



## LAKE ZURICH FIREFIGHTERS' PENSION FUND

70 East Main Street ■ Lake Zurich, Illinois 60047

David Pilgard  
President

Eric Ryan  
Secretary

Greg Fuchs  
Trustee

Lee Plate  
Trustee

Kenneth Weigand  
Trustee

### MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES JULY 19, 2017

A regular meeting of the Board of Trustees of the Lake Zurich Firefighters' Pension Fund was held on Wednesday, July 19, 2017, at 8:00 a.m. at the Village of Lake Zurich, 70 East Main Street, Lake Zurich, Illinois, pursuant to notice.

**CALL TO ORDER:** The meeting was called to order by Trustee Pilgard at 8:01 a.m.

**ROLL CALL:**

**PRESENT:** Trustees David Pilgard, Eric Ryan, Greg Fuchs, Lee Plate, and Ken Weigand

**ABSENT:** None

**ALSO PRESENT:** Board Attorney Rick Reimer, Reimer Dobrovolny & Karlson, LLC (RDK); Ted Kirpach and Michael Stuart, MB Financial; Jodie Hartman, Village of Lake Zurich Finance Director; Derek Flessner and Stefanie Bravo, Lauterbach & Amen, LLP (L&A); Jason Franken, Foster & Foster

**PUBLIC COMMENT:** There was no public comment.

**APPROVAL OF MEETING MINUTES:** *April 19, 2017 Regular Meeting Minutes:* The minutes of the April 19, 2017 regular meeting were reviewed by the Board. A motion was made by Trustee Weigand and seconded by Trustee Ryan to approve the minutes of April 19, 2017 as written. Motion carried unanimously by voice vote.

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

**INVESTMENT REPORT – MB FINANCIAL:** *Portfolio Review:* Mr. Stuart and Mr. Kirpach from MB Financial presented the investment report for the period ending June 30, 2017. As of 06/30/17, the market value of the portfolio is \$31,196,294. The investment return for the quarter is 2.58%. The current asset allocation is as follows: 53.81% in equities, 40.25% in fixed income, 4.00% in alternate strategies, and 1.93 % in cash and equivalents. Current asset allocation within the equity and fixed income funds were reviewed, as well as individual fund performance, and investment fees. Mr. Kirpach discussed the long term market value of the fund, along with the risk-return analysis, and current and projected market conditions. All questions were answered by MB Financial. A motion was made by Trustee Ryan and seconded by Trustee Plate to accept the investment report as presented. Motion carried unanimously by voice vote.

*Review/Update Investment Policy, if needed:* The Board noted that the most recent 2015 Investment Policy was emailed to the Board, Ms. Hartman, and L&A for recordkeeping. No action was taken.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report:* Lauterbach & Amen reviewed the Monthly Financial Report as of May 31, 2017 with the Board. As of 05/31/2017, the net position held in trust for pension benefits is \$30,627,839.45 with a change in position of \$1,588,580.59 for the five month period. The Cash Analysis Report, Revenue and Expense Report, Member Contribution Report and Payroll Journal were reviewed. All questions were answered by Lauterbach & Amen. A motion was made by Trustee Ryan and seconded by Trustee Fuchs to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

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*Presentation and Approval of Bills:* The Board reviewed the Vendor Checks Report for the period March 1, 2017 through May 31, 2017, showing total disbursements in the amount of \$52,368.88. A motion was made by Trustee Weigand and seconded by Trustee Ryan to approve the disbursements shown on the Vendor Checks Report as presented. Motion carried by roll call vote.

AYES: Trustees Pilgard, Ryan, Fuchs, Plate, and Weigand

NAYS: None

ABSENT: None

*Additional Bills, if any:* There were no additional bills presented at this time.

*Finance Director's Update:* Ms. Hartman informed the Board she will address several items under New Business.

