



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 20, 2022

A regular meeting of the Lake Zurich Firefighters' Pension Fund Board of Trustees was held on Wednesday, July 20, 2022 at 8:00 a.m. in the Lake Zurich 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 8:02 a.m.

ROLL CALL:

PRESENT: Trustees Spencer Cornell, Rick Fisk, Brian McGill and Pete Penkava

ABSENT: Trustee Greg Fuchs

ALSO PRESENT: Attorney Richard Reimer, Reimer Dobrovlny & LaBardi PC; Dave Harrington and John Falduto, Sawyer Falduto Asset Management, LLC; Lainie Grabowski, Lauterbach & Amen, LLP (L&A); Finance Director Amy Sparkowski and Mayor Tom Poynton, Village of Lake Zurich; Heidi Andorfer, Foster & Foster; Greg Kiesewetter, Cook Castle Associates, LLC.

PUBLIC COMMENT: Trustees Brian McGill and Pete Penkava were sworn into the Lake Zurich Firefighters' Pension Fund as new Trustees by Mayor Poynton.

APPROVAL OF MEETING MINUTES: *April 20, 2022 Regular Meeting:* The Board reviewed the April 20, 2022 regular meeting minutes. A motion was made by Trustee Cornell and seconded by Trustee McGill to approve April 20, 2022 regular meeting minutes as written. Motion carried unanimously by voice vote.

NEW BUSSINESS: *Board Officer Elections – President and Secretary:* The Board discussed Board Officer Elections and nominated the slate of Officers as follows: Trustee Cornell as President and Trustee Penkava as Secretary. A motion was made by Trustee McGill and seconded by Trustee Fisk to elect the slate of Officers as stated. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill and Penkava

NAYS: None

ABSENT: Trustee Fuchs

APPROVAL OF MEETING MINUTES (CONTINUED): *June 13, 2022 Special Meeting:* The Board reviewed June 13, 2022 special meeting minutes. A motion was made by Trustee Cornell and seconded by Trustee McGill to approve the June 13, 2022 special 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. Falduto presented the Quarterly Investment Performance Report for the period ending June 30, 2022. As of June 30, 2022, the second quarter net return is (6.5%) versus the second quarter account benchmark of (6.1%). The investment return for the quarter is (\$3,257,922) for an ending market value of \$46,992,533. Mr. Harrington 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 Cornell to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill and Penkava
NAYS: None
ABSENT: Trustee Fuchs

Review/Update Investment Policy: The Board noted that no action can be taken on the investment police as the Fund's investment assets were transferred from Sawyer Falduto Asset Management, LLC to Northern Trust on June 1, 2022 due to Pension Funds Consolidation.

The Board thanked Sawyer Falduto Asset Management, LLC for their years of investment services with the Lake Zurich Firefighters' Pension Fund.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the five-month period ending May 31, 2022 prepared by L&A. As of May 31, 2022, the net position held in trust for pension benefits is \$47,274,659.21 for a change in position of (\$7,433,434.15). 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 March 1, 2022 through May 31, 2022 for total disbursements of \$99,201.15. A motion was made by Trustee Cornell and seconded by Trustee McGill to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$99,201.15. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill and Penkava
NAYS: None
ABSENT: Trustee Fuchs

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

FINANCE DIRECTOR'S REPORT: Finance Director Amy Sparkowski informed the Board that the comprehensive financial report has been completed and will be provided to L&A.

The Board reviewed the Actuarial Valuation prepared by Foster & Foster. Based on data and assumptions, the recommended municipal contribution is \$2,512,418 and the statutory minimum contribution amount is \$2,058,238. A motion was made by Trustee Cornell and seconded by Trustee Fisk to accept the Actuarial Valuation as prepared and request a tax levy in the amount of \$2,512,418 from the Village of Lake Zurich, based on the recommended amount stated in the Actuarial Valuation prepared by Foster & Foster.

Mayor Poynton left at 8:57 a.m.

COMMUNICATIONS AND REPORTS: The Board noted that all 2022 Affidavits of Continued Eligibility have been received by L&A. The originals were provided to the Board for their records.

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.

