

**MINUTES OF A REGULAR MEETING OF THE
BUFFALO GROVE FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES
AUGUST 19, 2024**

A regular meeting of the Buffalo Grove Firefighters' Pension Fund Board of Trustees was held on Monday, August 19, 2024 at 8:30 a.m. in the Buffalo Grove Village Hall located at 50 Raupp Boulevard, Buffalo Grove, Illinois 60089, pursuant to notice.

CALL TO ORDER: President Dan Pasquarella called the meeting to order at 8:30 a.m.

ROLL CALL:

PRESENT: Trustees Dan Pasquarella, Josh Himmelspach, Thomas Gough, Larry Stanley and Chris Black

ABSENT: None

ALSO PRESENT: Attorney Carolyn Clifford, Ottosen; Ed Lavin, Sawyer Falduto Asset Management, LLC (SFAM); Denise Bocek, Village of Buffalo Grove; Molly Barker, Angeline Xavier and Amanda Roth (*via teleconference*), Lauterbach & Amen, LLP (L&A); Tia Schoolcraft and Ryan Doyle, Gallagher Insurance; Fire Chief Larry Kane and Deputy Chief Shawn Collins, Buffalo Grove Fire Department

APPROVAL OF REMOTE ATTENDANCE AND FULL PARTICIPATION BY CERTAIN TRUSTEES (IF ANY): The Board noted that there were no Trustees attending remotely.

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *April 29, 2024 Regular Meeting:* The Board reviewed the April 29, 2024, regular meeting minutes. A motion was made by Trustee Stanley and seconded by Trustee Gough to approve the April 29, 2024, regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the closed session meeting minute log. A motion was made by Trustee Gough and seconded by Trustee Himmelspach to not release the closed session meeting minutes at this time as the need for confidentiality still exists. Motion carried unanimously by voice vote.

Review/Approval – Remote Open Meeting Recordings Destruction: The Board reviewed the remote open meeting recordings log and determined that there were no eligible recordings to destroy at this time.

NEW BUSINESS: *Fiduciary Liability Insurance Renewal – Gallagher Presentation (January 2025 Renewal):* Ms. Schoolcraft and Mr. Doyle presented the fiduciary insurance renewal through Gallagher effective January 1, 2025. All questions were answered by Ms. Schoolcraft and Mr. Doyle. Further discussion will be held at the next regular meeting.

Ms. Schoolcraft and Mr. Doyle left the meeting at 9:15 a.m.

FINANCIAL/INVESTMENT REPORTS: *Monthly Financial Reports from Lauterbach & Amen (April, May, June and July 2024):* The Board reviewed the Monthly Financial Report for the four-month period ending April 30, 2024, prepared by L&A. As of April 30, 2024, the net position held in trust for pension benefits is \$81,155,984.55 for a change in position of \$246,283.79. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal, Quarterly Deduction Report and Quarterly Transfer Report.

The Board also reviewed the Monthly Financial Report for the five-month period ending May 31, 2024, prepared by L&A. As of May 31, 2024, the net position held in trust for pension benefits is \$83,451,654.57

for a change in position of \$2,541,953.81. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal, Quarterly Deduction Report and Quarterly Transfer Report.

The Board also reviewed the Monthly Financial Report for the six-month period ending June 30, 2024, prepared by L&A. As of June 30, 2024, the net position held in trust for pension benefits is \$83,892,391.52 for a change in position of \$2,982,690.76. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal, Quarterly Deduction Report and Quarterly Transfer Report. The ending balance in the BMO account for this period is \$12,351.28, which is above the Board's target cash balance (\$10,000) but below the transfer threshold (\$25,000) set by the Board for this account. A motion was made by Trustee Stanley and seconded by Trustee Gough to accept the Monthly Financial Reports as presented. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelspach, Gough, Stanley and Black
NAYS: None
ABSENT: None

Presentation and Approval of Bills: The Board reviewed the Quarterly Disbursement Reports for the period April 1, 2024, through June 30, 2024, for total disbursements of \$47,342.82. A motion was made by Trustee Stanley and seconded by Trustee Himmelspach to approve the disbursements shown on the Quarterly Disbursement Reports in the amount of \$47,342.82. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelspach, Gough, Stanley and Black
NAYS: None
ABSENT: None

Additional Bills, if any: The Board discussed the invoice for the current fiduciary liability insurance policy. A motion was made by Trustee Stanley and seconded by Trustee Gough to reimburse the Village of Buffalo Grove in the amount of \$8,195 for the fiduciary liability insurance for the Fire Pension Fund for the dates January 1, 2024, through January 1, 2025. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelspach, Gough, Stanley and Black
NAYS: None
ABSENT: None

Review – Cash Balances of Local Accounts – BMO Bank Statement and Current Balance Status: The Board reviewed the current balance of the BMO Bank operating account and discussed upcoming cash needs. No changes are needed at this time.

