



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 BOARD OF TRUSTEES JULY 21, 2021

A regular meeting of the Lake Zurich Firefighters' Pension Fund was held on Wednesday, July 21, 2021 at 8:00 a.m. in the Village Hall located at 70 East Main Street, Lake Zurich, Illinois 60047. Pursuant to notice.

CALL TO ORDER: Trustee Cornell called the meeting to order at 8:03 a.m.

ROLL CALL:

PRESENT: Trustees David Pilgard (*arrived at 8:15 a.m.*), Spencer Cornell, Ken Weigand and Rick Fisk

ABSENT: Trustee Greg Fuchs

ALSO PRESENT: Attorney Rick Reimer, Reimer Dobrovolny & LaBardi PC; Tom Sawyer and John Falduto, Sawyer Falduto Asset Management, LLC; Lainie Grabowski and Michelle Rice, Lauterbach & Amen, LLP (L&A); Heidi Andorfer, Foster & Foster; Treasurer Amy Sparkowski, Human Resource Director Doug Gibson and Kevin Loftus, Village of Lake Zurich

APPROVAL OF MEETING MINUTES: *April 21, 2021 Regular Meeting:* The Board reviewed the April 21, 2021 regular meeting minutes. A motion was made by Trustee Weigand and seconded by Trustee Fisk to approve April 21, 2021 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees, Cornell, Weigand and Fisk

NAYS: None

ABSENT: Trustee Fuchs and Pilgard

Semi – Annual Review of Closed Session Meeting Minutes: The Board discussed the November 24, 2020 transcript from Samuel Ritchie's disability hearing. A motion was made by Trustee Cornell and seconded by Trustee Fisk to make public the closed session transcript subject to redaction of attorney client privilege. Motion carried by roll call vote.

AYES: Trustees Cornell, Weigand and Fisk

NAYS: None

ABSENT: Trustee Fuchs and Pilgard

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending June 30, 2021. As of June 30, 2021, the second quarter net return is 5.2% versus the second quarter account benchmark of 5.1%. The investment return for the quarter is \$2,546,768 for an ending market value of \$52,240,594. The current asset allocation is as follows: fixed income at 37.7%, equities at 61.2% and cash equivalents at 1.1%. 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 Cornell and seconded by Trustee Fisk to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Cornell, Weigand and Fisk

NAYS: None

ABSENT: Trustee Fuchs and Pilgard

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

Investment Advisory Agreement-Amendment Notification dated June 30, 2021: The Board reviewed the amendment to the investment advisory agreement dated June 30, 2021 that will be effective August 1, 2021.

Trustee Pilgard arrived at 8:15 a.m.

Post Consolidation Services: The Board discussed the post-consolidation services presented by Sawyer Falduo Asset Management, LLC. Further discussion will be held at the next regular meeting.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the six-month period ending June 30, 2021 prepared by L&A. As of June 30, 2021, the net position held in trust for pension benefits is \$52,467,677.18 for a change in position of \$4,036,906.08. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period April 1, 2021 through June 30, 2021 for total disbursements of \$105,744.46. A motion was made by Trustee Weigand and seconded by Trustee Cornell to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$105,744.46. Motion carried by roll call vote.

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

Additional Bills, if any: No additional bills were presented.

FINANCE DIRECTOR'S REPORT: *Foster & Foster Actuary Presentation:* Heidi Andorfer presented the City of Lake Zurich's Actuarial Valuation as prepared by Foster & Foster to the Board. All questions were answered by Ms. Andorfer.

NEW BUSINESS: *Review/Approve – Actuarial Valuation and Tax Levy Request:* The Board reviewed the finalized Actuarial Valuation as prepared by L&A. Based on data and assumptions, the recommended contribution amount is \$2,774,272 which is a \$78,155 decrease from the prior year contribution. The statutory minimum contribution requirement is \$1,872,833. A motion was made by Trustee Pilgard and seconded by Trustee Fisk to accept the Actuarial Valuation as prepared and request a tax levy in the amount of \$2,774,272 from the Village of Lake Zurich. Motion carried by roll call vote.

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

COMMUNICATIONS AND REPORTS: There were no communications and reports.

TRUSTEE TRAINING UPDATES: The Board 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 the upcoming Illinois Professional Firefighters' Association Fall Pension Seminar A motion was made by Trustee Pilgard and seconded by Trustee Cornell to approve the registration and mileage fees for trustees interested in attending the Illinois Professional Firefighters' Association Fall Pension Seminar and to direct L&A to register Trustees Fisk, Cornell, Pilgard and Weigand for the event. Motion carried by roll call vote.

