

MINUTES  
ELBURN POLICE PENSION BOARD  
FEBRUARY 7, 2019

Board Members Present: Assistant Secretary Steve Furlan, Victoria Gwizdak, Robynn Pawlak,  
President Erich Schlachta; Chuck Urbasek

Board Members Absent:

Staff Members Present: Elburn Pension Board Attorney Brian LaBardi, David Harrington from Sawyer  
Falduto Asset Management, LLC; Lauterbach & Amen rep Michael May

Others Present:

1. Call to Order – President Schlachta called the meeting to order at 5:01 p.m.
2. Pledge of Allegiance – President Schlachta led the assembly in the Pledge of Allegiance.
3. Public Comment – None
4. Roll Call – A roll call vote ensued.
5. Approve Minutes from Previous Pension Board Meeting – A motion to approve the November 8, 2018 minutes was made by Urbasek and seconded by Furlan. The motion carried by unanimous voice vote.
6. Bills List – A motion was made by Schlachta and seconded by Urbasek to approve the bills for February 7, 2019 in the amount of \$3,724.67. A roll call vote ensued. Ayes: Furlan, Gwizdak, Pawlak, Schlachta, Urbasek. Nays: None. Motion carried.
7. Lauterbach & Amen Report – Michael May – May presented the report. A motion to approve the report, including the vendor check report, was made by Urbasek and seconded by Gwizdak. A roll call vote ensued. Ayes: Furlan, Gwizdak, Pawlak, Schlachta, Urbasek. Nays: None. Motion carried.
8. Investment Report – Sawyer Falduto – Harrington presented the report. A motion to approve the report as presented was made by Urbasek and seconded by Furlan. The motion carried by unanimous voice vote.
9. Discussion Regarding American Bank and Trust Account and Common Practice for Sawyer Falduto/Lauterbach and Amen Client Cash Flow – Harrington said the Harris bank account is the liquid account Sawyer Falduto can transfer funds to per requests from Lauterbach & Amen. It was suggested the American Bank & Trust account be closed and funds transferred to Sawyer Falduto to maintain in the Schwab account. This is standard practice and what Sawyer Falduto suggests. Not all of the funds would be invested—a portion would be liquid for payments. May said the American Bank & Trust account currently receives employee contributions and the only other transaction on the account was for a conference registration fee. Registrations can be handled by a check. Schlachta advised Pension Board Treasurer Elder is concerned with closing the American Bank & Trust account which is now an interest bearing account. Before the Pension Board contracted with Lauterbach & Amen to manage their expenses, Harrington said the American Bank & Trust account was necessary but it really isn't needed any longer. May suggested the Pension Board house their funds in the Schwab account and when Lauterbach & Amen pays bills, they will request Sawyer Falduto to transfer the necessary funds to the Harris account (which is a non-interest bearing account). With the Harris account, there is flexibility to get quick payments. Every client of Lauterbach & Amen does business at Harris—it is more convenient for ACH payments, there is a banking relationship and there are no fees. When asked if there is any downside, the answer was no. Attorney LaBardi said at one point, the Pension Board approved a motion to transfer funds over a designated amount to the

Schwab account but it is not happening. Harrington said the funds will do better investment-wise in the long term in the Schwab account. The Pension Board has responsibility to invest funds on behalf of pensioners and should consider what is best to maximize income. When asked about interest income of the Schwab account vs. American Bank & Trust, Harrington stated it will perform better over a longer period of time and believe the accounts earn closer to 3% going forward. Pawlak asked if the pension fund has always been at a deficit. May replied the Village of Elburn deposits only once a year. If you net 12 months, the contributions exceed payouts. There is no minimum balance required in the Harris account.

10. Discussion and Possible Approval of Moving the Existing Funds from the American Bank & Trust Account to Schwab Account for Investment by Sawyer Falduto – A motion to approve moving existing funds from the American Bank & Trust account to the Schwab account for investment by Sawyer Falduto was made by Schlachta and seconded by Furlan.
11. Discussion and Possible Approval to Direct the Village of Elburn to Make All Future Deposits to the Schwab Account of the Elburn Police Pension Fund – A motion to approve all future Police Pension Fund deposits to the Schwab account was made by Gwizdak and seconded by Furlan. A roll call vote ensued. Ayes: Furlan, Gwizdak, Pawlak, Schlachta, Urbasek. Nays: None. Motion carried.

Harrington left the meeting at 5:50pm.

12. Discussion and Possible Approval to Close the American Bank & Trust Account – See discussion in Agenda item #10 above. A motion to close the American Bank & Trust account was made by Schlachta and seconded by Furlan. A roll call vote ensued. Ayes: Furlan, Gwizdak, Pawlak, Schlachta, Urbasek. Nays: None. Motion carried.
13. Attorney's Report – Brian LaBardi (Reimer & Karlson LLC) – LaBardi highlighted the report prepared by his firm.
14. Approval of Annual COLA Increases – May distributed copies of the increases as calculated by his firm. May will send Gwizdak a packet to transfer funds from her previous employer to Elburn's fund. A motion to approve the COLA increases was made by Schlachta and seconded by Pawlak. A roll call vote ensued. Ayes: Gwizdak, Pawlak, Schlachta, Urbasek. Nays: None. Abstain: Furlan. Motion carried.
15. Semi-Annual Review of Closed Executive Session Minutes to Determine if Needs to Remain Confidential – N/A, there have been no executive sessions held.
16. Determine Need for Election of Beneficiary and Active Trustees and/or Re-Appointment of Appointed Trustees – Request for Re-Appointment of Appointed Trustees – A motion to approve Pawlak's appointment to fulfill the remainder of Jan Carlson's term on the Pension Board was made by Schlachta seconded by Gwizdak. The motion carried by unanimous voice vote. Discussion ensued as to when prior Board members Gustafson and Carlson's terms end. Terms should be staggered. LaBardi suggested meeting with the Village to confirm term end dates. LaBardi also advised the election needs to occur in April.
17. Schedule Annual Examinations for Disabled Police Officers Under Age 50 – N/A
18. Annual Verifications of Eligibility for Beneficiaries – Lauterbach & Amen has completed this and presented copies to Schlachta. David Wright's is incorrect and it will be re-done and re-sent to his spouse.
19. Review/Update Contracts with Vendors – N/A
20. Obtain Predatory Lending Certification Forms from Illinois Regulated Banks – N/A

21. Other Business – Urbasek inquired about the Statement of Economic Interest which is due by May 1. LaBardi confirmed it needs to be completed by all board members.

Furlan asked if the meeting start time can be changed due to a conflict he has. After brief discussion, there was consensus from the Board to begin the Village of Elburn Police Pension Board meetings at 4:00pm vs. 5:00pm going forward.

New trustee reimbursement forms should now be used for any expenses incurred. Contact Michael May from Lauterbach & Amen if you need a copy of the new form.

The next IPPFA conference is scheduled for October 1-4, 2019. Conference registrations and hotel reservations have been made and confirmed.

22. Adjourn - Trustee Schlachta motioned to adjourn the meeting at 6:21 p.m. with Trustee Urbasek seconding the motion. The motion passed by a unanimous voice vote.

Respectfully Submitted,



Diane McQuilkin  
Village Clerk