

**MINUTES OF A REGULAR MEETING OF THE  
BUFFALO GROVE FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES  
OCTOBER 31, 2022**

A regular meeting of the Buffalo Grove Firefighters' Pension Fund Board of Trustees was held on Monday, October 31, 2022 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 8:31 a.m.

**ROLL CALL:**

**PRESENT:** Trustees Dan Pasquarella, Josh Himmelspach, Thomas Gough, Art Malinowski and Larry Stanley

**ABSENT:** None

**ALSO PRESENT:** Attorney Carolyn Clifford, Ottosen; John Falduto and Tom Sawyer, Sawyer Falduto Asset Management, LLC (SFAM); Finance Director Chris Black (*arrived at 8:37 a.m.*), Village of Buffalo Grove; Molly Weslow, Lauterbach & Amen, LLP (L&A); Fire Chief Mike Baker, Buffalo Grove Fire Department; Greg Kiesewetter, Cook Castle Associates, LLC; Ethan Salsinger, Gallagher Insurance

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

**APPROVAL OF MEETING MINUTES:** *July 26, 2022 Regular Meeting:* The Board reviewed the July 26, 2022 regular meeting minutes. A motion was made by Trustee Gough and seconded by Trustee Malinowski to approve the July 26, 2022 regular meeting minutes as written. Motion carried unanimously by voice vote.

*Mr. Kiesewetter left the meeting at 8:33 a.m.*

*Mr. Black arrived at 8:37 a.m.*

**COMMUNICATIONS AND REPORTS:** *Fiduciary and Cyber Liability Insurance Broker Proposals:* Mr. Salsinger presented the proposal from Gallagher Insurance for fiduciary liability insurance broker services to the Board. All questions were answered by Mr. Salsinger.

*Mr. Salsinger left the meeting at 8:46 a.m.*

*Mr. Kiesewetter rejoined the meeting at 8:47 a.m.*

Mr. Kiesewetter presented the proposal from Cook Castle Associates, LLC for fiduciary liability insurance broker services to the Board. All questions were answered by Mr. Kiesewetter.

*The Board took a brief recess at 9:07 a.m.*

*Mr. Kiesewetter left the meeting at 9:08 a.m.*

*The Board resumed the meeting at 9:15 a.m.*

The Board discussed the fiduciary liability insurance broker services proposals received by Gallagher Insurance and Cook Castle Associates, LLC. A motion was made by Trustee Gough and seconded by Trustee Himmelspach to retain Gallagher Insurance as the fiduciary liability insurance broker for the Buffalo Grove Firefighters' Pension Fund. Motion carried by roll call vote.

**AYES:** Trustees Pasquarella, Himmelspach, Gough, Malinowski and Stanley

**NAYS:** None

**ABSENT:** None

**FINANCIAL/INVESTMENT REPORTS:** *Monthly Financial Reports from Lauterbach & Amen (June, July and August 2022):* The Board reviewed the Monthly Financial Report for the six-month period ending June 30, 2022 prepared by L&A. As of June 30, 2022, the net position held in trust for pension benefits is \$72,454,928.61 for a change in position of (\$13,943,649.50). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal.

The Board also reviewed the Monthly Financial Report for the seven-month period ending July 31, 2022 prepared by L&A. As of July 31, 2022, the net position held in trust for pension benefits is \$75,957,803.92 for a change in position of (\$10,440,774.19). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal.

The Board also 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 \$73,366,252.11 for a change in position of (\$13,032,326). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal.

