



LAKE ZURICH FIREFIGHTERS' PENSION FUND

70 East Main St. ■ Lake Zurich, Illinois 60047

Brian McGill Spencer Cornell Greg Fuchs Pete Penkava Rick Fisk
Trustee Secretary Trustee Trustee Trustee

MINUTES OF A REGULAR MEETING OF THE LAKE ZURICH FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES JULY 19, 2023

A regular meeting of the Lake Zurich Firefighters' Pension Fund Board of Trustees was held on Wednesday, July 19, 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 (*arrived at 8:18 a.m.*) and Greg Fuchs

ABSENT: Trustee Pete Penkava

ALSO PRESENT: Attorney Rick Reimer, Reimer Dobrovolny & LaBardi PC; John Falduto, Sawyer Falduto Asset Management, LLC (*arrived at 8:05 a.m.*); Lainie Grabowski, Lauterbach & Amen, LLP (L&A); Finance Director Amy Sparkowski and Fire Chief Pilgard (*arrived at 9:44 a.m.*), Lake Zurich Fire Department; Greg Kiesewetter, Cook Castle Associates, LLC; Heidi Andorfer, Foster & Foster

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *April 19, 2023 Regular Meeting:* The Board reviewed the April 19, 2023 regular meeting minutes. A motion was made by Trustee Fuchs and seconded by Trustee Fisk to approve April 19, 2023 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.

Review/Approve – Destruction of Remote Meeting Recordings: The Board reviewed the remote open meeting recordings log. A motion was made by Trustee Cornell and seconded by Trustee Fisk to destroy all eligible remote open meeting recordings. Motion carried unanimously by voice vote.

Mr. Falduto arrived at 8:05 a.m.

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, 2023 prepared by L&A. As of May 31, 2023, the net position held in trust for pension benefits is \$47,414,654.70.41 for a change in position of \$1,413,637.06. 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, 2023 through May 31, 2023 for total disbursements of \$235,380.62. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$235,380.62 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 and Fuchs

NAYS: None

ABSENT: Trustees Penkava and McGill

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

FINANCE DIRECTOR'S REPORT: Ms. Sparkowski informed the Board that the audited financials have been received and are under review and noted that 50% of the taxes have been collected to date.

COMMUNICATIONS AND REPORTS: *Active Member File Maintenance:* The Board noted that L&A provided 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: There were no trustee training registration fees or reimbursable expenses presented for approval.

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 Benefits – Scott Nemeth, Ken Mogge, Eric Ryan and Michael Wiltgen:* The Board reviewed the regular retirement benefit calculation for Scott Nemeth prepared by L&A. Firefighter Nemeth had an entry date of June 4, 1999, retirement date of June 5, 2023, effective date of pension of June 6, 2023, 24 years of creditable service, applicable salary of \$107,161., applicable pension percentage of 65.63%, amount of originally granted monthly pension of \$5,860.41 and amount of originally granted annual pension of \$68,423.43. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to approve Scott Nemeth's regular retirement benefit calculated by L&A and to approve, adopt and publish the Decision and Order for Scott Nemeth as presented.

AYES: Trustees Cornell, Fisk and Fuchs

NAYS: None

ABSENT: Trustees Penkava and McGill

The Board reviewed the regular retirement benefit calculation for Kenneth Mogge prepared by L&A. Firefighter/Paramedic Mogge had an entry date of August 16, 1993, retirement date of August 16, 2023, effective date of pension of August 17, 2023, 54 years of age at date of retirement, 30 years of creditable service, applicable salary of \$107,161.84, applicable pension percentage of 75%, amount of originally granted monthly pension of \$6,697.62 and amount of originally granted annual pension of \$80,371.44. A motion was made by Trustee Cornell and seconded by Trustee Fisk to approve Kenneth Mogge's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk and Fuchs

NAYS: None

ABSENT: Trustees Penkava and McGill

Trustee McGill arrived at 8:18 a.m.

The Board reviewed the regular retirement benefit calculation for Eric Ryan prepared by L&A. Firefighter/Paramedic Ryan had an entry date of August 16, 1993, retirement date of August 15, 2023, effective date of pension of August 16, 2023, 58 years of age at date of retirement, 30 years of creditable service, applicable salary of \$107,161.84, applicable pension percentage of 75%, amount of originally granted monthly pension of \$6,697.62 and amount of originally granted annual pension of \$80,371.44. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to approve Eric Ryan's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

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

The Board noted that the regular retirement benefit calculation for Michael Wiltgen is in process and that further discussion will be held at the next regular meeting.

OLD BUSINESS: *Reciprocity Update – Joel Fishman:* The Board noted that L&A mailed correspondence to Joel Fishman regarding his request for reciprocity, but no response has been received to date. Further discussion will be held at the next regular meeting.

Military Buyback – Joel Fishman: The Board noted that L&A mailed correspondence to Joel Fishman regarding his request to calculate the amount of money due to the Lake Zurich Firefighters' Pension Fund to purchase 24 months of military service time, but no response has been received to date. Further discussion will be held at the next regular meeting.

