



**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  
JANUARY 17, 2018**

A regular meeting of the Board of Trustees of the Lake Zurich Firefighters' Pension Fund was held on Wednesday, January 17, 2018, 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 8:04 a.m.

**ROLL CALL:**

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

**ABSENT:** Trustee Lee Plate

**ALSO PRESENT:** Board Attorney Brian LaBardi, Reimer Dobrovolny & Carlson, LLC (RDK); Tom Sawyer and John Falduto, Sawyer Falduto Asset Management (SFAM); Mariam Hernandez, Village of Lake Zurich Accounting Supervisor; Amanda Secor, Lauterbach & Amen, LLP (L&A)

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

**APPROVAL OF MEETING MINUTES:** *October 18, 2017 Regular Meeting Minutes:* The minutes of the October 18, 2017 regular meeting were reviewed by the Board.

*November 14, 2017 Special Meeting Minutes:* The minutes of the November 14, 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 the October 18, 2017 regular meeting and the November 14, 2017 special meeting as written. Motion carried unanimously by voice vote.

*Semi-Annual Review of Closed Session Meeting Minutes:* The Board will complete a comprehensive review of closed session meeting minutes and address the closed session meeting minutes at the next regular meeting.

**INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT:** *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending December 31, 2017. The investment return since the inception date of December 3, 2017 is \$1,028,355 for an ending market value of \$34,701,187. The current asset allocation is as follows: fixed income at 41.1%, equities at 57.7% and cash equivalents at 1.2%. Mr. Sawyer reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board. A motion was made by Trustee Ryan and seconded by Trustee Weigand to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

*Review/Update Investment Policy, if needed:* The Board reviewed and discussed the Investment Policy prepared by Sawyer Falduto Asset Management. A motion was made by Trustee Ryan and seconded by Trustee Fuchs to adopt the Investment Policy provided by Sawyer Falduto Asset Management. Motion carried unanimously by voice vote.

The Board discussed the current asset allocation. A motion was made by Trustee Pilgard and seconded by Trustee Ryan to set the parameters of the asset allocation as follows: Equity allocation target of 60%, with a range of 55-65%; Fixed Income target of 40%, with a range of 35-45%; and a money market target of 0%, with a range of 0-5%. Motion carried by roll call vote.

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

Mr. Falduto reviewed the Guardian Value Guard II annuity with the Board. A motion was made by Trustee Ryan and seconded by Trustee Weigand to authorize Sawyer Falduto to liquidate the Guardian Value Guard II annuity on behalf of the Fund and to invest the proceeds as outlined in the investment policy. Motion carried by roll call vote.

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

*The Board took a brief recess at 8:35 a.m. and resumed at 8:41 a.m.*

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: Monthly Financial Report:**  
Lauterbach & Amen reviewed the Monthly Financial Report as of November 30, 2017 with the Board. As of 11/30/2017, the net position held in trust for pension benefits is \$34,152,239.26 with a change in position of \$5,112,980.40 for the eleven-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 by roll call vote.

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

**Presentation and Approval of Bills:** The Board reviewed the Vendor Checks Report for the period September 1, 2017 through November 30, 2017, showing total disbursements in the amount of \$46,730.89. A motion was made by Trustee Ryan and seconded by Trustee Fuchs to approve the disbursements shown on the Vendor Checks Report as presented. Motion carried by roll call vote.

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

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

**Finance Director's Update:** Ms. Hernandez informed the Board that the property tax levy has been approved by the Village of Lake Zurich Board of Trustees in the amount of \$2,278,591. Ms. Hernandez also informed the Board that the Village of Lake Zurich issued a check in the amount of \$24,116.72 to fully fund the municipal contributions for the fiscal year ended April 30, 2016.

**COMMUNICATIONS AND REPORTS: 2018 IRS Mileage Rate:** The Board noted that the IRS standard business mileage rate used for reimbursements increased to \$0.545 per mile effective January 1, 2018.

**Statements of Economic Interest:** The Board noted that the List of Filers must be submitted to the County by the Village by February 1, 2018. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2018.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE PENSION FUND:**  
*Application for Membership – Jonathan Corral:* The Board tabled this item for the next regular meeting.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: Approve Decision and Order for Regular Retirement Benefits – Peter S. Przybysz:** The Board reviewed the Decision and Order for Peter S. Przybysz's regular retirement benefit. A motion was made by Trustee Ryan and seconded by Trustee

Fuchs to adopt and publish the Decision and Order and Certificate of Payment for Peter S. Przybysz as prepared by RDK. Motion carried by roll call vote.