Schwab Statement, Current Balance Status and Quarterly Report – Sawyer Falduto: Mr. Lavin presented the Investment Performance Report for the period ending June 30, 2024. As of June 30, 2024, the ending market value held in the Schwab money market account is \$649,597, which is above the Board's target cash balance (\$436,000) and above the transfer threshold (\$520,000) set by the Board for this account.

Review/Approval – FPIF Statements of Results (April, May, June and July 2024): The Board reviewed the FPIF Statements of Results for the periods April 30, 2024, and May 31, 2024. As of May 31, 2024, the Fund's ending Net Asset Value (NAV) in FPIF is \$82,998,398.79 which is 0.94% ownership in FPIF. The year-to-date net return of the Fund's total assets is 5.02% and the one-month net return for May 2024 is 3.19%.

Review/Approval – FPIF Monthly Investments Summaries (April, May, June and July 2024): The Board reviewed the FPIF Monthly Investments Summaries for the periods April, May and June 2024. As of June 30, 2024, the one-month total net return is 1.4% vs. the FPIF policy benchmark of 1.3% and the year-to-date total net return is 6.5% vs the FPIF policy benchmark of 6.0% for an ending market value of

\$8,990,593,870. The current asset allocation is as follows: Equity at 65.4%, Fixed Income at 29.2%, Real Estate at 4.3%, Cash at 1.1% and Transition and Member Funds at 0.0%. A motion was made by Trustee Stanley and seconded by Trustee Gough to accept the to accept the Sawyer Falduto Quarterly Report, FPIF Statement of Results and FPIF Monthly Investments Summaries as presented. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelspach, Gough, Stanley and Black
NAYS: None
ABSENT: None

FPIF Private Market Communication to Participating Pension Funds (May 2024): The Board was provided the FPIF Private Market Communication to participating Pension Funds from May 2024, which Attorney Clifford reviewed with the Board. The Board also received and reviewed an article on this issue from L&A.

FPIF Adopted Amendment to Cash Management Rule (August 2, 2024): The Board was provided the adopted amendment to the Cash Management Rule approved by FPIF in August 2024, which Attorney Clifford reviewed with the Board.

FPIF Adopted Amendment to Cost Allocation Rule (August 2, 2024): The Board was provided the adopted amendment to the Cost Allocation Rule approved by FPIF in August 2024, which Attorney Clifford reviewed with the Board.

COMMUNICATIONS AND REPORTS: *Active Member File Maintenance:* The Board noted that L&A will prepare Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents.

DOI Siren – Reporting of Investment Fees on the Annual Statement by Article 3 & 4 Funds: The Board was provided the DOI Siren regarding reporting of investment fees on the DOI Annual Statement by Article 3 and 4 Funds, which Attorney Clifford reviewed with the Board.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Reciprocity Update – Landon Hopp:* The Board noted that the balance due from Landon Hopp to the Buffalo Grove Firefighters' Pension Fund to combine service with the Cherry Valley Firefighters' Pension Fund under reciprocity has been received in full. A motion was made by Trustee Himmelspach and seconded by Trustee Gough to accept this payment and recognize the purchase as paid in full. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelspach, Gough, Stanley and Black
NAYS: None
ABSENT: None

Military Purchase – Lawrence Kane: The Board was advised that Lawrence Kane received a cost estimation for a military creditable service purchase and noted that he declined to move forward with the purchase. No further action is needed.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Approve Regular Retirement Benefits – William Baker:* The Board reviewed the regular retirement benefit calculation for William Baker prepared by L&A. Fire Chief Baker had an entry date of November 25, 2013, retirement date of July 12, 2024, effective date of pension of July 13, 2024, 64 years of age at date of retirement, 10 years and 7 months of creditable service, applicable salary of \$202,128.16, applicable pension percentage of 15%, amount of originally granted monthly pension of \$2,526.60 and amount of originally granted annual pension of \$30,319.20. A motion was made by Trustee Stanley and seconded by Trustee Himmelspach to approve William Baker's regular retirement benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelspach, Gough, Stanley and Black
NAYS: None
ABSENT: None

Status of Dorsey QILDRO: Attorney Clifford apprised the Board that there are no updates on the status of the Dorsey QILDRO. Updates will be provided to the Board as they become available.

