



## LAKE ZURICH FIREFIGHTERS' PENSION FUND

70 East Main St. ■ Lake Zurich, Illinois 60047

David Pilgard  
President

Spencer Cornell  
Secretary

Greg Fuchs  
Trustee

Kenneth Weigand  
Trustee

Rick Fisk  
Trustee

### MINUTES OF A REGULAR MEETING OF THE PENSION FUND BOARD OF TRUSTEES JANUARY 15, 2020

A regular meeting of the Lake Zurich Firefighters' Pension Fund Board of Trustees was held on Wednesday, January 15, 2020 at 8:00 a.m. at the Lake Zurich Village Hall located at, 70 East Main Street, Lake Zurich, Illinois 60047, pursuant to notice.

**CALL TO ORDER:** Trustee Pilgard called the meeting to order at 8:00 a.m.

#### **ROLL CALL:**

**PRESENT:** Trustees David Pilgard, Spencer Cornell, Greg Fuchs, Ken Weigand and Rick Fisk

**ABSENT:** None

**ALSO PRESENT:** Attorney Bryan Strand, Reimer & Dobrovolny PC (R&D); Tom Sawyer and John Falduto, Sawyer Falduto Asset Management, LLC; Kelley Murray, Lauterbach & Amen, LLP (L&A); Treasurer Bane Thomey, Village of Lake Zurich, Human Resource Director Douglas Gibson

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

**APPROVAL OF MEETING MINUTES:** *October 16, 2019 Regular Meeting:* The Board reviewed the October 16, 2019 meeting minutes. A motion was made by Trustee Weigand and seconded by Trustee Cornell to approve the October 16, 2019 regular meeting minutes 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 – SAWYER FALDUTO ASSET MANAGEMENT, LLC:** *Quarterly Investment Performance Report:* Mr. Sawyer presented the Quarterly Investment Performance Report for the period ending December 31, 2019. As of December 31, 2019, the fourth quarter net return is 4.99% versus the fourth quarter account benchmark of 5.14%. The investment return for the quarter is \$1,977,802 for an ending market value of \$41,027,895. The current asset allocation is as follows: fixed income at 37.4%, equities at 62.2% and cash equivalents at 0.3%. 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 Fisk and seconded by Trustee Weigand to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

*Review/Approve of Guardian Annuity Liquidation and Completion of Relevant Forms and Resolution:* Mr. Falduto reviewed the following annuities totaling \$495,990: Prudential with a current value of \$149,000 as of December 31, 2019 with a surrender value of \$149,503 and Guardian death value and surrender value match at \$209,569. A motion was made by Trustee Weigand and seconded by Trustee Fuchs to liquidate the annuities as discussed, contingent on the death value equaling the surrender value. Motion carried by roll call vote.

AYES: Trustees Pilgard, Cornell, Fuchs, Weigand and Fisk  
NAYS: None  
ABSENT: None

*Review/Update Investment Policy:* The Board discussed the Investment Policy and determined that no changes are required at this time.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the eleven-month period ending November 30, 2019 prepared by L&A. As of November 30, 2019, the net position held in trust for pension benefits is \$40,999,395.96 for a change in position of \$6,814,792.31. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Cornell and seconded by Trustee Weigand to accept the Monthly Financial Report as presented. Motion carried by roll call vote.

AYES: Trustees Pilgard, Cornell, Fuchs, Weigand and Fisk  
NAYS: None  
ABSENT: None

*Presentation and Approval of Bills:* The Board reviewed the Vendor Check Report for the period of September 1, 2019 through November 30, 2019 for total disbursements of \$74,779.23. A motion was made by Trustee Fisk and seconded by Trustee Fuchs to approve the disbursements shown on the Vendor Check Report in the amount of \$74,779.23. Motion carried by roll call vote.

AYES: Trustees Pilgard, Cornell, Fuchs, Weigand and Fisk  
NAYS: None  
ABSENT: None

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

**FINANCE DIRECTOR'S REPORT:** Mrs. Thomey introduced herself to the Board as the new Director of Finance for the Village of Lake Zurich.

**COMMUNICATIONS AND REPORTS:** *Affidavits of Continued Eligibility:* L&A informed the Board that due to recently implemented requirements mandated by the IDOI, spousal data will be necessary in order to file the IDOI Annual Statement. The Board discussed sending out the Affidavits in March.

*Post meeting note:* Per an email dated March 9, 2020 the Board has authorized L&A to send out Affidavits of Continued Eligibility out to all with December payroll to coincide with Fund's fiscal year end.

*Statements of Economic Interest:* The Board noted that the List of Filers must be submitted to the County by the Village by February 1, 2020. Statement of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2020.

*2020 IRS Mileage:* The Board noted that the IRS standard business mileage rate used for reimbursement decreased to \$0.575 per mile effective January 1, 2020.

**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.

*Approval of Trustee Training Registration Fees and Reimbursable Expenses:* The Board discussed upcoming Training. A motion was made by Trustee Pilgard and seconded by Trustee Weigand to approve Trustee training registration fees and reimbursable expenses for Trustees attending upcoming training. Motion carried by roll call vote.

AYES: Trustees Pilgard, Cornell, Fuchs, Weigand and Fisk

NAYS: None

ABSENT: None

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE FUND:** There were no application for membership or withdrawals from the Fund.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** There were no applications for retirement or disability

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

*IDOI Compliance Audit Update:* Attorney Strand apprised the Board of the IDOI Compliance Audit findings. A motion was made by Trustee Weigand and seconded by Trustee Fisk to adopt correspondence from R&D to the IDOI acknowledging mistakes in contribution withholdings. Motion carried by roll call vote.

AYES: Trustees Pilgard, Cornell, Fuchs, Weigand and Fisk

NAYS: None

ABSENT: None

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

*Update Signature Cards and Resolutions – BMO Harris and Charles Schwab Accounts:* L&A and Sawyer Falduto provided the Board with the necessary forms to update the signers on the BMO Harris Bank account and the Charles Schwab accounts with the current Board members and municipal representative. The Board will obtain signatures and submit the completed forms to L&A to update with BMO Harris Bank.

*Approve Annual Cost of Living Adjustments (COLAs) for Pensioners:* The Board reviewed the 2020 Cost of Living Adjustments (see attached) calculated by L&A. A motion was made by Trustee Cornell and seconded by Trustee Fisk to approve the 2020 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried unanimously by voice vote.

*Review Trustee Term Expirations and Election Procedures:* The Board noted that the active member term currently held by Trustee Pilgard is expiring in April 2020. Trustee Pilgard expressed his desire to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for the active member Trustee position.

The Board noted a check from the dissolution of the Coalition for Qualified Plan Status was received and will be deposited into the Funds BMO Harris account.


**ATTORNEY'S REPORT:** *Review/Approve – Rules & Regulations:* This item was not discussed.

*Legal Updates:* Attorney Strand reviewed the quarterly *Legal and Legislative Update* newsletter with the Board as well as recent court cases and decisions and general pension matters.

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

**ADJOURNMENT:** A motion was made by Trustee Fuchs and seconded by Trustee Cornell to adjourn the meeting at 9:32 a.m. Motion carried unanimously by voice vote.

The next Board meeting will be held on April 15, 2020 at 8:00 a.m.

  
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Board President or Secretary

Minutes approved by the Board of Trustees on \_\_\_\_\_

*Minutes prepared by Kelley Murray, Pension Services Administrator, Lauterbach & Amen, LLP*