



MCHENRY TOWNSHIP FIREFIGHTERS PENSION FUND

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MINUTES OF A REGULAR MEETING OF THE PENSION FUND BOARD OF TRUSTEES FEBRUARY 16, 2022

A regular meeting of the McHenry Township FPD Firefighters Pension Fund Board of Trustees was held on Wednesday, February 16, 2022 at 4:00 p.m. in the McHenry Township Fire Protection District Station #1 located at 3610 West Elm Street, McHenry, Illinois 60050, pursuant to notice.

CALL TO ORDER: Trustee Spraker called the meeting to order at 4:00 p.m.

ROLL CALL:

PRESENT: Trustees Steven Spraker, Marjean Diercks, Michael Majercik and Mark Wolter

ABSENT: Trustee Ryan Mastandrea

ALSO PRESENT: Attorney James Wargo, Ottosen Dinolfo Hasenbalg & Castaldo, LTD; Tom Sawyer, Sawyer Falduto Asset Management LLC; Jacqueline Ondras and Richard Lamb, Lauterbach & Amen, LLP (L&A)

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 Majercik and seconded by Trustee Wolter to approve the November 17, 2021 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Spraker, Diercks, Majercik and Wolter

NAYS: None

ABSENT: Trustee Mastandrea

Semi-Annual Review of Closed Session Meeting Minutes: There were no closed session meeting minutes for review.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the eight-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 \$8,159,249.11 for a change in position of \$461,328.47. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report, Payroll Journal and the Vendor Check Report for the period October 1, 2021 through December 31, 2021 for total disbursements of \$3,768.12. A motion was made by Trustee Majercik and seconded by Trustee Diercks to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board discussed the Disbursement Warrant Report. Further discussion will be held at the next regular meeting.

Additional Bills, if any: The Board reviewed the following additional bills for approval:

- Ottosen Dinolfo Hasenbalg & Castaldo, LTD invoice 142469 in the amount of \$994 for miscellaneous legal services rendered.
- L&A invoice 60438 in the amount of \$380 for Accounting and Benefits Administration Services for the month of July 2021.

A motion was made by Trustee Majercik and seconded by Trustee Wolter to approve the additional bills as presented. Motion carried by roll call vote.

AYES: Trustees Spraker, Diercks, Majercik and Wolter

NAYS: None

ABSENT: Trustee Mastandrea

Approve Annual Cost of Living Adjustment for Pensioners: The Board noted that there were no cost of living adjustments as the Board does not currently have pensioners.

Review/Update – Cash Projections and Cash Needs: The Board discussed cash projections and cash needs and noted that the McHenry Township FPD Firefighters' Pension Fund will maintain a balance of \$25,000 in the Schwab account and transfer all funds in excess of \$25,000 to FPIF for investment purposes.

INVESTMENT REPORT – FPIF: FPIF October Investment Performance: The Board reviewed the FPIF Monthly Summary prepared by Marquette Associates for the period ending October 31, 2021. As of October 31, 2021, the one-month total net return is 3% and the year-to-date total net return is 3% for an ending market value of \$1,597,393,295. The current asset allocation is as follows: Total Equity at 64.2%, Fixed Income at 29.2%, Real Estate at 5%, Cash 0.2%, Transition 1.6% and Member Funds at 0%.

SAWYER FALDUTO ASSET MANAGEMENT, LLC – INVESTMENT PERFORMANCE REVIEW: Mr. Sawyer presented the Investment Performance Report for the period ending December 31, 2021. As of December 31, 2021 the investment return for the quarter is \$361,170 for an ending market value of \$61,946. A motion was made by Trustee Majercik and seconded by Trustee Wolter to accept the Investment Performance Review as presented. Motion carried unanimously by voice vote.

Review of Receipt of Transfer (if received) and Status of Non-Transferable Assets (if any): The Board noted the Receipt of Transfer provided by FPIF showed that all assets were transferable with the exception of the Lake County Certificate Deposit.

FPIF Monthly Investment Summary (October 31, 2021): This item was discussed under FPIF October Investment Performance.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board noted that the List of Filers was due to the County by the District 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.

Active Member File Maintenance: The Board noted that the Active Member File Maintenance Letters will be prepared and delivered to the Board for distribution once L&A has received the member files.

FIREFIGHTERS' PENSION INVESTMENT FUND OF ILLINOIS (FPIF): *Review of Monthly Allocation Account Statements (October and November):* The Board reviewed the FPIF Statement of Results for the period ending October 31, 2021. The beginning value was \$7,783,241.14, the ending value was \$8,015,719.55 and the net return was 2.99%.

The Board also reviewed the FPIF Statement of Results for the period ending November 31, 2021. The beginning value was \$8,015,719.55, the ending value was \$7,881,455.30 and the net return was (1.68%).

Status of Global Cash Movement (GCM) Account Representatives Log-Ins and Training: The Board discussed the completion of Account Representatives' log-ins and training.

Global Cash Movement (GCM) Recurring Withdrawal Instructions: The Board discussed the Global Cash Movement (GCM) Recurring Withdrawal Instructions and Form provided by FPIF. Further discussion will be held at the next regular meeting.

