



**VERNON HILLS POLICE PENSION FUND**  
290 Evergreen Drive, Vernon Hills, Illinois | 847-362-4449

Mark Sosnoski    Joe Reyna    Jeff Cielak    Mark Peterson  
President        Secretary    Trustee        Trustee

**MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES  
OF THE VERNON HILLS POLICE PENSION FUND  
FEBRUARY 21, 2019**

A regular meeting of the Board of Trustees of the Vernon Hills Police Pension Fund was held on Thursday, February 21, 2019 at 10:00 a.m. at the Vernon Hills Village Hall located at 290 Evergreen Drive, Vernon Hills, Illinois pursuant to notice.

**CALL TO ORDER:** The meeting was called to order by Trustee Sosnoski at 10:02 a.m.

**ROLL CALL:**

**PRESENT:** Trustees Mark Sosnoski, Jeff Cielak, and Joseph Reyna  
**ABSENT:** Trustee Mark Peterson  
**ALSO PRESENT:** Treasurer Anne Fairbairn, Village of Vernon Hills; Mary Tomanek, Graystone Consulting; Michelle Rice and Keri O'Brien, Lauterbach & Amen, LLP (L&A); Ericka Thomas, Ottosen Britz

**PUBLIC COMMENT:** There were no public comments.

**INVESTMENT REPORT – GRAYSTONE CONSULTING:** *Quarterly Investment Report:* Mary Tomanek from Graystone Consulting presented the Quarterly Investment Report for the period ending December 31, 2018. As of 12/31/2018, the total fund performance is \$45,611,363 and the dollar weighted investment return for the quarter is (8.78%). The current portfolio allocation is as follows: 38.4% fixed income and 59.9% equities and other. All questions were answered by Ms. Tomanek.

*Potential Purchase and/or Sale of Securities:* Ms. Tomanek apprised the Board that McDonnell Investments was acquired by Loomis Sayles and presented the Board with a Fixed Income Manager Search. A motion was made by Trustee Sosnoski and seconded by Trustee Reyna to terminate McDonnell Investment and reallocate \$5 million to Weaver Barksdale and the remaining proceeds to CS McKee, based on the recommendation of Graystone Consulting. Motion carried by roll call vote.

**AYES:** Trustees Reyna, Cielak, and Sosnoski  
**NAYS:** None  
**ABSENT:** Trustee Peterson

Ms. Tomanek presented the Board with the Annual Disclosures subject to Sections 1-113.22 and 113.23 of the Illinois Pension Code and noted a new candidate search will be provided to the Board to replace Oak Ridge Small/Mid Growth due to recent performance at the next scheduled meeting.

A motion was made by Trustee Sosnoski and seconded by Trustee Reyna to update the monthly transfer amount from \$160,000 to \$240,000 for pension benefit payments and expenses and to update the signatories to add the current Village Treasurer. Motion carried by roll call vote.

**AYES:** Trustees Reyna, Cielak, and Sosnoski  
**NAYS:** None  
**ABSENT:** Trustee Peterson

*Review/Update Investment Policy, if needed:* There were no changes needed to the Investment Policy at this time.

**TREASURER’S REPORT:** Ms. Fairbairn presented the Treasurer’s Report to the Board detailing the BMO Harris Bank account as well as the Morgan Stanley Money Market account. The BMO Harris Bank account balance as of 01/31/2019 is \$10,000 and the balance of the Morgan Stanley Money Market account as of 01/31/2019 is \$1,493,328.23. All questions were answered by Ms. Fairbairn.

*Presentation and Approval of Bills and Additional Bills:* The Board reviewed the Vendor Check Report for the period November 1, 2018 through January 31, 2019 for total disbursements in the amount of \$104,174.92 and the following Trustee training reimbursements for attendance at the 2018 MidAmerican Pension Conference:

- Reimbursement to Trustee Sosnoski in the amount of \$226.66
  - Meals: \$117.11
  - Mileage: 201 miles at \$0.545/mile = \$109.55
- Reimbursement to Trustee Reyna in the amount of \$82.84
  - Mileage: 152 miles at \$0.545/mile = \$82.84

A motion was made by Trustee Sosnoski and seconded by Trustee Reyna to approve the disbursements shown on the Vendor Check Report in the amount of \$104,174.92 and the Trustee training reimbursements as presented. Motion carried by roll call vote.

AYES: Trustees Reyna, Cielak, and Sosnoski  
NAYS: None  
ABSENT: Trustee Peterson

**APPROVAL OF MEETING MINUTES:** *November 8, 2018 Regular Meeting Minutes:* The minutes from the November 8, 2018 regular meeting were reviewed by the Board. A motion was made by Trustee Sosnoski and seconded by Trustee Reyna to approve the November 8, 2018 regular meeting minutes as written. Motion carried unanimously by voice vote.