IDOI Annual Statement: The Board noted that the finalized report was filed prior to the June 30, 2023 deadline.

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 Fuchs and seconded by Trustee McGill to elect the slate of Officers as stated. Motion carried unanimously by voice vote.

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

Review/Approve – Actuarial Valuation and Tax Levy Request: The Board reviewed the preliminary Actuarial Valuation prepared by Foster & Foster. The Board will discuss the final Actuarial Valuation for approval at the next regular meeting.

Trustee Fuchs left the meeting at 9:04 a.m.

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

Discussion/Possible Action – 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 Cornell and seconded by Trustee McGill to approve payment of the fiduciary liability insurance renewal effective August 1, 2023 through August 1, 2024 in the amount of \$5,175. Motion carried by roll call vote.

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

ATTORNEY'S REPORT – REIMER DOBROVOLNY & LABARDI PC: *Annual Independent Medical Examination – Aaron O'Brien:* The Board discussed sending Aaron O'Brien for his annual independent medical examination (IME). A motion was made by Trustee Cornell and seconded by Trustee Fisk to authorize the Board Attorney to send Aaron O'Brien for his annual IME. Further discussion will be held at the next regular meeting. Motion carried by roll call vote.

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

Review, Adopt and Publish Decision and Order – Ken Mogge, Steven Norman, Scott Nemeth, Eric Ryan and Michael Wiltgen: The Board noted that the Decision and Order for Ken Mogge is in process and further discussion will be held at the next regular meeting.

The Board reviewed the Decision and Order prepared by Steve Norman. A motion was made by Trustee Cornell and seconded by Trustee McGill to approve, adopt and publish the Decision and Order for Steve Norman as presented. Motion carried unanimously by voice vote.

The Board noted that the Decision and Order for Scott Nemeth was approved under the Approval of Regular Retirement Benefits section of the meeting.

The Board noted that the Decision and Order for Eric Ryan is in process and further discussion will be held at the next regular meeting.

The Board noted that the Decision and Order for Michael Wiltgen is in process and further discussion will be held at the next regular meeting.

Review, Adopt and Publish Decision and Order – Ken Mogge – Adult Dependent Survivor Benefit Designation: Attorney Reimer informed the Board that records are being requested from the member. Further discussion will be held at the next regular meeting.

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.

Attorney Reimer informed the Board that he received an application for a duty disability from Brian Blaauw. Further discussion will be held at the next regular meeting.

Discussion/Possible Action – Reimer Dobrovolny & LaBardi PC Rate Increase: The Board discussed the Reimer Dobrovolny & LaBardi PC hourly and quarterly retainer fee rates. A motion was made by Trustee Cornell and seconded by Trustee McGill to approve the increased hourly rate of \$200 per hour for partners and \$175 per hour for an associate attorney and the quarterly retainer rate of \$750 effective July 1, 2023. Motion carried by roll call vote.

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

Chief Pilgard arrived at 9:44 a.m.

INVESTMENT REPORT: *Sawyer Falduto Asset Management, LLC:* Mr. Falduto presented the Quarterly Report for the period ending May 31, 2023. As of May 31, 2023 the beginning market value is \$335,104 with an ending market value of \$488,450. All questions were answered by Mr. Falduto. A motion was made by Trustee Cornell and seconded by Trustee Fisk 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 May 31, 2023. The beginning value was \$47,540,484.73 and the ending value was \$46,735,917.39. The net return was (1.24%).

IFPIF – Marquette Associates: The Board reviewed the IFPIF Monthly Summary prepared by Marquette Associates for the period ending April 30, 2023. As of April 30, 2023, the one-month total net return was 1.1% and the year-to-date total net return was 6.2% for an ending market value of \$7,719,857,277. The current asset allocation is as follows: Total Equity at 64.9%, Fixed Income at 29%, Real Estate at 4.7%, Cash 1.4%.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP (CONTINUED): *Discussion/Possible Action – Cash Management Policy:* The Board reviewed the GCM Recurring Withdrawal Instructions for 2023. A motion was made by Trustee Cornell and seconded by Trustee Fisk to increase the 2023 monthly recurring deposits to \$285,000 from FPIF effective August 14, 2023. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk and McGill

NAYS: None

ABSENT: Trustees Penkava and Fuchs

The Board reviewed the Cash Analysis Projection provided by L&A. A motion was made by Trustee Cornell and seconded by Trustee Fisk to set the target balance in the Charles Schwab Money Market account at \$285,000 and whenever the balance exceeds \$335,000, a transfer shall be made from the Charles Schwab Money Market account to the BMO Harris Bank account to rebalance back to \$285,000 and send all excess cash to IFPIF for investment purposes. Motion carried by roll call vote.

AYES: Trustees Cornell, Fisk and McGill

NAYS: None

ABSENT: Trustees Penkava and Fuchs

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

ADJOURNMENT: A motion was made by Trustee Cornell and seconded by Trustee Fisk to adjourn the meeting at 10:04 a.m. Motion carried unanimously by voice vote.

The next regular Board meeting is scheduled for October 18, 2023 at 8:00 a.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 10/18/23

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