



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

Mark Sosnoski Chris Buhrmester Jeff Cielak Mark Peterson
President Secretary Trustee Trustee

**MINUTES OF A REGULAR MEETING OF THE VERNON HILLS POLICE
PENSION FUND BOARD OF TRUSTEES
MAY 16, 2019**

A regular meeting of the Vernon Hills Police Pension Fund Board of Trustees was held on Thursday, May 16, 2019 at 10:00 a.m. at the Vernon Hills Village Hall located at 290 Evergreen Drive, Vernon Hills, Illinois 60061, pursuant to notice.

CALL TO ORDER: Trustee Sosnoski called the meeting to order at 10:02 a.m.

ROLL CALL:

PRESENT: Trustees Mark Sosnoski, Jeff Cielak, Chris Buhrmester and Mark Peterson
ABSENT: None
ALSO PRESENT: Treasurer Anne Fairbairn, Village of Vernon Hills; Mary Tomanek, Graystone Consulting; Michelle Rice and Keri O'Brien, Lauterbach & Amen, LLP (L&A); Attorney Ericka Thomas, Ottosen Britz

PUBLIC COMMENT: There was no public comment.

A motion was made by Trustee Sosnoski and seconded by Trustee Peterson to bring forth agenda items 11.a., 11.b. and 11.c. Motion carried by roll call vote.

AYES: Trustees Peterson, Cielak, Sosnoski and Buhrmester
NAYS: None
ABSENT: None

NEW BUSINESS: *Certify Board Election Results – Active and Retired Member Positions:* Elections were conducted for both of the active member positions and retired member position on the Vernon Hills Police Pension Fund Board of Trustees. The Board noted that 40 ballots were received for the active member election. The active member election results are as follows: 36 votes for Jeff Cielak, 32 votes for Chris Buhrmester and 11 votes for Joe Reyna. Jeff Cielak and Chris Buhrmester were elected as the active members on the Vernon Hills Police Pension Board of Trustees for two-year terms expiring April 30, 2021. Mark Sosnoski ran unopposed and was reelected for a two-year term expiring April 30, 2021. A motion was made by Trustee Sosnoski and seconded by Trustee Peterson to certify both the active members and the retired member election results. Motion carried by roll call vote.

AYES: Trustees Peterson, Cielak, Sosnoski and Buhrmester
NAYS: None
ABSENT: None

Attorney Thomas swore in Chris Buhrmester as the newly elected active member of the Vernon Hills Police Pension Fund Board of Trustees.

Board Officer Elections – President: A motion was made by Trustee Cielak and seconded by Trustee Peterson to elect Trustee Sosnoski as President of the Vernon Hills Police Pension Fund. Motion carried by roll call vote.

AYES: Trustees Peterson, Cielak, Sosnoski and Buhrmester
NAYS: None
ABSENT: None

Board Officer Elections – Vice President: A motion was made by Trustee Cielak and seconded by Trustee Buhrmester to elect Trustee Cielak as Vice President of the Vernon Hills Police Pension Fund. Motion carried by roll call vote.

AYES: Trustees Peterson, Cielak, Sosnoski and Buhrmester
NAYS: None
ABSENT: None

Board Officer Elections – Secretary: A motion was made by Trustee Cielak and seconded by Trustee Sosnoski to elect Trustee Buhrmester as Secretary of the Vernon Hills Police Pension Fund. Motion carried by roll call vote.

AYES: Trustees Peterson, Cielak, Sosnoski and Buhrmester
NAYS: None
ABSENT: None

Board Officer Elections – Assistant Secretary: A motion was made by Trustee Sosnoski and seconded by Trustee Cielak to elect Trustee Peterson as Assistant Secretary of the Vernon Hills Police Pension Fund. Motion carried by roll call vote.

AYES: Trustees Peterson, Cielak, Sosnoski and Buhrmester
NAYS: None
ABSENT: None

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

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Investment Report:* Ms. Tomanek presented the Quarterly Investment Report for the period ending March 31, 2019. As of March 31, 2019, the quarter-to-date net return is 9.60% and the ending market value is \$49,483,596.00. The current asset allocation is as follows: fixed income at 35.5% and equities at 63.0%. Ms. Tomanek reviewed the recent transactions and discussed cash flow needs for the upcoming quarter. All questions were answered by Ms. Tomanek.

Potential Purchase and/or Sale of Securities: The Board discussed liquidating Oppenheimer Developing Markets Fund and reallocating the proceeds to Calvert Emerging Markets Equity Fund, based on the recommendation of Graystone Consulting. A motion was made by Trustee Peterson and seconded by Trustee Sosnoski to reallocate the proceeds as stated. Motion carried by roll call vote.

AYES: Trustees Peterson, Cielak, Sosnoski and Buhrmester
NAYS: None
ABSENT: None

The Board discussed liquidating the Oak Ridge Small/Mid Growth Index Fund and reallocating the proceeds to Vanguard Mid Cap Index Fund, based on the recommendation of Graystone Consulting. A motion was made by Trustee Peterson and seconded by Trustee Cielak to reallocate the proceeds as stated. Motion carried by roll call vote.

