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

A regular meeting of the Buffalo Grove Firefighters' Pension Fund Board of Trustees was held by via video and teleconference in accordance with Section 7(e) of the Open Meetings Act (5 ILCS 120/7(e)), recently amended by Public Act 101-0640 (Government Emergency Administration Act) as a result of the State's disaster declaration regarding the COVID-19 pandemic and the Board President's determination that an in-person meeting is not practical or prudent, on Monday, January 31, 2022 at 8:30 a.m. pursuant to notice.

**CALL TO ORDER:** President Dan Pasquarella called the meeting to order at 8:34 a.m.

**ROLL CALL:**

| | |
|---|---|
| PRESENT: | Trustees Dan Pasquarella, Josh Himmelspach *(arrived at 8:44 a.m.)*, Thomas Gough, Art Malinowski and Larry Stanley |
| ABSENT: | None |
| ALSO PRESENT: | Attorney Carolyn Clifford, Ottosen; John Falduto and Ed Lavin, Sawyer Falduto Asset Management, LLC (SFAM); Finance Director Chris Black, Village of Buffalo Grove; Molly Weslow and Jessica Foust, Lauterbach & Amen, LLP (L&A); Fire Chief Mike Baker and Firefighter Bob Beckman, Buffalo Grove Fire Department |

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

**APPROVAL OF MEETING MINUTES:** *November 17, 2021 Regular Meeting:* The Board reviewed the November 17, 2021 regular meeting minutes. A motion was made by Trustee Stanley and seconded by Trustee Gough to approve the November 17, 2021 regular meeting minutes as written. Motion carried by roll call vote.

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

*Semi-Annual Review of Closed Session Meeting Minutes:* The Board reviewed the closed session meeting minutes. A motion was made by Trustee Malinowski and seconded by Trustee Gough to keep the closed session meeting minutes closed due to the need for confidentiality still exists. Motion carried by roll call vote.

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

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the twelve-month period ending December 31, 2021 prepared by L&A. As of December 31, 2021, the net position held in trust for pension benefits is $86,351,165.17 for a change in position of $9,261,292.81. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal and the Vendor Check Report for the period October 1, 2021 through December 31, 2021 for total disbursements of $241,408.97. A motion was made by Trustee Malinowski and seconded by Trustee Stanley to accept the Monthly Financial Report as presented and to approve the disbursements shown on the Vendor Check Report in the amount of $241,408.97. Motion carried by roll call vote.

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

*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.

*Approve Annual Cost of Living Adjustments for Pensioners:* The Board reviewed the 2022 Cost of Living Adjustments calculated by L&A. A motion was made by Trustee Malinowski and seconded by Trustee Stanley to approve the 2022 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

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

*Trustee Himmelspach arrived at 8:44 a.m.*

**INVESTMENT REPORTS:** *Sawyer Falduto Asset Management, LLC Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending December 31, 2021. As of December 31, 2021, the fourth quarter net return is 5.3% versus the fourth quarter account benchmark of 5.3%. The investment return for the quarter is $4,394,896 for an ending market value of $86,367,608. For the calendar year ending December 31, 2021, the investment return is 13.8% versus the benchmark of 14.6%. The current asset allocation is as follows: Fixed Income at 31.5%, Equities at 67.2% and Cash Equivalents at 1.3%. Mr. Lavin reviewed the Market Commentary, Equity and Fixed Income Portfolios, Credit Rating Report and Transaction Ledger Report with the Board. A motion was made by Trustee Stanley and seconded by Trustee Malinowski to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

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

*IFPIF Investment Report:* The Board reviewed the October and November 2021 Monthly Summaries provided by IFPIF.

**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, 2022. 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, 2022. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2022.

**FIREFIGHTERS' PENSION INVESTMENT FUND OF ILLINOIS (FPIF):** *Review of FPIF Updates and Next Steps:* Attorney Clifford discussed the status of consolidation and reviewed the next steps with the Board.

*Status of Global Cash Movement (GCM) Account Representative Log-Ins and Training:* The Board discussed the status of their Account Representatives' log-ins and training on the GCM portal.

*Review/Approval – Global Cash Movement (GCM) Recurring Withdrawal Instructions:* The Board discussed the FPIF Global Cash Movement Recurring Withdrawal Instructions. A motion was made by Trustee Stanley and seconded by Trustee Himmelspach to set the monthly recurring withdrawal amount at $370,000 to be sent in cash from FPIF with a start date of April 1, 2022. Motion carried by roll call vote.

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

*Mr. Lavin left the meeting at 9:40 a.m.*

*Review – Cash Management Policy:* The Board reviewed the draft Cash Management Policy prepared by Attorney Clifford. Further discussion will be held at the next regular meeting.

*Amendments to and/or Termination of Investment Professionals and Custodial Agreements:* The Board noted that the termination of the investment professional and custodial agreements will be tabled until the next regular meeting.

*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.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND:** There were no applications for membership or withdrawals from the Fund.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** There were no applications for retirement or disability benefits.

**OLD BUSINESS:** *Fiduciary Liability Insurance Renewal Presentation (Gallagher):* The Board noted that the fiduciary liability insurance renewal presentation by Gallagher has been tabled until the next regular meeting.

The Board discussed sending Request for Proposals for fiduciary liability insurance. A motion was made by Trustee Stanley and seconded by Trustee Gough to solicit proposals for fiduciary liability insurance for the Buffalo Grove Firefighters' Pension Fund. Motion denied by roll call vote.
AYES: Trustees Himmelspach and Stanley
NAYS: Trustees Pasquarella, Gough and Malinowski
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.

**NEW BUSINESS:** *Discussion/Possible Action – Review of Non-IFPIF Account Holdings:* The Board noted that there are no non-transferable assets to review.

*Review Trustee Term Expirations and Election Procedures:* The Board noted that the appointed Trustee positions held by Trustee Malinowski and Trustee Stanley are expiring in May 2022 and they wish to remain on the Board. The Board will contact the Village and seek reappointment of Trustee Malinowski and Trustee Stanley to the Board.

*Approve Ottosen Engagement Letter and Retainer for 2022-2023:* The Board reviewed the retainer agreement provided by Ottosen. A motion was made by Trustee Gough and seconded by Trustee Malinowski to approve the two-year retainer agreement with Ottosen at a monthly cost of $620, paid at the end of each month. Motion carried by roll call vote.
AYES: Trustees Pasquarella, Himmelspach, Gough and Malinowski
NAYS: Trustee Stanley
ABSENT: None

**ATTORNEY'S REPORT – OTTOSEN:** *Legal Updates (Pension Insights First Quarter 2022):* Attorney Clifford reviewed the First Quarter *Pension Insights* prepared by Ottosen and reviewed a presentation she moderated in January 2022 at the Northern Illinois Alliance of Fire Protection District's conference on the FPIF asset transfer process.

**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 Gough to adjourn the meeting at 10:17 a.m. Motion carried by roll call vote.

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

The next regular meeting is scheduled for April 25, 2022 at 8:30 a.m.

________________________________________
Board Secretary

Minutes approved by the Board of Trustees on ________________________

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