



## LAKE ZURICH FIREFIGHTERS' PENSION FUND

70 East Main St. ■ Lake Zurich, Illinois 60047

Brian McGill  
Trustee

Spencer Cornell  
President

Greg Fuchs  
Trustee

Pete Penkava  
Secretary

Rick Fisk  
Trustee

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

A regular meeting of the Lake Zurich Firefighters' Pension Fund Board of Trustees was held on Wednesday, October 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 8:01 a.m.

#### ROLL CALL:

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

**ABSENT:** Trustee Rick Fisk

**ALSO PRESENT:** Attorney Rick Reimer, Reimer Dobrovolny & LaBardi PC; John Falduto, Sawyer Falduto Asset Management, LLC (*via teleconference*); Lainie Grabowski, Lauterbach & Amen, LLP (L&A); Finance Director Amy Sparkowski; Greg Kiesewetter, Cook Castle Associates, LLC

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

**APPROVAL OF MEETING MINUTES:** *July 19, 2023 Regular Meeting:* The Board reviewed the July 19, 2023 regular meeting minutes. A motion was made by Trustee Fuchs and seconded by Trustee Cornell to approve July 19, 2023 regular meeting minutes as written. Motion carried unanimously by voice vote.

**INVESTMENT REPORT:** *Sawyer Falduto Asset Management, LLC:* Mr. Falduto presented the Quarterly Report for the period ending September 30, 2023. As of September 30, 2023 the beginning market value is \$488,450 with an ending market value of \$648,755. All questions were answered by Mr. Falduto. A motion was made by Trustee Cornell and seconded by Trustee Fuchs 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 August 31, 2023. The beginning value was \$50,718,918.10 and the ending value was \$49,435,811.09. The net return was (2.27%).

**IFPIF – Marquette Associates:** The Board reviewed the IFPIF Monthly Summary prepared by Marquette Associates for the period ending July 31, 2023. As of July 31, 2023, the one-month total net return was 2.7% and the year-to-date total net return was 7.1% for an ending market value of \$8,150,912,989. The current asset allocation is as follows: Total Equity at 66.6%, Fixed Income at 27.6%, Real Estate at 4.9%, Cash 0.9%.

**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, 2023 prepared by L&A. As of August 31, 2023, the net position held in trust for pension benefits is \$49,997,547.77 for a change in position of \$3,996,530.13. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal, Quarterly Deduction Report, Quarterly Transfer Report and the Quarterly Disbursement Report, for the period June 1, 2023 through August 31, 2023 for total disbursements of \$33,760.88. A motion was made by Trustee Fuchs and seconded by Trustee Penkava to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Quarterly Disbursement Report, in the amount of \$33,760.88. Motion carried unanimously by voice vote.

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

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

*Discussion/Possible Action – Cash Management Policy:* The Board discussed the Cash Management Policy and determined that no changes are required at this time. Further discussion will be held at the next regular meeting.

*GCM Recurring Withdrawal Instructions for 2024:* The Board reviewed the GCM Recurring Withdrawal Instructions for 2024. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to set the 2024 monthly recurring deposits at \$290,000 from FPIF. Motion carried by roll call vote.

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

**FINANCE DIRECTOR'S REPORT:** Ms. Sparkowski informed the Board that 3 additional property tax distributions are expected this year. Ms. Sparkowski also requested Board attendance at the November 6, 2023 Village meeting to request the tax levy.

**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 – Joe Bartmann, Connor DeBoer, Zach Heiderman, Justin Kenyon and Jacob St. John:* The Board reviewed the Applications for Membership submitted by Joe Bartmann, Connor DeBoer, Zach Heiderman, Justin Kenyon and Jacob St. John. A motion was made by Trustee Cornell and seconded by Trustee McGill to accept Joe Bartmann and Justin Kenyon effective July 17, 2023, Jacob St. John and Zach Heiderman effective August 28, 2023 and Connor DeBoer September 25, 2023 into the Lake Zurich Firefighters' Pension Fund as Tier II participants. Motion carried unanimously by voice vote.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFIT:** *Approve Regular Retirement Benefits – Michael Griffiths and Michael Wiltgen:* The Board reviewed the regular retirement benefit calculation for Michael Griffiths prepared by L&A. Firefighter/Paramedic Griffiths had an entry date of January 8, 1994, retirement date of January 7, 2024, effective date of pension of January 8, 2024, 61 years of age at date of retirement, 30 years of creditable service, applicable salary of \$109,840.89, applicable pension percentage of 75%, amount of originally granted monthly pension of \$6,865.06 and amount of originally granted annual pension of \$82,380.72. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to approve Michael Griffiths' regular retirement benefit calculated by L&A. Motion carried by roll call vote.

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

The Board reviewed the regular retirement benefit calculation for Michael Wiltgen prepared by L&A. Firefighter/Paramedic Wiltgen had an entry date of August 16, 1993, retirement date of August 17, 2023, effective date of pension of August 18, 2023, 55 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 Michael Wiltgens' regular retirement benefit calculated by L&A. Motion carried by roll call vote.