**COMMUNICATIONS AND REPORTS:** *Affidavits of Continued Eligibility:* The Board noted that Lauterbach & Amen mailed Affidavits of Continued Eligibility to all pensioners with the June payroll cycle with a due date of July 31, 2017. An update will be provided at the next scheduled meeting.

*Active Member File Maintenance:* The Board was informed that L&A will prepare Active Member File Maintenance letters to be sent to all members to update files with documents required by the IDOI.

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

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Discussion/Possible Action to Adopt and Publish Decision and Order – Kevin Puckhaber:* Mr. Reimer informed that Board that the Decision and Order for Mr. Puckhaber is finalized and reviewed it with the Board. A motion was made by Trustee Ryan and seconded by Trustee Fuchs to adopt and publish the written Decision and Order in the Kevin Puckhaber disability matter. Motion carried by roll call vote.

AYES: Trustees Pilgard, Ryan, Fuchs, Plate, and Weigand

NAYS: None

ABSENT: None

The Board noted that the L&A retirement packet was provided to Mr. Puckhaber but it has not been received by the Board or L&A at this time. Further updates will be provided to the Board as they become available.

*Discussion/Possible Action to Approve Disability Benefit Payments – Aaron O'Brien:* The Board noted that Mr. O'Brien has submitted the L&A retirement packet to the Board. A benefit calculation will be produced by L&A and sent to the Board for review and signature.

*Discussion/Possible Action to Adopt and Publish Decision and Order – Aaron O'Brien:* The Board discussed the Decision and Order for Aaron O'Brien. A motion was made by Trustee Ryan and seconded by Trustee Fuchs to adopt and publish the written Decision and Order in the Aaron O'Brien disability matter. Motion carried by roll call vote.

AYES: Trustees Pilgard, Ryan, Fuchs, Plate, and Weigand

NAYS: None

ABSENT: None

*Discussion/Possible Action of Village's Motion to Intervene in Disability Matter – Mark Bajor:* Mr. Reimer apprised the Board that Mr. Bajor has obtained legal representation. Mr. Reimer also noted

he has obtained a petition from the Village to intervene. A letter was received in June stating there are no objections from Mr. Bajor's legal representation. A motion was made by Trustee Ryan and seconded by Trustee Plate to grant the Village's motion to intervene in the Mark Bajor disability matter based upon the same terms and conditions as previous disability matters. Motion carried by roll call vote.

AYES: Trustees Pilgard, Ryan, Fuchs, Plate, and Weigand  
NAYS: None  
ABSENT: None

*Approval of Continued Disability Benefits – Evert Gerritsen:* Mr. Reimer informed the Board that Evert Gerritsen was examined by Dr. Everett on 01/08/2017 and the evaluation determined that Mr. Gerritsen remains disabled. A motion was made by Trustee Ryan and seconded by Trustee Fuchs to continue non-duty disability benefits to Evert Gerritsen subject to further annual evaluations until age 50. Motion carried by roll call vote.

AYES: Trustees Pilgard, Ryan, Fuchs, Plate, and Weigand  
NAYS: None  
ABSENT: None

*Status of Annual Independent Medical Examination (IME) for Disabled Pensioner - Robert Bachler:* Mr. Reimer informed the Board he is waiting on copies of medical records from providers as requested previously by the Board, before proceeding with further medical examinations. A psychological evaluation was scheduled for Mr. Bachler and he was unable to attend the appointment. An appointment has been rescheduled. Mr. Reimer will update the Board upon receipt of the medical report.

The Board noted that David Carlson turned 50 years of age on July 17, 2017 and was last evaluated in September 2016. No further annual medical examinations are needed.

**OLD BUSINESS:** *Discussion/Possible Action Regarding Fire Pension Actuarial Valuation:* The Board was informed there were no changes to the Actuarial Valuation prepared by L&A since the last meeting. The recommended contribution amount is \$2,220,109. Further discussion will be held at the next scheduled meeting.