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

*Approve Decision and Order for Regular Retirement Benefits – Philip C. Cappitelli:* The Board reviewed the Decision and Order for Philip Cappitelli's regular retirement benefit. A motion was made by Trustee Weigand and seconded by Trustee Ryan to adopt and publish the Decision and Order and Certificate of Payment for Philip C. Cappitelli as prepared by RDK. Motion carried by roll call vote.

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

*Approve Regular Retirement Benefits – Scott D. Osel:* The Board reviewed the regular retirement benefit calculation for Scott D. Osel prepared by L&A. Lieutenant Osel had an entry date of 02/06/1989, retirement date of 02/07/2018, effective date of pension of 02/08/2018, 50 years of age at date of retirement, 29 years of creditable service, applicable salary of \$112,252.00, applicable pension percentage of 72.50%, amount of originally granted monthly pension of \$6,781.89 and amount of originally granted annual pension of \$81,382.68. A motion was made by Trustee Weigand and seconded by Trustee Ryan to approve Scott D. Osel's regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

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

*Approve Decision and Order for Regular Retirement Benefits – Scott D. Osel:* Attorney LaBardi informed the Board that RDK will prepare the written Decision & Order for Scott D. Osel's regular retirement benefit for Board review and approval at the next regularly scheduled meeting.

**OLD BUSINESS: Status of Annual Independent Medical Examination (IME) – Robert B. Bachler:** Attorney LaBardi informed the Board that Robert B. Bachler underwent an independent psychological battery test in September and remains disabled. A motion was made by Trustee Fuchs and seconded by Trustee Ryan to certify the examination results and to continue to pension benefits subject to an additional examination prior to obtaining age 50 in November 2018. Motion carried by roll call vote.

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

**NEW BUSINESS: Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:** The Board reviewed the 2018 Cost of Living Adjustments (see attached) as calculated by L&A. A motion was made by Trustee Ryan and seconded by Trustee Fuchs to approve the 2018 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

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

*Approve Military Service Purchase – Shaun P. Stapleton:* The Board noted that Shaun P. Stapleton completed his military service purchase to transfer 24 months of military service to the Lake Zurich Firefighters' Pension Fund in the amount of \$29,409.33. A motion was made by Trustee Ryan and seconded by Trustee Fuchs to accept the payment in the amount of \$29,409.33, recognize the purchase as paid in full and acknowledge Shaun P. Stapleton's revised date of hire from March 2, 2015 to March 2, 2013. Motion carried by roll call vote.

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

*Approve Military Service Purchase – David M. Santoyo:* The Board noted that David M. Santoyo submitted an application for a military buyback calculation. L&A is requesting that the Board complete the application to prepare the military buyback calculation. Further discussion will be held at the next scheduled meeting.

*Illinois Department of Insurance Annual Statement:* The Board noted that completion of the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

*Reciprocity – Scott A. Nemeth:* The Board noted that the balance due from Scott A. Nemeth to the Lake Zurich Firefighters' Pension Fund to combine service under reciprocity has been received in full. A motion was made by Trustee Ryan and seconded by Trustee Weigand to accept this payment and recognize the purchase as paid in full. Motion carried by roll call vote.

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

*Review Trustee Term Expirations and Election Procedures:* The Board noted that the retired member term currently held by Trustee Fuchs is expiring in April 2018. Trustee Fuchs wishes to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for the retired member Trustee position. The Board also noted that the appointed Trustee position held by Trustee Plate is expiring in April 2018 and he wishes to remain on the Board. The Board will contact the Village and seek reappointment of Trustee Plate to the Board.

*Update BMO Harris Bank Signature Cards/Resolution:* L&A provided the Board with the paperwork to update the BMO Harris Bank Signature Cards with the current Board members. The Board will obtain signatures from the Trustees and will submit the completed forms to L&A to update with BMO Harris Bank. The Board noted that Finance Director Jodie Hartman will need to be added as a signer on the Schwab account. A motion was made by Trustee Weigand and seconded by Trustee Fuchs to designate Trustees Weigand, Ryan and Pilgard and Finance Director Jodie Hartman as signers on the BMO Harris Bank account and to add Finance Director Jodie Hartman as a signer on the Schwab account. Motion carried by roll call vote.

