



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
AUGUST 22, 2019**

A regular meeting of the Vernon Hills Police Pension Fund Board of Trustees was held on Thursday, August 22, 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 10:12 a.m.

ROLL CALL:

PRESENT: Trustees Mark Sosnoski, Jeff Cielak and Mark Peterson
ABSENT: Trustee Chris Buhrmester
ALSO PRESENT: Treasurer Anne Fairbairn, Village of Vernon Hills; Bob Rietz, Stephanie Bay and Keri O'Brien, Lauterbach & Amen, LLP (L&A); Attorney Ericka Thomas, Ottosen Britz (*arrived at 10:13 a.m.*); Retired Member Peter Peterson, Vernon Hills Police Department

PUBLIC COMMENT: There was no public comment.

Attorney Thomas arrived at 10:13 a.m.

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Investment Report:* The Board was provided the Quarterly Performance Review for the period ending June 30, 2019. As of June 30, 2019, the quarter-to-date net return is 3.47% and the ending market value is \$50,672,428. The current asset allocation is as follows: fixed income at 34.5% and equities at 63.9%.

Potential Purchase and/or Sale of Securities: This item was tabled until the next regular meeting.

Review/Update Investment Policy: This item was not discussed.

TREASURER'S REPORT – VILLAGE OF VERNON HILLS: *Treasurer's Report and Presentation and Approval of Bills:* The Board reviewed the Treasurer's Report prepared by the Village of Vernon Hills detailing the BMO Harris Bank account as well as the Morgan Stanley Money Market account. The BMO Harris Bank account balance as of July 31, 2019 is \$10,000 and the balance of the Morgan Stanley Money Market account as of July 31, 2019 is \$495,266.59. The Board also reviewed the Vendor Check Report for the period May 1, 2019 through July 31, 2019 for total disbursements in the amount of \$119,005.07. A motion was made by Trustee Sosnoski and seconded by Trustee Peterson to accept the Treasurer's Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$119,005.07. Motion carried by roll call vote.

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

A motion was made by Trustee Sosnoski and seconded by Trustee Cielak to accept the Quarterly Performance Review as presented. Motion carried by roll call vote.

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

APPROVAL OF MEETING MINUTES: *May 16, 2019 Regular Meeting:* The Board reviewed the May 16, 2019 regular meeting minutes. A motion was made by Trustee Peterson and seconded by Trustee Cielak to approve the May 16, 2019 regular meeting minutes as written. Motion carried by roll call vote.

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

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

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that all 2019 Affidavits of Continued Eligibility have been received by L&A and the originals will be given to the Board for their recordkeeping at the next regular meeting.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE PENSION FUND: There were no applications for membership or withdrawals from the Fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – Robert Lonergan:* The Board reviewed the regular retirement benefit calculation for Robert Lonergan prepared by L&A. Patrolman Lonergan had an entry date of April 7, 1989, retirement date of May 24, 2019, effective date of pension of May 25, 2019, 56 years of age at date of retirement, 30 years of creditable service, applicable salary of \$103,388, applicable pension percentage of 75%, amount of originally granted monthly pension of \$6,461.75 and amount of originally granted annual pension of \$77,541. A motion was made by Trustee Sosnoski and seconded by Trustee Cielak to approve Robert Lonergan's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

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

OLD BUSINESS: *Military Service Purchase – Casey Bergschneider:* Trustee Cielak advised the Board that Casey Bergschneider will be contacting L&A to request an updated calculation of her military service purchase. Further discussion will be held at the next regular meeting.

NEW BUSINESS: *Appointed Trustee Position Vacancy:* The Board noted that no Mayoral appointee has been designated at this time.

FOIA Officer & OMA Designee: The Board discussed designating Village Treasurer, Anne Fairbairn as the FOIA Officer and OMA Designee. A motion was made by Trustee Sosnoski and seconded by Trustee Peterson to designate the FOIA Officer and OMA Designee as stated. Motion carried by roll call vote.

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

BMO Harris Bank Signature Cards and Resolution Update: This item was tabled until the next regular meeting.

Mr. Peterson left the meeting at 10:27 a.m.

Review Preliminary Actuarial Valuation: Bob Rietz reviewed the preliminary Actuarial Valuation prepared by L&A with the Board. The final report will be reviewed by the Board at the next regular meeting.

IDOI Annual Statement: The Board noted that the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

Appointed Member Term Expiration – Mark Peterson: The Board noted that Trustee Peterson's appointed term expires November 7, 2019 and reappointment will be requested. Further discussion will be held at the next regular meeting.

Fiduciary Liability Insurance Renewal: The Board discussed the fiduciary liability insurance renewal provided by ONI Risk Partners, Inc. Treasurer Fairbairn informed the Board that the renewal is in process and the details of the agreement will be sent to the Board upon completion. A motion was made by Trustee Sosnoski and seconded by Trustee Peterson to approve payment of the fiduciary liability insurance renewal in an amount not to exceed \$9,400. Motion carried by roll call vote.

AYES: Trustees Peterson, Cielak and Sosnoski

NAYS: None

ABSENT: Trustee Buhrmester

Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter Renewal: The Board reviewed the L&A five-year engagement letters with and without accounting services. A motion was made by Trustee Cielak and seconded by Trustee Peterson to engage L&A, and to include the accounting services, in the annual amounts as follows: \$25,405 for the year ended April 30, 2020; \$25,770 for the year ended April 30, 2021; \$26,455 for the year ended April 30, 2022; \$26,870 for the year ended April 30, 2023 and \$27,780 for the year ended April 30, 2024. Motion carried by roll call vote.

AYES: Trustees Peterson, Cielak and Sosnoski

NAYS: None

ABSENT: Trustee Buhrmester

Contribution Deduction Correction for Career Development: Treasurer Fairbairn notified the Board that Vernon Hills Police pensions were not deducted from the career development payouts for the December 2018 and June 2019 payrolls and will need to be recovered. The Board directed Ms. Fairbairn to review the 2016 and 2017 police payrolls in order to ensure accurate recordkeeping. An update will be provided 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.

Annual Independent Medical Examination (IME) – James Koch: Attorney Thomas informed the Board that the required documents have been sent to James Koch to schedule his annual IME. Updates will be provided to the Board as they become available.

Annual Independent Medical Examination (IME) – Mark Sosnoski: Attorney Thomas provided Trustee Sosnoski with the documentation required to schedule his annual IME. Updates will be provided to the Board as they become available.

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

ADJOURNMENT: A motion was made by Trustee Sosnoski and seconded by Trustee Peterson to adjourn the meeting at 11:00 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for November 7, 2019 at 10:00 a.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 11/7/19.

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