This was discussed above.

7. ACCOUNTANTS REPORT

1099-R coding/re-employment – Derek Flessner stated that the 1099-R coding is a notice that Lauterbach & Amen puts out every year to see if there is anyone who fits the qualifications of being under the age of 59 ½ and is collecting a retirement, and re-employed with the municipality. There are none.

McHenry Savings Bank – Derek stated that this was a holdover from the last meeting. The Board voted to transfer the funds to the Ameritrade account. Lauterbach & Amen will continue recording it in their books until they get the final statement showing a zero balance. No further action is needed at this time.

Review/approve DOI Annual Report & related filings – Derek stated they just need to input the tax levy recommended amount and the report will be ready for filing.

A motion was made by Keith VonAllmen to approve the DOI Annual Statement as prepared by Lauterbach & Amen; second by Mike Majercik. Roll call vote taken: Jason Greenwald – Aye. Keith VonAllmen – Aye. Tom Harrison – Aye. Mike Majercik – Aye. Motion carried.

Derek reviewed the Quarterly Financial Report as of 08-31-2019, showing the net position held in trust for pension benefits at \$3,541,420.15.

A motion was made by Mike Majercik to accept the 08-31-2019 Quarterly Financial Report as prepared by Lauterbach & Amen; second by Tom Harrison. All Ayes; motion carried.

A motion was made by Keith VonAllmen to accept the bills as presented on the Lauterbach & Amen report, and to pay them as they become due, with the additional bills for \$3,500 to Art Tepfer for the Actuarial Report; \$463.52 to Tom Harrison for IPPFA Conference expense reimbursement, and \$5,477.26 to Ari Briskman for a pension contribution refund; second by Tom Harrison. Roll call vote taken: Jason Greenwald – Aye. Keith VonAllmen – Aye. Tom Harrison – Aye. Mike Majercik – Aye. Motion carried.

8. ATTORNEY REPORT

Attorney Goodloe reviewed the Pension Consolidation Feasibility Task Force Report. The way the bill has been described in part, is that it will take all of the fund's financial assets and pool them with everyone else into one big downstate fund; there would be an investment board that would be established. The investment board would consist of three municipal affiliates, two members elected amongst active participants in the mega fund, one elected retiree, and the remaining two members would be a union affiliate and a Municipal League affiliate. The individual boards would remain intact with respect to all administration with the exception of investments. The second component of the consolidation bill would be to increase benefits for Tier Two employees.

The proposed effective date of this legislation would be July 1, 2020. The implementation or deadline for getting all funds pooled would be July 1, 2023. She has not heard if the current pension boards were going to be restructured, based upon the task force report and the IML report, they both speak to investigating further the feasibility of consolidating all the boards and their administration down the road. As of right now they are looking at consolidating pension funds' assets only. All of the pension fund money with the exception of a three month rolling account would be sent downstate. We would have no authority or control over the pension fund assets from that point on. The bill will be presented in the first Veto Session Oct 28-30, followed by Nov 12-14. The IPPFA prepared a Resolution for pension boards to sign, which is basically asking for more time, and for more information regarding this pension consolidation bill. Attorney Goodloe answered many questions.

Jason Greenwald asked if the Board should hold off on paying the IPPFA Membership Dues bill in the amount of \$795.00. Attorney Goodloe felt that the IPPFA will still exist and if the boards remain intact during the interim period of transferring funds, there will be training requirements. Attorney Goodloe recommended putting this bill on the January Agenda for discussion/approval.

A motion was made by Mike Majercik to adopt the IPPFA Resolution Regarding Pension Consolidation of Pension Funds; second by Tom Harrison. All Ayes; motion carried.

9. OLD BUSINESS

Both Mike Majercik and Tom Harrison were reappointed to the pension board. Tom Harrison stated that this would be his last year with the pension board.

A motion was made by Keith VonAllmen to appoint Jason Greenwald as the FOIA/OMA Officer; second by Mike Majercik. All Ayes; motion carried.

Jason, Greenwald, Keith VonAllmen, Mike Majercik and Tom Harrison attended the IPPFA Conference in Lake Geneva in October.

10. APPLICATION FOR MEMBERSHIP – None at this time.

11. NEW BUSINESS

2020 Meeting Dates – A motion was made by Tom Harrison to approve the meeting dates for 2020 as January 17, April 17, July 17 and October 16 with all meetings beginning at 10:30 a.m.; second by Mike Majercik. All Ayes; motion carried.

Status/approval of audit – The audit is under process with Lauterbach & Amen, there are no adjustments for the pension fund; this is tabled for ratification in January.

Art Tepfer provided the actuarial reports. The recommended contribution is \$342,101; the statutory minimum is \$294,096. Since it has become harder to reach Art Tepfer due to his semi-retirement, the board discussed doing an actuarial RFP next year. This will be on the January agenda.

A motion was made by Jason Greenwald to approve the Actuarial/GASB reports as prepared by Art Tepfer; second by Tom Harrison. All Ayes; motion carried.

A motion was made by Tom Harrison to accept the Municipal Compliance Report as prepared by Art Tepfer; second by Mike Majercik. All Ayes; motion carried.

There was a discussion regarding the Village not paying the pension fund the amount of tax levy contributions requested by the Board.

A motion was made by Mike Majercik to certify the tax levy request to the Village as \$342,101; second by Tom Harrison. Roll call vote taken: Keith VonAllmen – Aye. Mike Majercik – Aye. Tom Harrison – Aye. Jason Greenwald – Aye. Motion carried.

A motion was made by Keith VonAllmen to pre-approve the renewal of the Fiduciary Liability Insurance at a cost not to exceed \$2,500; second by Tom Harrison. Roll call vote taken: Keith VonAllmen – Aye. Mike Majercik – Aye. Tom Harrison – Aye. Jason Greenwald – Aye. Motion carried.

12. MEMBERSHIP BENEFITS

Todd Colander Update – Attorney Goodloe sent a letter to Todd Colander explaining the Board's position and asking him to make a decision. His legal counsel contacted Attorney Goodloe, and they have been going back and forth with respect to what Mr. Colander wants to do. The Village Attorney wants to speak with Attorney Goodloe with respect to the same. Attorney Goodloe will discuss this with the municipality to see what their intention is concerning potentially intervening in the matter when it moves to a hearing. Attorney Goodloe will stay on top of this and let him know that we will set this for a hearing if he can't come to a decision. This will be on the January agenda.

Attorney Goodloe stated that at a previous meeting retired officer Ken Rydberg expressed an interest in a position on the pension board. In response to this, Attorney Goodloe let him know that there was one other retiree, Todd Colander. She checked with Todd to see if he would be interested in being a member of the pension board and he did reply that he was interested. Ken indicated if Todd was interested, he did not want to pursue being on the board. The board recommended sending nomination forms to both retirees.

Officer Ari Briskman, who resigned 12-27-2008, has requested a refund of his pension contributions. Since this is not on the Agenda it is tabled for the January meeting.

13. EXECUTIVE SESSION – None at this time.

14. ADJOURNMENT

With no further business a motion was made to adjourn by Keith VonAllmen at 12:29 p.m.; second by Jason Greenwald. All Ayes; motion carried.

Respectfully submitted,

Mike Majercik
Secretary

BY: Carol McMullen
Recording Secretary