



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

Mark Sosnoski Jeff Cielak Chris Buhrmester Mark Peterson Todd Renihan
President Vice President Secretary Assistant Trustee
Secretary

**MINUTES OF A REGULAR MEETING OF THE VERNON HILLS POLICE
PENSION FUND BOARD OF TRUSTEES
FEBRUARY 18, 2021**

A regular meeting of the Vernon Hills Police Pension Fund Board of Trustees was held via videoconference on Thursday, February 18, 2021 at 10:00 a.m. in accordance with Section 7(e) of the Open Meetings Act (5 ILCS 120/7(e)), recently amended by Public Act 101-0640 (Government Emergency Administration Act) as the result of the State's disaster declaration regarding the COVID-19 pandemic and the Board President's determination that an in-person meeting is not practical or prudent, pursuant to notice.

CALL TO ORDER: Trustee Sosnoski called the meeting to order at 10:00 a.m.

ROLL CALL:

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

PUBLIC COMMENT: There was no public comment.

A motion was made by Trustee Cielak and seconded by Trustee Sosnoski to bring forth agenda items 6.a. and 6.b. Motion carried by roll call vote.

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

APPROVAL OF MEETING MINUTES: *November 5, 2020 Regular Meeting:* The Board reviewed the November 5, 2020 regular meeting minutes. A motion was made by Trustee Sosnoski and seconded by Trustee Renihan to approve the November 5, 2020 regular meeting minutes as written. Motion carried by roll call vote.

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

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

INVESTMENT REPORT – GRAYSTONE CONSULTING: *Quarterly Performance Review:* Ms. Tomanek presented the Quarterly Performance Review for the period ending December 31, 2020. As of December 31, 2020, the quarter-to-date net return is 9.29% and the ending market value is \$62,968,541.

The current asset allocation is as follows: fixed income at 29.6% and equities at 66.0%. Ms. Tomanek reviewed the recent transactions and discussed cash flow needs for the upcoming quarter. All questions were answered by Ms. Tomanek.

Purchase and/or Sale of Securities: The Board discussed rebalancing the portfolio. A motion was made by Trustee Sosnoski and seconded by Trustee Peterson to liquidate \$630,000 from Vanguard 500 Index (VFIAX) and reallocate the proceeds to Weaver Barksdale. Motion carried by roll call vote.

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

The Board directed Ms. Tomanek to research including some of the Fund's Large Cap Passive Funds into Active Managed Funds. Further discussion will be held at the next regular meeting.

Review/Update Investment Policy: The Board discussed the amended Investment Policy draft prepared by Graystone Consulting. A motion was made by Trustee Sosnoski and seconded by Trustee Cielak to approve the amended Investment Policy Statement as prepared. Motion carried by roll call vote.

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

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the nine-month period ending January 31, 2021 prepared by L&A. As of January 31, 2021, the net position held in trust for pension benefits is \$62,057,470.76 for a change in position of \$11,449,012.20. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period November 1, 2020 through January 31, 2021 for total disbursements of \$163,722.81. A motion was made by Trustee Sosnoski and seconded by Trustee Peterson to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$163,722.81. Motion carried by roll call vote.

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

Additional Bills, if any: The Board reviewed Tsunami Orthopaedics and Sports Medicine's invoice in the amount of \$3,850 for services provided in regards to Deanna Manke's independent medical examination. A motion was made by Trustee Sosnoski and seconded by Trustee Cielak to approve the additional bill as presented. Motion carried by roll call vote.

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

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers were submitted to the County by the Village by February 1, 2021. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2021.

2021 IRS Mileage Rate: The Board noted that the IRS standard business mileage rate used for reimbursement decreased to \$0.56 per mile effective January 1, 2021.

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

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Status of Disability Application – Deanna Manke:* Attorney Thomas informed the Board that she received examination results from two of Deanna Manke’s providers. The Board directed Attorney Thomas to request two additional IME’s for Deanna Manke. Further discussion will be held at the next regular meeting.

Discussion – Disability/Retirement Benefit Conversion – Richard Black: The Board noted that Richard Black wishes to convert his non-duty disability pension to a regular retirement pension. Further discussion will be held at the next regular meeting.

OLD BUSINESS: *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.

NEW BUSINESS: *QILDRO – Patrick Zimmerman:* Attorney Thomas informed the Board that Patrick Zimmerman’s QILDRO is currently in process. Further discussion will be held at the next regular meeting.

Portability Update – Zachary Watson: The Board discussed Zachary Watson’s transfer of creditable service. A motion was made by Trustee Sosnoski and seconded by Trustee Cielak to accept Zachary Watson’s transfer as paid in full in the amount of \$46,070.04 from the Deerfield Police Pension Fund to the Vernon Hills Police Pension Fund and to revise Zachary Watson’s hire date from February 28, 2020 to June 29, 2017. Motion carried by roll call vote.

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

Approve Annual Cost of Living Adjustments (COLAs) for Pensioners: The Board reviewed the 2021 Cost of Living Adjustments calculated by L&A. A motion was made by Trustee Renihan and seconded by Trustee Sosnoski to approve the 2021 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

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

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member terms currently held by Trustees Cielak and Buhrmester and the retired member term currently held by Trustee Sosnoski are expiring in May 2021. Trustees Cielak, Buhrmester and Sosnoski wish to remain on the Board if nominated. The Vernon Hills Police Pension Fund will conduct an election for both of the active member Trustee positions and the retired member position. The Board also noted that the appointed Trustee position held by Trustees Peterson and Renihan are expiring in November 2021 and they wish to remain on the Board. The Board will contact the Village and seek reappointment of Trustees Peterson and Renihan to the Board.

TRUSTEE TRAINING UPDATES: The Board 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 registration fees or reimbursable expenses presented for approval.

ATTORNEY'S REPORT – OTTOSEN DINOLFO: *Legal Updates:* Attorney Thomas provided legislative updates pertaining to Article 3 Pension Funds; including recent court cases and decisions, as well as general pension matters.

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

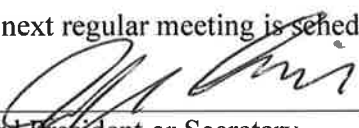
ADJOURNMENT: A motion was made by Trustee Sosnoski and seconded by Trustee Peterson to adjourn the meeting at 11:39 a.m. Motion carried by roll call vote.

AYES: Trustees Sosnoski, Cielak, Renihan, Peterson and Buhrmester

NAYS: None

ABSENT: None

The next regular meeting is scheduled for May 13, 2021 at 10:00 a.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 05/13/21.

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