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

**OLD BUSINESS:** *Reciprocity Update – Joel Fishman:* The Board reviewed the reciprocity calculation provided by L&A. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to approve the repayment schedule agreement as prepared, pending a written Decision and Order. Motion carried by roll call vote.

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

*Post Meeting Note: The member elected to move forward with a lump sum payment to complete reciprocity. Further discussion will be held at the next regular meeting.*

*Military Buyback – Joel Fishman:* The Board noted that the member has declined moving forward with the military buyback at this time. Updates will be provided as they become available.

**NEW BUSSINESS:** *Discussion/Possible Action – IFPIF Actuarial Valuation:* The Board reviewed the Actuarial Valuation provided by IFPIF. No Board action was necessary.

*Review/Approve – Actuarial Valuation and Tax Levy Request:* The Board reviewed the finalized Actuarial Valuation prepared by L&A. Based on data and assumptions, the recommended contribution amount is \$2,842,641 which is a \$391,996 increase from the prior year recommended contribution. A motion was made by Trustee Cornell and seconded by Trustee McGill to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$2,842,641 from the Village of Lake Zurich. Motion carried by roll call vote.

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

*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.

*Discussion/Possible Action – Cyber Risk Insurance Coverage:* The Board reviewed the Cyber Risk Insurance Coverage provided by North Specialty Insurance Company through Euclid Specialty. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to approve payment of the Cyber Risk Insurance Coverage effective November 1, 2023 through November 1, 2024 in the amount of \$2,832. Motion carried by roll call vote.

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

*Review/Approve – Records Disposal Certificate:* The Board reviewed the Records Disposal Certificate approved by the Illinois Secretary of State Records Management Division. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to direct L&A to dispose of the approved records outlined in the Records Disposal Certificate. Motion carried unanimously by voice vote.

*Establish 2024 Board Meeting Dates:* The Board discussed establishing the 2024 Board meeting dates as January 17, 2024; April 17, 2024; July 17, 2024; and October 16, 2024 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 McGill to establish the 2024 Board meeting dates as stated. Motion carried unanimously by voice vote.

*Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter:* The Board reviewed the L&A three-year engagement letter. A motion was made by Trustee Fuchs and seconded by Trustee Penkava to engage L&A in the annual amounts as follows: \$25,805 for the year ended December 31, 2024; \$26,705 for the year ended December 31, 2025; and \$27,610 for the year ended December 31, 2026. Motion carried by roll call vote.

AYES: Trustees Cornell, Fuchs, Penkava and McGill

NAYS: None

ABSENT: Trustee Fisk

**ATTORNEY'S REPORT – REIMER DOBROVOLNY & LABARDI PC:** *Annual Independent Medical Examination—Aaron O'Brien:* The Board noted that gathering records for the annual independent medical examination is in process. Further discussion will be held at the next regular meeting.

The Board also noted that Evert Gerritsen will reach age 50 November 10, 2023 and is no longer subject to independent medical examinations.

*Review, Adopt and Publish Decision and Order – Ken Mogge, Eric Ryan and Michael Wiltgen:* The Board reviewed the Decision and Order prepared by Attorney Reimer. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to approve, adopt and publish the Decision and Order for Ken Mogge as presented. Motion carried by roll call vote.

AYES: Trustees Cornell, Fuchs, Penkava and McGill

NAYS: None

ABSENT: Trustee Fisk

The Board reviewed the Decision and Order prepared by Attorney Reimer. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to approve, adopt and publish the Decision and Order for Eric Ryan presented. Motion carried by roll call vote.

AYES: Trustees Cornell, Fuchs, Penkava and McGill

NAYS: None

ABSENT: Trustee Fisk

The Board reviewed the Decision and Order prepared by Attorney Reimer. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to approve, adopt and publish the Decision and Order for Michael Wiltgen as presented. Motion carried by roll call vote.

AYES: Trustees Cornell, Fuchs, Penkava and McGill

NAYS: None

ABSENT: Trustee Fisk

*Review, Adopt and Publish Decision and Order – Ken Mogge – Adult Dependent Survivor Benefit Designation:* The Board reviewed the Decision and Order prepared by Attorney Reimer. A motion was made by Trustee Cornell and seconded by Trustee Fuchs to approve, adopt and publish the Decision and

Order for the adult survivor benefit designation for Ken Mogge as presented. Motion carried by roll call vote.

AYES: Trustees Cornell, Fuchs, Penkava and McGill

NAYS: None

ABSENT: Trustee Fisk


*QILDRO Update – Michael Wiltgen:* Attorney Reimer informed the Board that at the time of the alternate payee's death the Board was awaiting QILDRO documents. Further discussion will be held at the next regular meeting.

*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.

**ADJOURNMENT:** A motion was made by Trustee Cornell and seconded by Trustee Fuchs to adjourn the meeting at 9:29 a.m. Motion carried unanimously by voice vote.

The next regular Board meeting is scheduled for January 17, 2024 at 8:00 a.m.

  
Board President or Secretary

Minutes approved by the Board of Trustees on 1/17/24

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