



LAKE ZURICH FIREFIGHTERS' PENSION FUND

70 East Main St. ■ Lake Zurich, Illinois 60047

Brian McGill
Trustee

Spencer Cornell
Secretary

Greg Fuchs
Trustee

Pete Penkava
Trustee

Rick Fisk
Trustee

MINUTES OF A REGULAR MEETING OF THE BOARD OF TRUSTEES OCTOBER 19, 2022

A regular meeting of the Lake Zurich Firefighters' Pension Fund Board of Trustees was held on Wednesday, October 19, 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 8:00 a.m.

ROLL CALL:

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

ABSENT: None

ALSO PRESENT: Attorney Richard Reimer, Reimer Dobrovolsky & LaBardi PC; John Falduto, Sawyer Falduto Asset Management, LLC; Lainie Grabowski and Jennifer Flores (*via teleconference*), Lauterbach & Amen, LLP (L&A); Finance Director Amy Sparkowski, Village of Lake Zurich

PUBLIC COMMENT: There was no public comment.

NEW BUSSINESS: *Discussion/Possible Action – Lauterbach & Amen, LLP Records Inventory and Disposal Service:* Mrs. Flores informed the Board of the Records Inventory and Disposal Services offered by L&A. All questions were answered by Mrs. Flores. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to engage L&A at an amount not to exceed \$7,500 for Records Inventory and Disposal Services. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill, Penkava and Fuchs

NAYS: None

ABSENT: None

Mrs. Flores left the meeting at 8:10 a.m.

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

INVESTMENT REPORT: *Sawyer Falduto Asset Management, LLC:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending September 30, 2022. As of September 30, 2022 beginning market value is \$2,074,889 with an ending market value of \$868,714. All questions were answered by Mr. Falduto. A motion was made by Trustee Cornell and seconded by Trustee Penkava to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

IFPIF – Statement of Results: The Board reviewed the IFPIF Statement of Results for the period ending August 31, 2022. The beginning value was \$45,147,643.55 and the ending value was \$45,410,777.46. The net return was (3.05%). A motion was made by Trustee Cornell and seconded by Trustee Fuchs to acknowledge receipt of the Statement of Results provided by IFPIF and to place the report on file. Motion carried unanimously by voice vote.

Trustee McGill left the meeting at 8:33 a.m.

FPIF – Marquette Associates: The Board reviewed the FPIF Monthly Summary prepared by Marquette Associates for the period ending August 31, 2022. As of August 31, 2022, the one-month total net return is (3%) and the year-to-date total net return is (14.4%) for an ending market value of \$7,248,677,066. The current asset allocation is as follows: Total Equity at 63.8%, Fixed Income at 30.3%, Real Estate at 5.1% and

Cash 0.8%. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to acknowledge receipt of the Marquette Associates investment report provided by IFPIF and place the report on file . 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, 2022 prepared by L&A. As of August 31, 2022, the net position held in trust for pension benefits is \$46,019,210.33 for a change in position of (\$8,688,883.03). 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, 2022 through August 31, 2022 for total disbursements of \$1,956,374.30. A motion was made by Trustee Cornell and seconded by Trustee Fisk to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$1,956,374.30 which includes but is not limited to the transfer of \$1,848,632.99 to the consolidated fund, IRS payments and Healthcare payments. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, Penkava and Fuchs

NAYS: None

ABSENT: Trustee McGill

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

Discussion/Possible Action – Cash Management Policy: The Board reviewed the Cash Analysis Projection provided by L&A and noted that no changes to the current Schwab Money Market Account cash target amount at a minimum of \$250,000 and a maximum of \$300,000 are needed at this time.