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: The Board discussed the upcoming trustee training opportunities. A motion was made by Trustee Cornell and seconded by Trustee McGill to approve the registration fees for new trustees interested in attending trustee training. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill and Penkava
NAYS: None
ABSENT: Trustee Fuchs

The Board discussed the upcoming trustee training opportunities. A motion was made by Trustee Cornell and seconded by Trustee McGill to approve the registration fees for existing trustees interested in attending 8-hour continuing trustee training. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill and Penkava
NAYS: None
ABSENT: Trustee Fuchs

IFPIF UPDATES: *Global Cash Movement (GCM) Recurring Withdrawal Instructions:* The Board reviewed the GCM Recurring Withdrawal Instructions. A motion was made by Trustee Fisk and seconded by Trustee Cornell to set a monthly recurring withdrawal from Northern Trust to the BMO Harris account in the amount of \$205,00 effective August 14, 2022. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill and Penkava
NAYS: None
ABSENT: Trustee Fuchs

The Board reviewed the Cash Analysis Projection provided by L&A. A motion was made by Trustee Fisk and seconded by Trustee McGill to approve the cash target amount at a minimum of \$250,000 and a maximum of \$300,000 in the Schwab Money Market Account; whenever the balance exceeds \$300,000, a transfer shall be made from Schwab to the BMO Harris account to bring the balance back to \$250,000 to be then sent by ACH transfer to IFPIF for investment. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill and Penkava
NAYS: None
ABSENT: Trustee Fuchs

IFPIF Status Update and Discussion/Possible Action to be Taken on all IFPIF Requests Pertaining to Consolidation: The Board reviewed the Resolution Authorizing Account Representatives for the Northern Trust Global Cash Movement (GMC) Portal prepared by Attorney Reimer. A motion was made by Trustee Penkava and seconded by Trustee Fisk to adopt Resolution 2022-02, designating Susan Hill from L&A as an Authorized Account Representative for the GCM portal. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill and Penkava
NAYS: None
ABSENT: Trustee Fuchs

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Joel Fishman:* The Board reviewed the Application for Membership submitted by Joel Fishman. A motion was made by Trustee Cornell and seconded by Trustee McGill to accept Joel Fishman into the Lake Zurich Firefighters' Pension Fund effective June 6, 2022, as a Tier II participant. Motion carried unanimously by voice vote.

Dave Harrington left the meeting at 9:37 a.m.

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

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

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.

NEW BUSINESS (CONTINUED): *Review/Approve – Actuarial Valuation and Tax Levy Request:* The Board noted that the Lauterbach and Amen Actuarial Valuation is in process and will be provided to the Board upon completion.

Review/Adopt – Municipal Compliance Report: The Board noted the Municipal Compliance Report is in process and will be sent to the Board upon completion.

FOIA Officer and OMA Designee: The Board will maintain Trustee Cornell as the FOIA Officer and OMA Designee.

Fiduciary Liability Insurance Renewal: The Board reviewed the Fiduciary Liability Insurance renewal provided by Cook Castle Associates, LLC through Ullico Casualty Group, LLC. A motion was made by Trustee Fisk and seconded by Trustee Cornell to add Board Treasurer Amy Sparkowski to the Fiduciary Liability Insurance policy pending underwriter approval and no additional cost to the Board. Motion carried unanimously by voice vote.

A motion was made by Trustee Fisk and seconded by Trustee Cornell to approve renewal of a \$2,000,000 fiduciary liability insurance policy limit with identical parameters and remit payment of the Fiduciary Liability Insurance renewal effective August 1, 2022 through August 1, 2023 in the amount of \$5,077. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill and Penkava
NAYS: None
ABSENT: Trustee Fuchs

ATTORNEY'S REPORT – REIMER DOBROVOLNY & LABARDI PC: *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 Fisk and seconded by Trustee Cornell to authorize the Board Attorney to send Aaron O'Brien and Evert Gerritsen for their annual independent medical examinations. Further discussion will be held at the next regular meeting. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill and Penkava
NAYS: None
ABSENT: Trustee Fuchs

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

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 Cornell to adjourn the meeting at 10:14 a.m. Motion carried unanimously by voice vote.

The next regular Board meeting is scheduled for October 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