Review/Approve Cash Management Policy: The Board discussed the Cash Management Policy determined that no action is required at this time. 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 they will continue to monitor any amendments and future terminations of investment professional and custodial agreements.

Status of Arlington Heights PPF v. Pritzker: Attorney Wargo discussed the status of the Arlington Heights PPF v. Pritzker lawsuit and noted that there has been no ruling to date. Further updates will be provided as they become available.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE PENSION FUND:

Applications for Membership – Taylor DeStefano, Gust Dimopoulos, Sam Duggan, Andrew Engelking, Weston Kampert, Kevin Knutilla, Nicholas Mann, Brian McKay, Thomas Medlyn, Grant Ormsby, Urbano Perez, Todd Robel, Alec Siudak and Kerry Uhlhorn: The Board reviewed the Applications for Membership submitted by Taylor DeStefano, Gust Dimopoulos, Sam Duggan, Andrew Engelking, Weston Kampert, Kevin Knutilla, Nicholas Mann, Brian McKay, Thomas Medlyn, Grant Ormsby, Urbano Perez, Todd Robel, Alec Siudak and Kerry Uhlhorn. A motion was made by Trustee Wolter and seconded by Trustee Majercik to accept Taylor DeStefano, Gust

Dimopoulos, Sam Duggan, Andrew Engelking, Weston Kampert, Kevin Knutilla, Brian McKay, Thomas Medlyn, Grant Ormsby, Urbano Perez, Todd Robel, Alec Siudak and Kerry Uhlhorn into the McHenry Township Firefighters Pension Fund effective January 30, 2022, as Tier II participants. Motion carried unanimously by voice vote.

The Board noted that Nicholas Mann will be separating service from the McHenry Township FPD Firefighters' Pension Fund effective March 3, 2022. A contribution refund request has not been submitted at this time. Further updates will be provided as they become available.

Termination of Membership – Aaron Krejci: The Board noted that Aaron Krejci has separated service from the McHenry Township FPD Firefighters' Pension Fund effective June 9, 2021. A contribution refund request has not been submitted at this time. Further updates will be provided as they become available.

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

OLD BUSINESS: *Approve Lauterbach & Amen Engagement Letter:* The Board reviewed the amended L&A three-year engagement letter. A motion was made by Trustee Diercks and seconded by Trustee Wolter to approve the amended L&A three-year engagement letter in the annual amounts as follows: \$6,810 for the year ended April 30, 2021; \$8,305 for the year ended April 30, 2022; and \$11,150 for the year ended April 30, 2023. Motion carried unanimously by voice vote.

Status of Collateralization Agreement on Local Account(s): The Board reviewed the memorandum prepared by L&A regarding the opportunity to collateralize the BMO Harris Bank operating account in excess of the standard \$250,000 FDIC insurance coverage. The Board determined collateralization is not needed at this time.

NEW BUSINESS: *Review Trustee Term Expirations and Election Procedures:* The Board noted that the active member term currently held by Trustee Mastandrea is expiring in April 2022. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions.

Resolution to Recognize the Disability of Adult Dependent Child of Joseph Krueger: The Board discussed the Resolution 2022-P01 to Recognize the Disability of Adult Dependent Child of Joseph Krueger. A motion was made by Trustee Diercks and seconded by Trustee Wolter to approve Resolution 2022-P01 recognizing the Disability of Adult Dependent Child of Joseph Krueger. Motion carried by roll call vote.

AYES: Trustees Spraker, Diercks, Majercik and Wolter

NAYS: None

ABSENT: Trustee Mastandrea

Servicer Certification from Illinois Finance Entities (if any): The Board discussed the servicer certification from Illinois Finance Entities. The Board determined a servicer certification is not needed at this time.

Approve Ottosen Engagement Letter and Retainer for 2022-2023: The Board reviewed the two-year engagement letter provided by Ottosen Dinolfo Hasenbalg & Castaldo, LTD. A motion was made by Trustee Diercks and seconded by Trustee Wolter to engage Ottosen Dinolfo Hasenbalg & Castaldo, LTD with the hourly rates as follows: \$235 per hour for attorneys; \$160 per hour for administrative staff and paralegals; and \$170 per hour for law clerks. Motion carried unanimously by voice vote.

ATTORNEY'S REPORT – OTTOSEN DINOLFO HASENBALG & CASTALDO, LTD:
Pension Insights: The Board reviewed the Pension Insights quarterly newsletter. Attorney Wargo discussed benefit oversights, cybersecurity, recent court cases and decisions, as well as general pension matters with the Board.

FPIF First Quarter Update: Attorney Wargo provided the Board with an update on consolidation and reviewed the checklist regarding the asset transfer.

Legal Updates: This item was discussed under Pension Insights.

TRUSTEE TRAINING UPDATES: *Status of Trustee Training Hours:* 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.

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

ADJOURNMENT: A motion was made by Trustee Wolter and seconded by Trustee Majercik to adjourn the meeting at 4:37 p.m. Motion carried unanimously by voice vote.

The next Board meeting is scheduled for May 18, 2022 at 4:00 p.m.


Board Secretary

Minutes approved by the Board of Trustees on 5/18/2022

Minutes prepared by Cristina Argumedo, Pension Services Administrator, Lauterbach & Amen, LLP