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

**TRUSTEE TRAINING UPDATES:** The Board discussed upcoming training opportunities. A motion was made by Trustee Pilgard and seconded by Trustee Fuchs to pre-approve registration for interested participants to attend the 2018 IPPFA Spring Conference. Motion carried by roll call vote.

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

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

**TRUSTEE TRAINING UPDATES (CONTINUED):** The Board reviewed the Trustee Training Summary. 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 April 18, 2018 at 8:00 a.m. at the Lake Zurich Village Hall, 70 East Main Street, Lake Zurich, Illinois.**



Eric Ryan, Secretary

04/19/18  
Date Approved by Board

*Minutes prepared by Amanda Secor, Pension Services Administrator, Lauterbach & Amen, LLP*

# LAKE ZURICH FIREFIGHTERS' PENSION FUND

## Annual Benefit Increases

January 1, 2018

Pensioner	Type of Pension	Notes	Prior Benefit	COLA Increase	Current Benefit	Annualized Benefit
Bachler, Robert B.	Duty Disability	\$	5,954.70	0.00	5,954.70	71,456.40
Bajor, Mark J.	Duty Disability		4,858.21	0.00	4,858.21	58,298.52
Bajor, Erin C. - Dependent # 2	Duty Disability		20.60	0.62	21.22	254.64
Cappitelli, Philip C.	Deferred Annuitant		0.00	0.00	0.00	0.00
Carlson, David F.	Duty Disability		4,022.31	0.00	4,022.31	48,267.72
Farning, George J.	Service		4,265.46	0.00	4,265.46	51,185.52
Fuchs, Gregory S.	Duty Disability		4,578.00	0.00	4,578.00	54,936.00
Fuchs, Aubree L. - Dependent # 3	Duty Disability		22.52	0.68	23.20	278.40
Gallas, Gregory R.	Duty Disability		3,529.18	1,376.38	4,905.56	58,866.72
Garris, Steven G.	Duty Disability		5,399.15	0.00	5,399.15	64,789.80
Garris, Madelyn - Dependent # 2	Duty Disability		22.52	0.68	23.20	278.40
Garris, Meghan - Dependent # 1	Duty Disability		22.52	0.68	23.20	278.40
Gerritsen, Evert J.	Non-Duty Disability		3,274.92	0.00	3,274.92	39,299.04
Gonzalez, Pamela J.	Spouse		3,879.33	0.00	3,879.33	46,551.96
Hutton, Patricia L.	Service		3,591.97	0.00	3,591.97	43,103.64
Lorr, Edward A.	Service		4,261.88	127.86	4,389.74	52,676.88
Mastandrea, Terrence P.	Service		9,815.13	294.45	10,109.58	121,314.96
O'Brien, Aaron M.	Duty Disability		4,858.21	0.00	4,858.21	58,298.52
O'Brien, Hunter A. - Dependent # 1	Duty Disability		21.22	0.64	21.86	262.32
O'Brien, Kennedy M. - Dependent # 2	Duty Disability		21.22	0.64	21.86	262.32
Polakow, Robert P.	Duty Disability		4,488.23	0.00	4,488.23	53,858.76
Polakow, Michael R. - Dependent # 2	Duty Disability		23.90	0.72	24.62	295.44
Przybysz, Peter S.	Service		5,521.65	0.00	5,521.65	66,259.80
Szydelko, Michael G. Sr.	Service		6,082.85	182.49	6,265.34	75,184.08
Weidner, Bonnie E.	Service		3,591.97	0.00	3,591.97	43,103.64
Wheelock, David P.	Service		5,245.18	170.70	5,415.88	64,990.56
Wheelock, David P. - QILDRO #2	QILDRO		2,060.00	61.80	2,121.80	25,461.60
Wheelock, David P. - QILDRO #1	QILDRO		444.79	0.00	444.79	5,337.48
<b>Totals</b>			<b>89,877.62</b>	<b>2,218.34</b>	<b>92,095.96</b>	<b>1,105,151.52</b>