

**ROUND LAKE BEACH POLICE PENSION FUND**  
**Round Lake Beach Police Department**  
**1947 Municipal Way**  
**Round Lake Beach, IL 60073**  
**QUARTERLY BOARD MEETING**  
**January 22, 2019 09:00 a.m.**

**1. MEETING CALLED TO ORDER**

President James Simoncelli called the meeting to order at 9:00 a.m.

**2. ROLL CALL**

Roll Call: James Simoncelli, Edward Gueroult, Timothy Walsh and Paul Henken. Ryan Rodriguez was absent. Also present: Ed Lavin of Sawyer Falduto Asset Management, Attorney Laura Goodloe, Steve Earnhardt and Dawn Ratkovich of Lauterbach & Amen, and Administrative Secretary Carol McMullen. Public attendance: Sandy Molidor.

**3. READING & APPROVAL OF MINUTES**

A motion was made by Timothy Walsh to approve the minutes of the Regular Meeting of October 23, 2018, as presented; second by Edward Gueroult. All Ayes; motion approved.

**4. PUBLIC COMMENTS**

Retired police officer, Sandy Molidor, stated she was present to represent herself and at least twenty-two other officers who were employed from 2003-2018 regarding the overpayment of pension contributions. She did submit a letter to the Board regarding this issue. After discussion, it was the consensus of the Board that Attorney Goodloe will work with Lauterbach & Amen and the Village to get documentation as to holiday pay pension contribution overpayments during the time period of April 1, 2003 through July 29, 2017. She stated that Sandy could contact her at any time for a status update at no charge to the pension fund. The Board will start investigating what this will take in terms of additional manpower and hours. This will be on our next Agenda.

**5. TREASURER/ACCOUNTANT REPORTS**

Steve Earnhardt announced that he will be moving into a new position with Lauterbach & Amen and introduced Dawn Ratkovich who will now be the L&A representative for the pension fund. Steve reviewed the annual benefit increases calculated by Lauterbach & Amen effective January 1, 2019. The current total monthly benefits paid increases by \$3,274.03 for a new monthly total of \$102,912.24.

A motion was made by Edward Gueroult to approve the Annual Cost of Living increases as presented and calculated by Lauterbach & Amen; second by Timothy Walsh. Roll call vote taken: James Simoncelli - Aye. Edward Gueroult - Aye. Timothy Walsh - Aye. Paul Henken - Aye. All Ayes; motion approved.

Steve reviewed the 12-31-2018 Monthly Financial Report; total new position held in trust for pension benefits was \$21,735,826.91.

A motion was made by Edward Gueroult to approve the 12-31-18 Monthly Financial Report as presented by Lauterbach & Amen; second by Timothy Walsh. All Ayes; motion carried.

## **6. INVESTMENT ACTIVITY**

Ed Lavin reviewed the Quarterly Investment Performance Report as of 12-31-2018, which showed an ending market value of \$21,734,563; due to the volatility in the markets this resulted in a loss of \$1,683,508. S&P 500 December 2018 investment results were the worst since December 1931. There has been a strong rebound beginning in 2019. There is 51.1% in equities, 48.5% in fixed income and 0.4% in cash & equivalents. At the Boards request, electronic versions of the quarterly report will be sent to the Board members in advance of each quarterly meeting.

A motion was made by Edward Gueroult to accept the 12-31-2018 Investment Report as presented by Ed Lavin; second by Timothy Walsh. All Ayes; motion carried.

## **7. ATTORNEY REPORT**

Blake DeWelde Service Transfer Update - Attorney Goodloe reviewed the options that were discussed at previous Board meetings.

A motion was made by Paul Henken to move into Executive Session at this time. The motion died due to a lack of a second.