The Board discussed the need to assist the Lake Zurich Firefighters' Pension Fund and L&A with navigating the expectation for future funding requests and cash reserves. A motion was made by Trustee Cornell and seconded by Trustee Fisk to establish the minimum cash reserve in the BMO Harris account as \$10,000, the maximum cash reserve as \$30,000 and to direct L&A to generate an ACH form to transfer surplus funds once the balance exceeds the maximum cash reserve from BMO Harris Bank to the Northern Trust account for investment purposes and authorize the Board President's signature. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, Penkava and Fuchs

NAYS: None

ABSENT: Trustee McGill

GCM Recurring Withdrawal Instructions for 2023: The Board reviewed the GCM Recurring Withdrawal Instructions for 2023. A motion was made by Trustee Fuchs and seconded by Trustee Penkava to set the 2023 monthly recurring deposits at \$215,000 from FPIF starting January 14, 2023. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, Penkava and Fuchs

NAYS: None

ABSENT: Trustee McGill

FINANCE DIRECTOR'S REPORT: Ms. Sparkowski informed the Board that 88% of the Tax Levy has been received and with three additional disbursements to occur. She also requested Board attendance at the November 7, 2022 Village Board meeting.

COMMUNICATIONS AND REPORTS: *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.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – Ethan Dahl and Jairo Portillo:* The Board reviewed the Applications for Membership submitted by Ethan Dahl and Jairo Portillo. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to accept Ethan Dahl and Jairo Portillo into the Lake Zurich Firefighters’ Pension Fund effective August 15, 2022 as a Tier II participants. Motion carried unanimously by voice vote.

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

OLD BUSINESS: *Discussion/Possible Action Regarding Excess Contributions:* The Board discussed the pension contribution overpayment in the amount of \$70.91 made by David Pilgard in 2018 to the Lake Zurich Firefighters’ Pension Fund. A motion was made by Trustee Cornell and seconded by Trustee Fisk to authorize L&A to produce a check from the Lake Zurich Firefighters’ Pension Fund to the Village of Lake Zurich in the amount of \$70.91 to be remitted back to David Pilgard. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill, Penkava and Fuchs

NAYS: None

ABSENT: None

NEW BUSSINESS (CONTINUED): *Review/Approve – Actuarial Valuation and Tax Levy Request:* The Board reviewed the finalized Actuarial Valuation prepared by L&A. A motion was made by Trustee Fisk and seconded by Trustee Fuchs to acknowledge receipt of the Actuarial Valuation provided by L&A. Motion carried unanimously by voice vote.

Review/Adopt – Municipal Compliance Report: The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to adopt the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried unanimously by voice vote.

Establish 2023 Board Meeting Dates: The Board discussed establishing the 2023 Board meeting dates as January 18, 2023; April 19, 2023; July 19, 2023; and October 18, 2023 at 8:00 a.m in the Lake Zurich Village Hall located at 70 East Main Street, Lake Zurich, Illinois 60047. A motion was made by Trustee Fuchs and seconded by Trustee Cornell to establish the 2023 Board meeting dates as stated. Motion carried unanimously by voice vote.

Reciprocity Update – Joel Fishman: The Board noted that Jol Fishman intends to submit a request to combine creditable service under reciprocity. To date there has been no documentation submitted by the member. Further discussion will be held at the next regular meeting.

ATTORNEY’S REPORT – REIMER DOBROVOLNY & LABARDI PC: *Annual Independent Medical Examination – Aaron O’Brien and Evert Gerritsen:* Attorney Reimer informed the Board that Aaron O’Brien was examined by Dr. Sagerman and the examination determined that he remains disabled.

Attorney Reimer informed the Board that Evert Gerritsen was examined by Dr. Cohen and the examination determined that he remains disabled.

A motion was made by Trustee Cornell and seconded by Trustee Fisk to continue Aaron O’Brien and Evert Gerritsen’s disability benefits based on Dr.Sagelman’s and Dr. Cohen’s reports and subject to further annual examinations until age 50. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, McGill, Penkava and Fuchs

NAYS: None

ABSENT: None

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 Fuchs and seconded by Trustee Cornell to adjourn the meeting at 9:31 a.m. Motion carried unanimously by voice vote.

The next regular Board meeting is scheduled for January 18, 2023 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

