



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 APRIL 18, 2018

A regular meeting of the Board of Trustees of the Lake Zurich Firefighters' Pension Fund was held on Wednesday, April 18, 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 8:03 a.m.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Board Attorney Evan Haim, Reimer Dobrovolny & Karlson, LLC (RDK); Tom Sawyer, Sawyer Falduto Asset Management (SFAM); Mariam Hernandez, Village of Lake Zurich Accounting Supervisor; Todd Schroeder, Kevin Cavanaugh, and Stef Bravo, Lauterbach & Amen, LLP (L&A); Tom Johnson, Member of the Public

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *January 17, 2018 Regular Meeting:* The minutes of the January 17, 2018 regular meeting were reviewed by the Board. A motion was made by Trustee Weigand and seconded by Trustee Ryan to approve the minutes of the January 17, 2018 regular meeting as written. Motion carried unanimously by voice vote with Trustee Plate abstaining due to his absence from the January 17, 2018 regular meeting.

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.

NEW BUSINESS: *Review Preliminary Actuarial Valuation:* The Board reviewed the preliminary Actuarial Valuation prepared by L&A. The final report will be reviewed by the Board at the next scheduled meeting.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT: *Quarterly Investment Performance Report:* Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending March 31, 2018. As of March 31, 2018, the quarter-to-date total net return is -0.44% for an investment return of -\$144,555 and an ending market value of \$33,631,839. The current asset allocation is as follows: Fixed Income at 41.3%, Equities at 58.5% and Cash Equivalents at 0.2%. Mr. Sawyer reviewed the Market Commentary, Equity and Fixed Income Portfolios, and Transaction Ledger Report with the Board. A motion was made by Trustee Plate 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: There were no updates to the Investment Policy at this time.

The Board took a brief recess at 8:47 a.m. and resumed at 8:52 a.m.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report as of March 31, 2018 as prepared by Lauterbach & Amen. As of March 31, 2018, the net position held in trust for pension benefits is \$34,045,353.50 with a change in position of -\$299,625.79 for the three-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 Fuchs and seconded by Trustee Plate 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 January 1, 2018 through March 31, 2018, showing total disbursements in the amount of \$29,156.34. A motion was made by Trustee Ryan and seconded by Trustee Weigand to approve the disbursements on the Vendor Checks Report as presented. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Additional Bills, if any – Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued and payment is due by June 30, 2018. A motion was made by Trustee Ryan and seconded by Trustee Fuchs to approve payment of the IDOI Compliance Fee, in an amount not to exceed \$8,000, upon receipt of the invoice. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Finance Director's Update: Ms. Hernandez informed the Board that Finance Director Jodie Hartman is in receipt of the Village's Actuarial Valuation. Ms. Hartman will review the report and share the information with the Board.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A will mail Affidavits of Continued Eligibility to all pensioners with the June payroll cycle. A status update will be provided at the next scheduled meeting.

Statements of Economic Interest: The Board was reminded that the Statements of Economic Interest are due by May 1, 2018.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE PENSION FUND:

Applications for Membership – Jonathan Corral and Matthew E. Sigler: The Board reviewed the Applications for Membership submitted by Jonathan Corral and Matthew E. Sigler. A motion was made by Trustee Ryan and seconded by Trustee Fuchs to accept Jonathan Corral and Matthew E. Sigler into the Lake Zurich Firefighters' Pension Fund, effective February 5, 2018, as Tier II participants. Motion carried unanimously by voice vote.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Decision and Order for Regular Retirement Benefits – Scott D. Osel:* The Board reviewed the Decision and Order for Scott D. Osel's regular retirement benefit. A motion was made by Trustee Ryan and seconded by Trustee Weigand to adopt and publish the Decision and Order and Certificate of Payment for Scott D. Osel as prepared by RDK. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Approve Regular Retirement Benefits – Richard S. Johnson: The Board reviewed the regular retirement benefit calculation for Richard S. Johnson prepared by L&A. Deputy Chief Johnson had an entry date of 02/06/1989, retirement date of 04/13/2018, effective date of pension of 04/13/2018, 55 years of age at date of retirement, 29 years and 2 months of creditable service, applicable salary of \$127,106.94, applicable pension percentage of 72.92%, amount of originally granted monthly pension of \$7,723.52 and amount of originally granted annual pension of \$92,682.24. A motion was made by Trustee Fuchs and seconded by Trustee Weigand to approve Richard S. Johnson's regular retirement benefit as calculated by L&A. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

Approve Decision and Order for Regular Retirement Benefits – Richard S. Johnson: Attorney Haim informed the Board that RDK will prepare the written Decision & Order for Richard S. Johnson's regular retirement benefit for Board review and approval at the next regularly scheduled meeting.

OLD BUSINESS: *Approve Military Service Purchase – David M. Santoyo:* The Board noted that L&A mailed correspondence to David M. Santoyo regarding his request to calculate the amount of money due to the Lake Zurich Firefighters' Pension Fund to purchase 24 months of military service time, but no response has been received to date. Further discussion will be held at the next scheduled meeting.

Status of Annual Independent Medical Examination (IME) – Robert B. Bachler: Attorney Haim recommended beginning the process for the 2018 IME. A motion was made by Trustee Plate and seconded by Trustee Fuchs to direct RDK to schedule the annual medical examination through INSPE for Robert B. Bachler. Motion carried by roll call vote.

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

NAYS: None

ABSENT: None

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.

NEW BUSINESS (CONTINUED): *Certify Board Election Results – Retired Member Position:* L&A conducted an election for the Retired Member position on the Lake Zurich Firefighters' Pension Fund Board of Trustees. Greg Fuchs ran unopposed and was reelected for a three-year term expiring April 30, 2021. A motion was made by Trustee Ryan and seconded by Trustee Weigand to certify the Retired Member election results. Motion carried unanimously by voice vote.

Appointed Member Term Expiration – Lee Plate: The Board noted that Trustee Plate has been reappointed to the Lake Zurich Firefighters' Pension Board of Trustees. The Board will obtain the reappointment letter and send copy to L&A for recordkeeping. Further discussion will be held at the next scheduled meeting.

Fiduciary Liability Insurance Renewal: The Board reviewed the fiduciary liability insurance renewal provided by Mesirow Insurance Services through Ullico Casualty Group. A motion was made by Ryan and seconded by Trustee Fuchs to approve payment of the fiduciary liability insurance renewal effective 07/01/2018 through 07/01/2019 in an amount not to exceed \$3,700. Motion carried by roll call vote.

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

Status of Insurance Contracts – Hartford and Prudential: The Board noted that they will locate the insurance contracts and forward copies to L&A and SFAM. Further updates will be provided as they become available.

ATTORNEY'S REPORT: Attorney Haim reviewed the quarterly *Legal and Legislative Update* newsletter with the Board. All questions were answered by Attorney Haim.

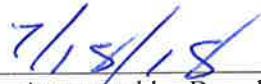
TRUSTEE TRAINING UPDATES: The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. The Board was reminded to provide any training certificates to L&A for recordkeeping.

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 9:34 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for July 18, 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

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