*Presentation and Approval of Bills:* The Board reviewed the Vendor Check Report for the period April 1, 2022 through August 31, 2022 for total disbursements of \$1,597,430.58. A motion was made by Trustee Malinowski and seconded by Trustee Stanley to accept the Monthly Financial Reports as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$1,597,430.58. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelpach, Gough, Malinowski and Stanley  
NAYS: None  
ABSENT: None

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

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

*Review – Cash Balances of Local Accounts – BMO Harris Bank Statement and Current Balance Status and Review/Approval – Cash Reserve Balance for BMO Harris:* The Board reviewed the current balance of the BMO Harris operating account and discussed upcoming cash needs. A motion was made by Trustee Himmelpach and seconded by Trustee Malinowski to maintain a target balance in the BMO Harris operating account of \$10,000 and once the balance exceeds more than \$25,000, transfer the excess funds to FPIF for investment purposes. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelpach, Gough, Malinowski and Stanley  
NAYS: None  
ABSENT: None

*Schwab Statement, Current Balance Status and Quarterly Report – Sawyer Falduto:* Mr. Falduto presented the Investment Performance Report for the period ending September 30, 2022. As of September 30, 2022, the ending market value held in the Schwab money market account is \$828,026. A motion was made by Trustee Himmelpach and seconded by Trustee Gough to accept the Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelpach, Gough, Malinowski and Stanley  
NAYS: None  
ABSENT: None

*Review/Approval – GCM Recurring Withdrawal Instructions for 2023:* The Board discussed the FPIF Global Cash Movement Recurring Withdrawal Instructions for 2023. A motion was made by Trustee

Pasquarella and seconded by Trustee Stanley to set the monthly recurring withdrawal amount at \$415,000 to be sent in cash from FPIF with a start date of January 14, 2023. Motion carried by roll call vote.

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

*Review/Update – Cash Management Procedures, Cash Projections and Cash Needs:* The Board reviewed the Cash Analysis Projection prepared by L&A and discussed the balance in the Charles Schwab money market account. A motion was made by Trustee Gough and seconded by Trustee Pasquarella to maintain a target balance in the Schwab money market account of \$415,000 and once the balance exceeds more than \$500,000, transfer the excess funds to the BMO Harris operating account to be sent to FPIF for investment purposes. Motion carried by roll call vote.

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

*Review/Approval – FPIF Statements of Results (June, July, August and September 2022):* The Board reviewed the FPIF Statement of Results for the period September 30, 2022.

*Review/Approval – FPIF Monthly Investments Summaries (June, July and August 2022):* The Board reviewed the FPIF Monthly Investment Summary for the period of August 31, 2022.

A motion was made by Trustee Gough and seconded by Trustee Stanley to accept the FPIF Statement of Results and the FPIF Investment Monthly Summary as presented. Motion carried by roll call vote.

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

**COMMUNICATIONS AND REPORTS (CONTINUED):** *Affidavits of Continued Eligibility:* The Board noted that Affidavits of Continued Eligibility will be mailed to all pensioners with the December payroll cycle. A status update will be provided at the next regular meeting.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** *Reciprocity Update – Shawn Collins:* The Board noted that L&A sent correspondence to Shawn Collins regarding his request to calculate the amount of money due to the Buffalo Grove Firefighters' Pension Fund to combine service under reciprocity with the Lemont FPD Firefighters' Pension Fund, but no response has been received to date. Further discussion will be held at the next regular meeting.

*Contribution Refund – Andrew Wright:* The Board reviewed the contribution refund request submitted by Andrew Wright. A motion was made by Trustee Himmelspach and seconded by Trustee Malinowski to approve Andrew Wright's contribution refund in the amount of \$3,772 paid directly to himself issued on September 26, 2022. Motion carried by roll call vote.

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

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** *Review/Approval – Regular Retirement Benefits for Ronald Two Bulls:* The Board reviewed the regular retirement benefit calculation for Ronald Two Bulls prepared by L&A. Battalion Chief Two Bulls had an entry date of July 5, 1996, retirement date of July 7, 2022, effective date of pension of July 8, 2022, 50 years of age at date of retirement, 26 years of creditable service, applicable salary of \$156,176.32, applicable pension percentage

of 65%, amount of originally granted monthly pension of \$8,459.55 and amount of originally granted annual pension of \$101,514.60.