Status of Gatto QILDRO: Attorney Clifford apprised the Board of the current status of the QILDRO on file for Gatto. Further discussion will be held at the next regular meeting.

Status of Jason QILDRO: Attorney Clifford apprised the Board that a letter had been sent to the parties' attorneys, advising that Illinois' QILDRO law does not allow payments for life insurance be deducted and remitted from pension benefits as the parties had requested. The parties' attorneys have been provided the Fund's QILDRO policy and forms. Updates will be provided to the Board as they become available.

Status of William Simmons Disability Application: Attorney Clifford apprised the Board that the annual independent medical examinations for William Simmons have been completed and the matter is ready for hearing. The Board scheduled the matter for a hearing at a special meeting to be held on Wednesday, September 4, 2024 at 2:00 p.m. The exhibits for hearing will be distributed to the Board members, and Simmons and his attorney will be apprised of the hearing date.

OLD BUSINESS: *Review/Approve – IDOI Annual Statement:* The Board noted that the IDOI Annual Statement was filed with the Illinois Department of Insurance before the June 30, 2024, deadline. A motion was made by Trustee Gough and seconded by Trustee Stanley to accept submission of the DOI Annual Statement to the Illinois Department of Insurance. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelspach, Gough, Stanley and Black
NAYS: None
ABSENT: None

NEW BUSINESS (CONTINUED): *Review/Approve – Actuarial Valuation and Tax Levy Request:* The Board reviewed the finalized Actuarial Valuation as prepared by L&A. Based on data and assumptions, the recommended contribution amount is \$2,275,342 which is a \$54,122 increase from the prior year contribution. A motion was made by Trustee Stanley and seconded by Trustee Gough to accept the Actuarial Valuation as prepared and to request a tax levy in the amount of \$2,275,342 from the Village of Buffalo Grove, based on the recommended amount stated in the Actuarial Valuation prepared by L&A. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelspach, Gough, Stanley and Black
NAYS: None
ABSENT: None

Review/Adopt – Municipal Compliance Report: The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Trustee Gough and seconded by Trustee Stanley to certify the MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelspach, Gough, Stanley and Black
NAYS: None
ABSENT: None

Board Officer Elections – President and Secretary: The Board discussed Board Officer Elections and nominated the slate of Officers as follows: Trustee Pasquarella as President and Trustee Himmelspach as

Secretary. A motion was made by Trustee Gough and seconded by Trustee Stanley to elect the slate of Officers as stated. Motion carried unanimously by voice vote.

ATTORNEY'S REPORT – OTTOSEN: *Pension Insights Third Quarter 2024 – The New IARC Monograph on Cancer Risks for Firefighters:* The Board was provided the Third Quarter 2024 Pension Insights on “special risk” in determining line-of-duty disability benefits prepared by Ottosen, which Attorney Clifford reviewed with the Board.

Board Insights June 2024 – U.S. Supreme Court Weighs in on Public Official Social Media Use; Fiduciary Insights July 2024 – Fiduciary Duty: A Short History; IAFFD Fire Call Pension Pointers – Statutory Minimum Funding of Firefighter and Police Pension Funds: The Unfinished Business of Pension Reform; NAPPA Public Safety Affinity Group June 2024 – Send Lawyers, Guns and Money: Enrollment Disputes and Alternate Pension Entanglements: Attorney Clifford reviewed with the Board the following training presentations: Board Insights June 2024 – U.S. Supreme Court Weighs in on Public Official Social Media Use; Fiduciary Insights July 2024 – Fiduciary Duty: A Short History; IAFFD Fire Call Pension Pointers – Statutory Minimum Funding of Firefighter and Police Pension Funds: The Unfinished Business of Pension Reform; NAPPA Public Safety Affinity Group June 2024 – Send Lawyers, Guns and Money: Enrollment Disputes and Alternate Pension Entanglements.

TRUSTEE TRAINING UPDATES: *Approval of Trustee Training Registration Fees and Reimbursable Expenses:* There were no trustee registration fees or reimbursable expenses presented for approval.

Acknowledgement of Training Time from Meeting: The Board acknowledged one hour of Trustee Training from the August 19, 2024, regular meeting.

Certification of Trustee Training Hours: This item was not discussed.

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

ADJOURNMENT: A motion was made by Trustee Stanley and seconded by Trustee Himmelspace to adjourn the meeting at 10:29 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for October 28, 2024, at 8:30 a.m.

Board Secretary

Minutes approved by the Board of Trustees on _____

Minutes prepared by Molly Barker, Professional Services Administrator, Lauterbach & Amen, LLP