



**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  
OCTOBER 18, 2017**

A regular meeting of the Board of Trustees of the Lake Zurich Firefighters' Pension Fund was held on Wednesday, October 18, 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, and Ken Weigand

**ABSENT:** Trustees Greg Fuchs and Lee Plate

**ALSO PRESENT:** Board Attorney Rick Reimer, Reimer Dobrovolny & Karlson, LLC (RDK); Tom Sawyer and John Falduto, Sawyer Falduto Asset Management (SFAM); Jodie Hartman, Village of Lake Zurich Finance Director; Stefanie Bravo, Lauterbach & Amen, LLP (L&A)

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

**APPROVAL OF MEETING MINUTES:** *July 19, 2017 Regular Meeting Minutes:* The minutes of the July 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 July 19, 2017 as written. Motion carried unanimously by voice vote.

*September 27, 2017 Special Meeting Minutes:* The minutes of the September 27, 2017 special meeting were reviewed by the Board. A motion was made by Trustee Weigand and seconded by Trustee Ryan to approve the minutes of September 27, 2017 as written. Motion carried unanimously by voice vote.

**INVESTMENT REPORT – MB FINANCIAL:** *Portfolio Review:* The Board noted that they are in receipt of the MB Financial September 30, 2017 Performance Report. A motion was made by Trustee Ryan and seconded by Trustee Weigand to acknowledge the Board is in receipt of the MB Financial September 30, 2017 Performance Report. Motion carried unanimously by voice vote.

*Review/Update Investment Policy, if needed:* There was no review or updates to the Investment Policy at this time.

*Ms. Hartman joined the meeting at 8:11 a.m.*

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report:* Lauterbach & Amen reviewed the Monthly Financial Report as of August 31, 2017 with the Board. As of 08/31/2017, the net position held in trust for pension benefits is \$32,004,282.45 with a change in position of \$2,965,023.59 for the eight 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 Weigand and seconded by Trustee Ryan to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

*Presentation and Approval of Bills:* The Board reviewed the Vendor Checks Report for the period June 1, 2017 through August 31, 2017, showing total disbursements in the amount of \$66,811.37. A

motion was made by Trustee Ryan and seconded by Trustee Weigand to approve the disbursements shown on the Vendor Checks Report as presented. Motion carried by roll call vote.

AYES: Trustees Pilgard, Ryan, and Weigand

NAYS: None

ABSENT: Trustees Fuchs and Plate

*Additional Bills, if any – Trustee Training Reimbursements:* The Board reviewed the following Trustee training reimbursement requests submitted by Trustees Fuchs and Ryan for 2017 IPPFA MidAmerican Pension Conference expenses:

- Reimbursement to Trustee Fuchs in the amount of \$1,142.52
  - Lodging: \$686.89
  - Parking: \$19
  - Mileage: 700 miles at \$0.535/mi = \$374.50
  - Meals: \$62.13
- Reimbursement to Trustee Ryan in the amount of \$631.50
  - Lodging: \$207.97
  - Parking: \$11
  - Mileage: 668 miles at \$0.535/mi = \$357.38
  - Meals: \$55.15

A motion was made by Trustee Weigand and seconded by Trustee Pilgard to approve the Trustee training reimbursement requests as presented. Motion carried by roll call vote.

AYES: Trustees Pilgard, Ryan, and Weigand

NAYS: None

ABSENT: Trustees Fuchs and Plate

*Finance Director's Update:* Ms. Hartman informed the Board that the property tax distributions are almost complete for the year and a portion of the property taxes will be deposited in November 2017.

**COMMUNICATIONS AND REPORTS:** *Affidavits of Continued Eligibility:* The Board noted that all 2017 Affidavits of Continued Eligibility have been received by L&A. The originals were presented to the Board for their records.

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

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Approve Regular Retirement Benefits – Peter S. Przybysz:* The Board noted the Peter S. Przybysz has informed the Board of his retirement in November 2017. The Board will hold a special meeting to approve the regular retirement benefits once the calculation is prepared by L&A.

*Approve Duty Disability Benefits – Mark J. Bajor:* The Board noted that Mr. Bajor's TTD benefits will end on October 20, 2017. The Board will hold a special meeting to approve duty disability benefits once the calculation is prepared by L&A.

*Discussion/Possible Action to Adopt and Publish Decision and Order – Mark J. Bajor:* The Board will hold a special meeting to discuss, adopt, and publish the Decision and Order in the matter of the Mark J. Bajor duty disability benefit.