*Semi-Annual Review of Closed Session Meeting Minutes:* There were no closed session minutes for review.

**COMMUNICATIONS AND REPORTS:** *Statements of Economic Interest:* The Board noted that the List of Filers was submitted to the County by February 1, 2019. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2019.

*2019 IRS Mileage Rate:* The Board noted that the IRS standard business mileage rate used for reimbursement increased to \$0.58 per mile effective January 1, 2019.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE PENSION FUND:** The Board discussed accepting Adam Hill and Jorie Horn into the Vernon Hills Police Pension Fund. A motion was made by Trustee Sosnoski and seconded by Trustee Reyna to accept Adam Hill and Jorie Horn into the Vernon Hills Police Pension Fund effective 01/25/2019 as Tier II participants. Motion carried by roll call vote.

AYES: Trustees Reyna, Cielak, and Sosnoski  
NAYS: None  
ABSENT: Trustee Peterson

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Request for Dependent Benefits – Mark Sosnoski:* Trustee Sosnoski addressed the Board regarding his request for dependent benefits. Further discussion will be held at the next scheduled meeting.

**OLD BUSINESS:** *Review/Approve – Board Rules and Regulations and Forms:* Attorney Thomas presented a resolution to the Board for review. A motion was made by Trustee Sosnoski and seconded by Trustee Reyna to accept the resolution and adopt the Board Rules and Regulations as presented. Motion carried by roll call vote.

AYES: Trustees Reyna, Cielak, and Sosnoski  
NAYS: None  
ABSENT: Trustee Peterson

*Review/Adopt – Municipal Compliance Report:* The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Trustee Sosnoski and seconded by Trustee Reyna to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried unanimously by voice vote.

AYES: Trustees Reyna, Cielak, and Sosnoski  
NAYS: None  
ABSENT: Trustee Peterson

**NEW BUSINESS:** *Creditable Service Purchase – Robert Caselli:* The Board noted that Robert Caselli has paid in full his creditable service purchase from Fox River Grove Police Pension Fund to Vernon Hills Police Pension Fund. No further action is required.

*Discussion/Possible Action – Lauterbach & Amen, LLP Engagement for Affidavits:* The Board discussed engaging Lauterbach & Amen, LLP for completion of the Annual Affidavits of Continued Eligibility to be distributed to all pensioners. A motion was made by Trustee Reyna and seconded by Trustee Sosnoski to engage Lauterbach & Amen, LLP to complete the 2019 Annual Affidavits of Continued Eligibility at the cost of \$300. Motion carried by roll call vote.

AYES: Trustees Reyna, Cielak, and Sosnoski  
NAYS: None  
ABSENT: Trustee Peterson

*Appointed Trustee Position Vacancy:* Ms. Fairbairn informed the Board that no Mayoral appointee has been designated at this time.

A motion was made by Trustee Sosnoski and seconded by Trustee Reyna to appoint Trustee Cielak as acting Vice President. Motion carried by roll call vote.

AYES: Trustees Reyna, Cielak, and Sosnoski  
NAYS: None  
ABSENT: Trustee Peterson

*Review Trustee Term Expirations and Election Procedures:* The Board noted that active member terms currently held by Trustees Reyna and Cielak and the retired member term currently held by Trustee Sosnoski are expiring in April 2019. Trustees Reyna, Cielak and Sosnoski expressed their interest in remaining on the Board if nominated. A motion was made by Trustee Sosnoski and seconded by Trustee Reyna to authorize Joy Logsdon to conduct the active and retired member elections. Motion carried by roll call vote.

AYES: Trustees Reyna, Cielak, and Sosnoski  
NAYS: None  
ABSENT: Trustee Peterson

*Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2019 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Sosnoski and

seconded by Trustee Reyna to approve the 2019 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Reyna, Cielak, and Sosnoski  
NAYS: None  
ABSENT: Trustee Peterson


**TRUSTEE TRAINING UPDATES:** Trustees were reminded to submit all certificates of completion to the Village for recordkeeping.

**ATTORNEY'S REPORT:** *Legal Updates:* There was no legal update provided to the Board.

**CLOSED SESSION, IF NEEDED:** There were no items to discuss in closed session.

**ADJOURNMENT:** A motion was made by Trustee Sosnoski and seconded by Trustee Reyna to adjourn the meeting at 11:12 a.m. Motion carried unanimously by voice vote.

**The next regular meeting will be held on Thursday, May 16, 2019 at 10:00 a.m.**

Approved by:  Date: 5/16/19  
Trustee Name: Mark Sosnoski

*Minutes prepared by Michelle Rice, Pension Services Administrator, Lauterbach & Amen, LLP.*