



## 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
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### MINUTES OF A REGULAR MEETING OF THE LAKE ZURICH FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES JANUARY 18, 2023

A regular meeting of the Lake Zurich Firefighters' Pension Fund Board of Trustees was held on Wednesday, January 18, 2023 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 and Pete Penkava

**ABSENT:** Trustee Greg Fuchs

**ALSO PRESENT:** Attorney Vince Mancini, Reimer Dobrovolny & LaBardi PC; John Falduto, Sawyer Falduto Asset Management, LLC; Lainie Grabowski and Declan Harkin, Lauterbach & Amen, LLP (L&A); Finance Director Amy Sparkowski, Village of Lake Zurich

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

**APPROVAL OF MEETING MINUTES:** *October 19, 2022 Regular Meeting:* The Board reviewed the October 19, 2022 regular meeting minutes. A motion was made by Trustee Cornell and seconded by Trustee Fisk to approve October 19, 2022 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:* Mr. Falduto presented the Quarterly Report for the period ending December 31, 2022. As of December 31, 2022 beginning market value is \$868,714 with an ending market value of \$251,307. All questions were answered by Mr. Falduto. A motion was made by Trustee Cornell and seconded by Trustee McGill to accept the Quarterly 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 November 30, 2022. The beginning value was \$44,153,247.23 and the ending value was \$46,854,698.26. The net return was 6.19%.

*FPIF – Marquette Associates:* The Board reviewed the FPIF Monthly Summary prepared by Marquette Associates for the period ending October 31, 2022. As of October 31, 2022, the one-month total net return is 3.4% and the year-to-date total net return is (18.2%) for an ending market value of \$6,952,824,020. The current asset allocation is as follows: Total Equity at 63.6%, Fixed Income at 30.0%, Real Estate at 5.2%, Cash 1.2%.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the eleven-month period ending November 30, 2022 prepared by L&A. As of November 30, 2022, the net position held in trust for pension benefits is \$47,397,493.21 for a change in position of (\$7,310,600.15). 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 September 1, 2022 through November 30, 2022 for total disbursements of \$1,422,253.43. A motion was made by Trustee Cornell and seconded by Trustee

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McGill to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$1,422,253.43 which includes but is not limited to transfers to the consolidated fund, IRS payments and Healthcare payments. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, Penkava and McGill

NAYS: None

ABSENT: Trustee Fuchs

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

*Discussion/Possible Action – Cash Management Policy:* L&A provided the Board with the necessary forms to update the signers on the BMO Harris Bank account with the current Board members and municipal representative. A motion was made by Trustee Cornell and seconded by Trustee McGill to add Trustee Penkava and Finance Director Amy Sparkowski as signers on the BMO Harris Bank account. Motion carried unanimously by voice vote.

The Board reviewed the GCM Recurring Withdrawal Instructions for 2023. A motion was made by Trustee Fisk and seconded by Trustee Cornell to revise the 2023 monthly recurring deposits to \$235,000 from FPIF starting February 14, 2023. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk, Penkava and McGill

NAYS: None

ABSENT: Trustee Fuchs

**FINANCE DIRECTOR'S REPORT:** Ms. Sparkowski informed the Board that the 2023 Tax Levy request for \$2,512,418 was approved. She also informed the Board that 99% of the Tax Levy was received and that the municipality will be providing a check in the amount of \$27,626 to make the 2022 Tax Levy request whole.

**COMMUNICATIONS AND REPORTS:** *Affidavits of Continued Eligibility* – The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the December payroll cycle and a due date of January 31, 2023. A status update will be provided at the next regular meeting.

*Statements of Economic Interest:* The Board noted that the List of Filers must be submitted to the County by the Village by February 1, 2023. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2023.

**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:** *Application for Membership – Jacob Rowe:* The Board reviewed the Application for Membership submitted by Jacob Rowe. A motion was made by Trustee Cornell and seconded by Trustee Penkava to accept Jacob Rowe into the Lake Zurich Firefighters' Pension Fund effective January 3, 2023, as a Tier II participant. Motion carried unanimously by voice vote.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFIT:** *Approve Regular Retirement Benefits – Jeff Grant and Patrick Rainey:* The Board reviewed the regular retirement benefit calculation for Jeff Grant prepared by L&A. Captain/Shift Commander Grant had an entry date of February 6, 1989, retirement date of November 5, 2022, effective date of pension of November 6, 2022, 54 years of age at

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date of retirement, 33 years and 8 months of creditable service, applicable salary of \$133,411.46, applicable pension percentage of 75%, amount of originally granted monthly pension of \$8,338.22 and amount of originally granted annual pension of \$100,058.64. A motion was made by Trustee Cornell and seconded by Trustee McGill to approve Jeff Grant's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

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

The Board reviewed the regular retirement benefit calculation for Patrick Rainey prepared by L&A. Lieutenant Rainey had an entry date of November 16, 1992, retirement date of January 10, 2023, effective date of pension of January 11, 2023, 54 years of age at date of retirement, 30 years and 1 month of creditable service, applicable salary of \$126,383.32, applicable pension percentage of 75%, amount of originally granted monthly pension of \$7,898.96 and amount of originally granted annual pension of \$94,787.52. A motion was made by Trustee Cornell and seconded by Trustee Penkava to approve Patrick Rainey's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

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

**OLD BUSINESS: Reciprocity Update – Joel Fishman:** The Board noted that Joel 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.

**NEW BUSSINESS: Approve Annual Cost of Living Adjustments for Pensioners:** The Board reviewed the 2023 Cost of Living Adjustments calculated by L&A. A motion was made by Trustee Cornell and seconded by Trustee Fisk to approve the 2023 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

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

*Review Trustee Term Expirations and Election Procedures:* The Board noted that the active member term currently held by Trustee Penkava is expiring in April 2023. Trustees Penkava expressed his interest to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions.

*Updated Local Bank Account Collateralization Agreements:* The Board reviewed the memorandum prepared by L&A regarding the successor of the third-party custodian from Bank of America to The Bank of New York Mellon to continue collateralization of the BMO Harris Bank operating account. The Board noted that further discussion would be held at a special meeting scheduled for February 22, 2023.

**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.

*Review, Adopt and Publish Decision and Order – Jeff Grant and Patrick Rainey:* The Board noted the Decision and Order for Jeff Grant will be tabled until the next meeting.

The Board reviewed the Decision and Order prepared by Reimer Dobrovolny & LaBardi PC. A motion was made by Trustee Cornell and seconded by Trustee McGill to approve, adopt and publish the Decision and Order for Patrick Rainey as presented. Motion carried unanimously by voice vote.

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

**ADJOURNMENT:** A motion was made by Trustee Cornell and seconded by Trustee Penkava to adjourn the meeting at 9:20 a.m. Motion carried unanimously by voice vote.

The next regular Board meeting is scheduled for April 19, 2023 at 8:00 a.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 4-19-2023

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