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

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

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

OLD BUSINESS: *Review/Possible Action Regarding Excess Contributions:* This item will be discussed at the next regular meeting.

IDOI Annual Statement: The Board noted that the finalized report was filed prior to the June 30, 2021 deadline.

NEW BUSINESS (CONTINUED): *Review/Approve – Municipal Compliance Report:* L&A informed the Board that the Municipal Compliance Report is in process and will be ready for review at the next regular meeting.

Board Officer Elections – President & Secretary: The Board discussed Board Officer Elections and nominated the slate of Officers as follows: David Pilgard as President and Spencer Cornell as Secretary. A motion was made by Trustee Weigand and seconded by Trustee Fisk to elect the slate of officers as stated. Motion carried unanimously by voice vote.

FOIA Officer & OMA Designee: The Board discussed maintaining Trustee Cornell as the FOIA Officer and OMA Designee. A motion was made by Trustee Fisk and seconded by Trustee Weigand to maintain Trustee Cornell as the FOIA Officer and OMA designee. Motion carried unanimously by voice vote.

Review/Approve – Notice of Secondary Employment: The Board noted correspondence has been received from The McHenry Township Fire Protection District reporting all earnings and hours worked for the May 1, 2020 fiscal year for Brandon Spata, Kevin Glasder, Peter Penkava, Chad Boyd, Collin Boeckmann, David Reid and David Santoyo. The correspondence will be retained in the members files to satisfy the requirements of Public Act “101-0522.”. A motion was made by Trustee Pilgard and seconded by Trustee Cornell to acknowledge Brandon Spata, Kevin Glasder, Peter Penkava, Chad Boyd, Collin Boeckmann, David Reid and David Santoyo’s secondary employment. Motion carried unanimously by voice vote.

Fiduciary Liability Insurance Renewal: The Board reviewed the fiduciary liability insurance renewal provided by Markel American Insurance Company through Ullico Casualty Group, LLC. A motion was made by Trustee Fisk and seconded by Trustee Pilgard to approve payment of the fiduciary liability insurance renewal effective July 1, 2021 through July 1, 2022 in the amount of \$3,631.00. Motion carried by roll call vote.

AYES: Trustees Pilgard, Cornell, Weigand and Fisk

NAYS: None

ABSENT: Trustee Fuchs

ATTORNEY'S REPORT – REIMER DOBROVOLNY & LABARDI PC: *QILDRO – Michael Wiltgen:* The Board noted that QILDRO documentation has been received for Michael Wiltgen and placed on file for execution upon his retirement.

Annual Independent Medical Examination – Aaron O'Brien and Evert Gerritsen: The Board discussed sending Aaron O'Brien and Evert Gerritsen for their annual independent medical examinations. A motion was made by Trustee Pilgard and seconded by Trustee Cornell to authorize the Board Attorney to send Aaron O'Brien and Evert Gerritsen for their annual IME'S. Further discussion will be held at the next regular meeting. Motion carried by roll call vote.

AYES: Trustees Pilgard, Cornell, Weigand and Fisk

NAYS: None

ABSENT: Trustee Fuchs

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

NEW BUSINESS (CONTINUED): *FPIF – Investment, Service Provider and Signer Request and Review/Approve – Resolution to Appoint Authorized Agents in accordance with FPIF Rule 2021-01:* The Board reviewed the FPIF Vendor Authorization Letter requesting authorization to share data and information from the Lake Zurich Firefighters' Pension Fund to the Firefighters' Pension Investment Fund. The Board also reviewed the FPIF Resolution to Appoint Authorized Agents. Further discussion will be held at the next regular meeting.

CLOSED SESSION, IF NEEDED: There was no need for closed session.

PUBLIC COMMENT: There was no public comment.

ADJOURNMENT: A motion was made by Trustee Fisk and seconded by Trustee Weigand to adjourn the meeting at 9:33 a.m. Motion carried unanimously by voice vote.

The next regular Board meeting is scheduled for October 20, 2021 at 8:00 a.m.

Board President or Secretary

Minutes approved by the Board of Trustees on _____

Minutes prepared by Lainie Grabowski, Pension Services Administrator, Lauterbach & Amen, LLP