

**MINUTES OF A REGULAR MEETING OF THE
BUFFALO GROVE FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES
JANUARY 23, 2023**

A regular meeting of the Buffalo Grove Firefighters' Pension Fund Board of Trustees was held on Monday, January 23, 2023 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 Himmelspace, Thomas Gough, Art Malinowski and Larry Stanley

ABSENT: None

ALSO PRESENT: Attorney Carolyn Clifford, Ottosen; Ed Lavin, Sawyer Falduto Asset Management, LLC (SFAM); Finance Director Chris Black, Village of Buffalo Grove; Molly Weslow, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *October 31, 2022 Regular Meeting:* The Board reviewed the October 31, 2022 regular meeting minutes. A motion was made by Trustee Stanley and seconded by Trustee Gough to approve the October 31, 2022 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 Malinowski and seconded by Trustee Stanley to keep all closed session meeting minutes closed due to 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. A motion was made by Trustee Malinowski and seconded by Trustee Himmelspace to destroy the remote open meeting recordings from June 3, 2020, June 30, 2020, August 20, 2020, November 18, 2020, January 29, 2021, February 23, 2021, March 9, 2021 and May 25, 2021. Motion carried unanimously by voice vote.

FINANCIAL/INVESTMENT REPORTS: *Monthly Financial Reports from Lauterbach & Amen (September, October and November 2022):* The Board reviewed the Monthly Financial Report for the nine-month period ending September 30, 2022 prepared by L&A. As of September 30, 2022, the net position held in trust for pension benefits is \$68,139,795.44 for a change in position of (\$18,258,782.67). 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 ten-month period ending October 31, 2022 prepared by L&A. As of October 31, 2022, the net position held in trust for pension benefits is \$70,253,007.01 for a change in position of (\$16,145,571.10). 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 eleven-month period ending November 30, 2022 prepared by L&A. As of November 30, 2022, the net position held in trust for pension benefits is \$74,234,432.23 for a change in position of (\$12,164,145.88). 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 September 1, 2022 through November 30, 2022 for total disbursements of \$1,073,888.52. A motion was made by

Trustee Stanley and seconded by Trustee Himmelspach to accept the Monthly Financial Reports as presented and to approve the disbursements shown on the Vendor Check Report in the amount of \$1,073,888.52. Motion carried by roll call vote.

AYES: Trustees Pasquarella, Himmelspach, 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: The Board reviewed the current balance of the BMO Harris operating account and discussed upcoming cash needs.

Schwab Statement, Current Balance Status and Quarterly Report – Sawyer Falduto: Mr. Falduto presented the Investment Performance Report for the period ending December 31, 2022. As of December 31, 2022, the ending market value held in the Schwab money market account is \$489,324. A motion was made by Trustee Himmelspach and seconded by Trustee Gough to accept the Investment Performance Report as presented. 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.

Review/Approval – FPIF Statements of Results (October and November 2022): The Board reviewed the FPIF Statement of Results for the period November 30, 2022. A motion was made by Trustee Stanley and seconded by Trustee Himmelspach to accept the FPIF Statement of Results as presented. Motion carried by roll call vote.

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

Review/Approval – FPIF Monthly Investments Summaries (September and October 2022): The Board reviewed the FPIF Monthly Investment Summary for the period of October 31, 2022. A motion was made by Trustee Himmelspach and seconded by Trustee Stanley to accept 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: *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, 2023. 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, 2023. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2023.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – John Gemmel:* The Board reviewed the Application for Membership submitted by John Gemmel. A motion was made by Trustee Himmelspach and seconded by Trustee Pasquarella to accept John Gemmel into the Buffalo Grove Firefighters' Pension Fund effective November 14, 2022, as a Tier II participant. Motion carried unanimously by voice vote.

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.

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

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.

NEW BUSINESS: *Approve Annual Cost of Living Adjustments for Pensioners:* The Board reviewed the 2023 Cost of Living Adjustments calculated by L&A. A motion was made by Trustee Stanley and seconded by Trustee Himmelspach to approve the 2023 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

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

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Himmelspach is expiring in April 2023. Trustee Himmelspach wishes to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions.

The Board also noted that the retired member term currently held by Trustee Gough is expiring in April 2023. Trustee Gough wishes to remain on the Board if nominated. L&A will conduct an election on behalf of the Pension Fund for the retired member Trustee position.

The Board noted that the appointed Trustee positions held by Trustee Malinowski and Trustee Stanley are expiring in April 2023 and they wish to remain on the Board. The Board will contact the Village of Buffalo Grove to advise that the appointments are expiring.

Review/Approve – Lauterbach & Amen, LLP Engagement Letter: The Board reviewed the L&A three-year engagement letter. A motion was made by Trustee Gough and seconded by Trustee Stanley to engage L&A in the annual amounts as follows: \$34,475 for the year ended December 31, 2023; \$35,510 for the year ended December 31, 2024; and \$36,555 for the year ended December 31, 2025. Motion carried by roll call vote.

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

Updated Local Bank Account Collateralization Agreement: The Board reviewed the memorandum prepared by L&A regarding the successor of the third-party custodian from Bank of America to The Bank of New York Mellon to continue collateralization of the BMO Harris Bank operating account. A motion was made by Trustee Gough and seconded by Trustee Himmelspach to execute the updated tri-party pledge depository agreement on behalf of the Fund. Motion carried by roll call vote.

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

Fiduciary Liability Insurance Renewal: The Board noted that the fiduciary liability insurance policy provided by Gallagher Insurance was received with a premium amount of \$7,926 to be paid by the Village of Buffalo Grove. A motion was made by Trustee Stanley and seconded by Trustee Himmelspach to approve the fiduciary liability insurance policy as discussed. Motion carried by roll call vote.

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

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 First Quarter 2023: Attorney Clifford reviewed the First Quarter *Pension Insights* prepared by Ottosen and discussed recent case law 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 Malinowski and seconded by Trustee Himmelspach to adjourn the meeting at 9:50 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for April 24, 2023 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