**NEW BUSINESS:** *Discussion/Possible Action Regarding FYE 12/31/2016 Village Audit Status:* Ms. Hartman informed the Board that the CAFR has been completed. No action was taken.

*Discussion/Possible Action Regarding Village Actuarial Valuation:* Mr. Franken reviewed the Foster & Foster Actuarial Valuation for the Village of Lake Zurich with the Board. The contribution requirement calculated by Foster & Foster is \$2,278,591. All questions were answered by Mr. Franken. No action was taken.

***The Board took a short recess at 9:22 am. And reconvened at 9:30 am.***

*Discussion/Possible Action Regarding Request for Proposals – Investment Services:* Ms. Hartman reviewed thirteen investment proposals with the Board. Ms. Hartman will compile a list of interview questions for Great Lakes Advisors LLC, MB Financial Inc., Sawyer Falduto Asset Management LLC, and Wall & Associates. A special meeting will be held on September 12, 2017 to conduct interviews with the four aforementioned investment managers.

*Discussion/Approval of Military Service Purchase – Michael Griffiths:* The Board noted that Michael Griffiths completed his military service purchase to transfer 24 months of military service to the Lake Zurich Firefighters' Pension Fund in the amount of \$25,164.30 A motion was made by Trustee Fuchs and seconded by Trustee Ryan to accept the payment in the amount of \$25,164.30, recognize the

purchase as paid in full, and acknowledge Michael Griffiths' revised date of hire from January 8, 1996 to January 8, 1994. Motion carried by roll call vote.

AYES: Trustees Pilgard, Ryan, Fuchs, Plate, and Weigand  
NAYS: None  
ABSENT: None

*Board Officer Elections – President and Secretary:* The Board discussed Board Officer Elections and nominated the slate of Officers as follows: Dave Pilgard as President and Eric Ryan as Secretary. A motion was made by Trustee Plate and seconded by Trustee Weigand to elect the slate of Officers as stated. Motion carried unanimously by voice vote.

*FOIA Officer & OMA Designee:* The Board noted that Trustee Ryan will remain as the FOIA Officer and OMA Designee.

*Discussion/Approval Renewal of Fiduciary Liability Insurance:* The Board reviewed the proposal for the Fiduciary Liability Insurance Policy with Hudson Insurance Company. A motion was made by Trustee Weigand and seconded by Trustee Plate to approve the expenditure of \$3,339.00 for renewal of the \$1,000,000 policy for Fiduciary Liability Insurance with Hudson Insurance Company. Motion carried by roll call vote.

AYES: Trustees Pilgard, Ryan, Fuchs, Plate, and Weigand  
NAYS: None  
ABSENT: None

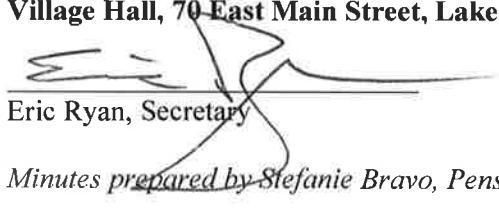
**ATTORNEY'S REPORT:** The Board was provided with the quarterly *Legal and Legislative Update* by RDK.

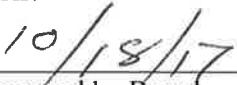
**TRUSTEE TRAINING UPDATES:** The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. The Board was reminded to provide any training certificates to Lauterbach & Amen for recordkeeping.

**CLOSED SESSION, IF NEEDED:** There were no items to discuss in closed session.

**ADJOURNMENT:** A motion was made by Trustee Ryan and seconded by Trustee Fuchs to adjourn the meeting at 10:32 a.m. Motion carried unanimously by voice vote.

**The next regular meeting is scheduled for October 18, 2017 at 8:00 a.m. at the Lake Zurich Village Hall, 70 East Main Street, Lake Zurich, Illinois.**

  
Eric Ryan, Secretary

  
Date Approved by Board

*Minutes prepared by Stefanie Bravo, Pension Services Administrator, Lauterbach & Amen, LLP*