*Review/Approval – Regular Retirement Benefits for Mark Oeltgen:* The Board reviewed the regular retirement benefit calculation for Mark Oeltgen. Mr. Oeltgen had an entry date of May 1, 1996; retirement/termination date of August 17, 2007; effective date of combined pension of August 14, 2022; 50 years old at date of retirement; 11 years, 3 months creditable service with the Buffalo Grove Firefighters' Pension Fund; applicable salary of \$76,808.16; and an applicable pension percentage of 28.13%. The amount of originally granted annual pension is \$21,602.30 and the amount of originally granted monthly pension is \$1,800.19.

*Review/Approval – Regular Retirement Benefits for James Hauber:* The Board reviewed the regular retirement benefit calculation for James Hauber prepared by L&A. Firefighter/Paramedic Hauber had an entry date of July 3, 2002, retirement date of October 17, 2022, effective date of pension of October 18, 2022, 55 years of age at date of retirement, 20 years and 3 months of creditable service, applicable salary of \$116,042.72, applicable pension percentage of 50.63%, amount of originally granted monthly pension of \$4,895.55 and amount of originally granted annual pension of \$58,746.60.

*Review/Approval – Regular Retirement Benefits for Michael Spiro:* The Board reviewed the regular retirement benefit calculation for Michael Spiro prepared by L&A. Battalion Chief Spiro had an entry date of September 13, 1999, retirement date of August 7, 2022, effective date of pension of August 14, 2026, 50 years of age at date of retirement, 22 years and 10 months of creditable service, applicable salary of \$147,891.68, applicable pension percentage of 57.08%, amount of originally granted monthly pension of \$7,035.12 and amount of originally granted annual pension of \$84,421.44.

A motion was made by Trustee Malinowski and seconded by Trustee Himmelspach to approve the regular retirement benefits for Ronald Two Bulls, Mark Oeltgen, James Hauber and Michael Spiro calculated by L&A. Motion carried by roll call vote.

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

**OLD BUSINESS:** *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.

*Review/Adopt – Municipal Compliance Report:* The Board reviewed the Municipal Compliance Report prepared by L&A. A motion was made by Trustee Stanley and seconded by Trustee Himmelspach to adopt 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, Malinowski and Stanley  
NAYS: None  
ABSENT: None

**NEW BUSINESS:** *Tier 1 v. Tier 2 Benefit Document and Consolidation Memo for Fund Members:* Attorney Clifford reviewed the Tier 1 v. Tier 2 benefit document and the consolidation memo for fund members with the Board. All questions were answered by Attorney Clifford.

*Establish 2023 Board Meeting Dates:* The Board discussed establishing the 2023 Board meeting dates as January 23, 2023; April 24, 2023; August 21, 2023 and October 30, 2023 at 8:30 a.m. at the Buffalo Grove Village Hall located at 50 Raupp Boulevard, Buffalo Grove, Illinois 60089. A motion was made by Trustee

Himmelspach and seconded by Trustee Gough to establish the 2023 Board meeting dates as stated. Motion carried unanimously by voice vote.

**ATTORNEY'S REPORT – OTTOSEN:** *Status of Arlington Heights PPF v. Pritzker:* Attorney Clifford provided the Board with an update of the *Arlington Heights PPF v. Pritzker* lawsuit. Further updates will be provided as they become available.

*Pension Insights Fourth Quarter 2022:* Attorney Clifford reviewed the Fourth Quarter *Pension Insights* prepared by Ottosen and discussed recent legislation as well as general pension matters.

**TRUSTEE TRAINING UPDATES:** *Status of Trustee Training Hours and Upcoming Training Opportunities:* The Board discussed upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

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

**ADJOURNMENT:** A motion was made by Trustee Stanley and seconded by Trustee Himmelspach to adjourn the meeting at 11:02 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for January 23, 2023 at 8:30 a.m.

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Board Secretary

Minutes approved by the Board of Trustees on \_\_\_\_\_

*Minutes prepared by Molly Weslow, Pension Services Administrator, Lauterbach & Amen, LLP*