



# 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 OCTOBER 20, 2021

A regular meeting of the Lake Zurich Firefighters' Pension Fund was held on Wednesday, October 20, 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 Pilgard called the meeting to order at 8:03 a.m.

### ROLL CALL:

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

**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, Lauterbach & Amen, LLP (L&A); Finance Director and Treasurer Amy Sparkowski, Village of Lake Zurich

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

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

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the eight-month period ending August 31, 2021 prepared by L&A. As of August 31, 2021, the net position held in trust for pension benefits is \$53,739,180.01 for a change in position of \$5,308,409.63. 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 June 1, 2021 through August 31, 2021 for total disbursements of \$99,550.30. A motion was made by Trustee Fisk and seconded by Trustee Weigand to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$99,550.30. Motion carried by roll call vote.

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

**NAYS:** None

**ABSENT:** Trustee Fuchs

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

**INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC:** *Review/Update Investment Policy:* The Board discussed the Investment Policy and determined that no changes are required at this time.

*Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending September 30, 2021. As of September 30, 2021, the third quarter net return is (0.6%) versus the third quarter account benchmark of (0.3%). The investment return for the quarter is (\$312,268) for an ending market value of \$52,413,415. The current asset allocation is as follows: fixed income at 39.3%, equities at 60.1% and cash equivalents at 0.6%. 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 Weigand and seconded by Trustee Cornell to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

*Post Consolidation Services Proposal:* This item was tabled until the next regular meeting.

**FINANCE DIRECTOR'S REPORT:** Finance Director Amy Sparkowski informed the Board that the Village is in the budget process and requested the Boards Tax Levy request, MCR and Investment Policy.

**COMMUNICATIONS AND REPORTS:** *Active Member File Maintenance:* The Board noted that L&A has prepared Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents.

*Affidavits of Continued Eligibility –* The Board noted that L&A will mail Affidavits of Continued Eligibility to all pensioners with the December payroll cycle. Further discussion will be held at the next regular meeting.

**TRUSTEE TRAINING UPDATES:** The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

*Approval of Trustee Training Registration Fees and Reimbursable Expenses:* There were no trustee training registration fees or reimbursable expenses presented for approval.

**IFPIF UPDATES:** *IFPIF Status Update and Discussion/Possible Action to be Taken on all IFPIF Requests Pertaining to Consolidation:* Mr. Reimer informed the Board of consolidation updates and the upcoming court date.

*Discussion/Approval – Cash Reserve Balance:* The Board reviewed the cash analysis projection prepared by Lauterbach and Amen, LLP. A motion was made by Trustee Cornell and seconded by Trustee Fisk to direct Sawyer Falduto to raise \$900,000 by the freeze date to be retained in the Schwab Money Market account for the purpose of remitting four months-worth of pension benefits and expenses. Motion carried by roll call vote.

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

*Discussion/Approval – Interim Cash Management Policy:* This item was tabled until the next regular meeting.

The Board noted they will continue to use the Schwab account for Active Member Contributions and Property Tax Contributions.

*Possible Action – Local Account Collateralization:* The Board reviewed the memorandum prepared by L&A regarding the opportunity to collateralize the BMO Harris Bank operating account in excess of the standard \$250,000 FDIC insurance coverage. A motion was made by Trustee Cornell and seconded by Trustee Fisk to authorize Trustee Pilgard to execute the tri-party pledge depository agreement on behalf of the Fund. Motion carried by roll call vote.

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

*Discussion/Approval – FPIF Letter of Direction:* The Board authorized Mr. Reimer to contact FPIF for a revised Letter of Direction. This item was tabled until the next regular meeting.

*Review/Approve – Resolution to Appoint Authorized Agents in accordance with FPIF Rule 2021-01:* The Board reviewed FPIF Rule 2021-01. A motion was made by Trustee Fisk and seconded by Trustee Weigand to appoint Trustees Cornell, Trustee Pilgard and Treasurer Sparkowski as authorized agents for the Lake Zurich Firefighters' Pension Fund in accordance with Rule 2021-01 and to authorize signatures by the Board President and Secretary. Motion carried by roll call vote.

AYES: Trustees Cornell, Weigand, Fisk and Pilgard

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 BENEFIT:** *Approve Regular Retirement Benefit – Terry Johnston:* The Board reviewed the regular retirement benefit calculation for Terry Johnston prepared by L&A. Captain Johnston had an entry date of May 6, 1991, retirement date of August 26, 2021, effective date of pension of August 27, 2021, 55 years of age at date of retirement, 30 years 3 months of creditable service, applicable salary of \$130,158.00, applicable pension percentage of 75%, amount of originally granted monthly pension of \$8,134.88 and amount of originally granted annual pension of \$97,618.56. A motion was made by Trustee Cornell and seconded by Trustee Weigand to approve Terry Johnston's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Cornell, Weigand, Fisk and Pilgard

NAYS: None

ABSENT: Trustee Fuchs

**OLD BUSINESS:** *Review/Possible Action Regarding Excess Contributions:* This item was tabled until the next regular meeting.

*Review/Approve – 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 Fisk to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried unanimously by voice vote.

**NEW BUSINESS:** *Establish 2022 Board Meeting Dates:* The Board established the 2022 Board meeting dates as January 19, 2022; April 20, 2022; July 20, 2022; and October 19, 2022 at 8:00 a.m. in Village Hall located at 70 East Main Street, Lake Zurich, Illinois 60047.

**ATTORNEY'S REPORT – REIMER DOBROVOLNY & LABARDI PC:** *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.

*Annual Independent Medical Examination – Aaron O'Brien and Evert Gerritsen:* Attorney Reimer informed the Board that Evert Gerritsen was examined by Dr. Cohen and the examination determined that Mr. Gerritsen remains disabled. A motion was made by Trustee Cornell and seconded by Trustee Pilgard to continue Evert Gerritsen's disability benefits based on Dr. Cohen's report and subject to further annual examinations until age 50. Motion carried by roll call vote.

AYES: Trustees Cornell, Weigand, Fisk and Pilgard

NAYS: None

ABSENT: Trustee Fuchs

Attorney Reimer also informed the Board that Aaron O'Brien was examined by Dr. Sagerman and the examination determined that Mr. O'Brien remains disabled. A motion was made by Trustee Fisk and

seconded by Trustee Pilgard to continue Aaron O'Brien's disability benefits based on Dr. Sagerman's report and subject to further annual examinations until age 50. Motion carried by roll call vote.

AYES: Trustees Cornell, Weigand, Fisk and Pilgard

NAYS: None

ABSENT: Trustee Fuchs

**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 Cornell and seconded by Trustee Fisk to adjourn the meeting at 9:49 a.m. Motion carried unanimously by voice vote.

The next regular Board meeting is scheduled for January 19, 2022 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*