*Approve Duty Disability Benefits – Aaron M. O'Brien:* The Board reviewed the duty disability benefit calculation for Aaron M. O'Brien prepared by L&A. Firefighter O'Brien had an entry date of 08/01/2005, disability date of 12/14/2015, effective date of pension of 12/15/2015, 40 years of age at

date of disability, 10 years 4 months of creditable service, applicable salary of \$89,690.01, applicable pension percentage of 65.00%, amount of originally granted monthly pension of \$4,858.21 and amount of originally granted annual pension of \$58,298.52. A motion was made by Trustee Ryan and seconded by Trustee Weigand to approve Aaron M. O'Brien's duty disability benefit as calculated by L&A. Motion carried by roll call vote.

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

*Approve Regular Retirement Benefits – Philip C. Cappitelli:* The Board reviewed the regular retirement benefit calculation for Philip C. Cappitelli prepared by L&A. Lieutenant Cappitelli had an entry date of 02/06/1989, retirement date of 02/16/2010, effective date of pension of 01/06/2018, 50 years of age at date of retirement, 21 years of creditable service, applicable salary of \$92,934.00, applicable pension percentage of 52.50%, amount of originally granted monthly pension of \$4,065.86 and amount of originally granted annual pension of \$48,790.32. A motion was made by Trustee Ryan and seconded by Trustee Weigand to approve Philip C. Cappitelli's regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

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

Attorney Reimer discussed having a written Decision and Order prepared for all regular retirements with the Board. Mr. Reimer informed the Board that this process is the best practice for the Board. The Board agreed to direct Mr. Reimer to prepare written Decision and Orders for future regular retirements.

**OLD BUSINESS:** *Status of Annual Independent Medical Examination (IME) – Robert B. Bachler:* Attorney Reimer informed the Board that Robert B. Bachler underwent an independent psychological battery test in September and is awaiting the medical report. Further updates will be provided to the Board as they become available.

**NEW BUSINESS:** *Finalize Investment Management Selection:* The Board discussed finalizing the investment management selection. A motion was made by Trustee Ryan and seconded by Trustee Weigand to terminate the investment agreement with MB Financial and to retain Sawyer Falduto Asset Management, LLC, effective immediately. Motion carried by roll call vote.

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

A motion was made by Trustee Weigand and seconded by Trustee Ryan to authorize Board signatures on the Sawyer Falduto Asset Management Investment Agreement and all the required documents to establish the Schwab account and to sign the Schwab Custody Agreement. Motion carried by roll call vote.

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

*Review/Approve Actuarial Valuation and Tax Levy Request:* The Board reviewed the Actuarial Valuation prepared by L&A. A motion was made by Trustee Ryan and seconded by Trustee Weigand to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$2,220,109 from the Village of Lake Zurich based on the recommended amount stated in the Actuarial Valuation prepared by L&A. Motion carried by roll call vote.

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

*Review/Adopt Municipal Compliance Report:* The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Trustee Weigand and seconded by Trustee Ryan to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried unanimously by voice vote.

*Military Service Purchase – Shaun P. Stapleton:* The Board noted that L&A and Mr. Stapleton have been in correspondence regarding his application for his military service purchase. The Board will allow a payroll deduction at the rate of 6% for a 5 year installment period. Ms. Hartman informed the Board that the payroll deduction will be over 26 payrolls. Mr. Reimer will prepare a written agreement for the amortization schedule that will be prepared by L&A. The document will be presented to the Board for review and possible approval at the next scheduled meeting.

*Military Service Purchase – David M. Santoyo:* The Board noted that David M. Santoyo submitted an application for a military buyback calculation. L&A has requested the Actuary Reports for the years 2000, 2001, and 2002 from the Board to complete the calculation. Further discussion will be held at the next scheduled meeting.

*Reciprocity – Scott A. Nemeth:* The Board noted that Scott A. Nemeth has submitted application to combine his service time from the North Chicago Firefighters' Pension Fund with the Lake Zurich Firefighters' Pension Fund. A motion was made by Trustee Ryan and seconded by Trustee Weigand to authorize the reciprocity once verification that the North Chicago Firefighters' Pension Fund has been made whole. Motion carried unanimously by voice vote.

*2018 Board Meeting Dates:* The Board discussed establishing the 2018 regular Board meeting dates as January 17, April 18, July 18, and October 17, 2018 at 8:00 a.m. at the Lake Zurich Village Hall located at 70 E. Main Street, Lake Zurich, Illinois. A motion was made by Trustee Weigand and seconded by Trustee Ryan to establish the 2018 regular Board meeting dates as stated. Motion carried unanimously by voice vote.


**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 Weigand to adjourn the meeting at 9:40 a.m. Motion carried unanimously by voice vote.

**The next regular meeting is scheduled for January 17, 2018 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