AYES: Trustees Peterson, Cielak, Sosnoski and Buhrmester
NAYS: None
ABSENT: None

Review/Update Investment Policy: The Board discussed the Investment Policy and no changes are needed at this time.

TREASURER’S REPORT – VILLAGE OF VERNON HILLS: *Treasurer’s Report and Presentation and Approval of Bills:* 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 April 30, 2019 is \$10,000.00 and the balance of the Morgan Stanley Money Market account as of April 30, 2019 is \$1,001,585.80. The Board also reviewed the Vendor Check Report for the period February 1, 2019 through April 30, 2019 for total disbursements in the amount of \$109,334.74. A motion was made by Trustee Sosnoski and seconded by Trustee Cielak to accept the Treasurer’s Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$109,334.74. Motion carried by roll call vote.

AYES: Trustees Sosnoski, Cielak, Peterson and Buhrmester
NAYS: None
ABSENT: None

Ms. Tomanek left the meeting at 10:44 a.m.

Additional Bills, if any – Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice has been received in the amount of \$8,000.00. A motion was made by Trustee Sosnoski and seconded by Trustee Peterson to approve payment of the IDOI Compliance Fee in the amount of \$8,000.00. Motion carried by roll call vote.

AYES: Trustees Sosnoski, Cielak, Peterson and Buhrmester
NAYS: None
ABSENT: None

APPROVAL OF MEETING MINUTES: *February 21, 2019 Regular Meeting:* The Board reviewed the February 21, 2019 regular meeting minutes. A motion was made by Trustee Peterson and seconded by Trustee Cielak to approve the February 21, 2019 regular meeting minutes as written. Motion carried unanimously by voice vote.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest were due by May 1, 2019.

Affidavits of Continued Eligibility: The Board noted that Affidavits of Continued Eligibility will be mailed to all pensioners with the June payroll cycle. A status update will be provided at the next regular meeting.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE PENSION FUND: The Board reviewed the Applications for Membership submitted by Matthew Paret and Yekaterina Shikhirina. A motion was made by Trustee Sosnoski and seconded by Trustee Peterson to accept Matthew Paret and Yekaterina Shikhirina into the Vernon Hills Police Pension Fund effective May 13, 2019 as Tier II participants. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Jon Paret:* The Board reviewed the regular retirement benefit calculation for Jon Paret prepared by L&A. Patrolman Paret had an entry date of August 21, 1990, retirement date of March 15, 2019, effective date of pension of March 16, 2019, 54 years of age at date of retirement, 28 years of creditable service, applicable salary of \$104,030.00, applicable pension percentage of 70.00%, amount of originally granted monthly pension of \$6,068.42 and amount of originally granted annual pension of \$72,821.04. A motion was

made by Trustee Sosnoski and seconded by Trustee Cielak to approve Jon Paret's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Sosnoski, Cielak, Peterson and Buhrmester
NAYS: None
ABSENT: None

Request for Dependent Benefits – Mark Sosnoski: The Board reviewed the memorandum prepared by Attorney Thomas regarding Trustee Sosnoski's request for dependent benefits. Attorney Thomas made the recommendation to the Board to deny Trustee Sosnoski's request for dependent benefits without prejudice until a claim accrues based on Article 3 Pension Funds statute regarding survivor benefits, along with previous court cases and decisions pertaining to comparable dependent benefit situations. No further action is needed at this time.

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS (CONTINUED): *Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter Renewal:* The Board reviewed the L&A five-year engagement letter. The Board requested L&A also provide a quote for accounting services to be presented. A motion was made by Trustee Peterson and seconded by Trustee Sosnoski to engage L&A in the annual amounts as follows: \$10,960.00 for the year ended April 30, 2020; \$10,940.00 for the year ended April 30, 2021; \$11,580.00 for the year ended April 30, 2022; \$11,565.00 for the year ended April 30, 2023 and \$12,150.00 for the year ended April 30, 2024. Motion carried by roll call vote.

AYES: Trustees Sosnoski, Cielak, Peterson and Buhrmester
NAYS: None
ABSENT: None

Military Service Purchase – Casey Bergschneider: The Board noted that L&A mailed correspondence to Casey Bergschneider regarding her request to calculate the amount of money due to the Vernon Hills Police Pension Fund to purchase 24 months of military service time, but no response has been received to date. Further discussion will be held at the next regular meeting.

TRUSTEE TRAINING UPDATES: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

Approval of Trustee Training Registration Fees and Reimbursable Expenses: There were no trustee training registrations or reimbursable expenses presented for approval.

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

CLOSED SESSION, IF NEEDED: There was no need for closed session.

ADJOURNMENT: A motion was made by Trustee Peterson and seconded by Trustee Cielak to adjourn the meeting at 11:24 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for August 22, 2019 at 10:00 a.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 8/22/19.

Minutes prepared by Keri O'Brien, Pension Services Administrator, Lauterbach & Amen, LLP.