James Simoncelli pointed out that the Board was not aware of the overpayments of the holiday pay pension contributions and when the Board became aware of that situation, they took the necessary steps to correct the situation. We have the fiduciary responsibility to make sure that people don't pay too much into the pension fund and on the other hand, we have the same responsibility to make sure people pay the just amount into the pension fund. We were not aware of the true cost amount involved with Officer DeWelde's creditable service transfer and we need to correct this situation in the same manner. It was the consensus of the Board to direct Attorney Goodloe to prepare a letter to Officer DeWelde informing him that the true cost amount of \$2,281.86 would need to be paid into the pension fund before he retires. He will be given the opportunity to attend the next meeting if he needed to discuss this further with the Board.

Mario Sankis 2018 Annual Re-evaluation - Mario had his annual evaluation IME this past week and we should have his report soon. There was some difficulty obtaining his medical records from 2018, which resulted in the delay for the IME. This is tabled for the next meeting.

## **8. OLD BUSINESS**

Sikich Audit - Edward Gueroult found an error on the audit report regarding municipal bonds and contacted the auditor, who was willing to identify the government bonds and give a correct definition of our fixed income portfolio.

A motion was made by Edward Gueroult to approve the Audit with the corrected terminology of the municipal bonds in the amount of \$5,551,365 defined as to what it actually is; second by Timothy Walsh. Roll call vote taken: James Simoncelli - Aye. Edward Gueroult - Aye. Timothy Walsh - Aye. Paul Henken - Aye. All Ayes; motion carried.

Edward Gueroult left the meeting at 10:01 a.m. All 2018 Affidavits of Eligibility have been received. Training certificates have been received for all Trustees for their annual training. The GSuite domain name has been renewed for one year.

## **9. APPLICATION FOR MEMBERSHIP**

An application and all correct documentation was received from new police officer Yvonne Flores, date of hire 12-28-2018, Tier Two.

A motion was made by Paul Henken to approve the pension application of Yvonne Flores: second by Timothy Walsh. All Ayes; motion carried.

## **10. APPROVAL OF BILLS & DISBURSEMENTS**

A motion was made by Timothy Walsh to approve the bills as presented in the Lauterbach and Amen vendor check report dated 12-31-2018 and to pay all bills as they become due; second by Paul Henken. Roll call vote taken: James Simoncelli - Aye. Edward Gueroult - Aye. Timothy Walsh - Aye. Paul Henken - Aye. All Ayes; motion carried.

## **11. NEW BUSINESS**

Tax Levy - Village Ordinance 18-12-04 levied \$1,297,573 for the police pension; the DOI Actuarial valuation was \$1,102,311. Tax levy monies received on 11-19-18 - \$5,719.10; on 11-30-18 - \$11,274.95.

Elections - Elections will be held in March and April for the two active police officer positions and one retired position on the pension Board. The active police officer positions will be staggered. This year one officer will serve one year and the other two years; next year there will be an election for one active officer to serve a two year term. Paul Henken, if elected, will serve the one year position.

Semi-annual review of closed session meeting minutes - Closed session meeting minutes from 2008 through 2015 will be forwarded to Board members for review. The review is tabled for the April meeting.

Two rolls of postage stamps were purchased for the pension fund.

## **12. MEMBERSHIP BENEFITS**

Brian Peters - The Village wasn't deducting pension contributions while he was on military leave; Brian wrote a personal check in the amount of \$232.52 to bring his pension contributions current.

Tanayry Campos-Perez - submitted a request for a pension contribution refund, but information was blacked out by the Village. A non-redacted copy will be requested and forwarded to L&A when received. Her last day was 05-03-2018. This is tabled for the next meeting.

## **13. ADJOURNMENT**

Attorney Goodloe reviewed updates to the Administrative Rules & Regulations; copies were e-mailed to the Board for review. This will be on the April Agenda for approval.

The next meeting is scheduled for Tuesday, April 23, 2019, at 9:00 a.m. With no further business, a motion was made by Timothy Walsh to adjourn at 10:15 a.m., second by Paul Henken. All ayes, motion approved.

Respectfully submitted,

**Edward Gueroult**  
**Secretary**

**BY: Carol McMullen**  
**Recording Secretary**