



MCHENRY TOWNSHIP FIREFIGHTERS PENSION FUND

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MINUTES OF A REGULAR MEETING OF THE PENSION FUND BOARD OF TRUSTEES MAY 18, 2022

A regular meeting of the McHenry Township FPD Firefighters Pension Fund Board of Trustees was held on Wednesday, May 18, 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, Ryan Mastandrea and Mark Wolter

ABSENT: None

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: *February 16, 2022 Regular Meeting:* The Board reviewed the February 16, 2022 regular meeting minutes. A motion was made by Trustee Wolter and seconded by Trustee Mastandrea to approve the February 16, 2022 regular meeting minutes as amended. Motion carried unanimously by voice vote.

ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the eleven-month period ending March 31, 2022 prepared by L&A. As of March 31, 2022, the net position held in trust for pension benefits is \$8,163,892.21 for a change in position of \$465,971.57. 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 January 1, 2022 through March 31, 2022 for total disbursements of \$3,035.44. A motion was made by Trustee Wolter and seconded by Trustee Mastandrea to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Presentation and Approval of Bills: The Board reviewed the Disbursement Warrant Report for the period November 1, 2021 through April 30, 2021 for total disbursements of \$7,917.50. A motion was made by Trustee Diercks and seconded by Trustee Wolter to approve the disbursements shown on the Disbursement Warrant Report in the amount of \$7,917.50. Motion carried by roll call vote.

AYES: Trustees Spraker, Diercks, Majercik, Mastandrea and Wolter

NAYS: None

ABSENT: None

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

Illinois Department of Insurance Compliance Fee: The Board noted that the Illinois Department of Insurance Compliance Fee invoice will be issued. A motion was made by Trustee Mastandrea and seconded by Trustee Wolter to approve payment of the IDOI Compliance Fee not to exceed \$2,000, upon receipt of the invoice. Motion carried unanimously by voice vote.

Review/Update – Cash Projections and Cash Needs: The Board discussed the Cash Needs Analysis requested by FPIF. The Board received approval from FPIF that the McHenry Township FPD Firefighters' Pension Fund does not need to provide a Cash Needs Analysis due to not having pensioners.

INVESTMENT REPORT – FPIF: *FPIF December - January Investment Performance:* The Board reviewed the FPIF Monthly Summary prepared by Marquette Associates for the period ending March 31, 2022. As of March 31, 2022, the one-month total net return is 0.7% and the year-to-date total net return is (5.2%) for an ending market value of \$6,891,641,084. The current asset allocation is as follows: Total Equity at 65.1%, Fixed Income at 29%, Real Estate at 5.4%, Cash 0.5%, Transition 0.3% and Member Funds at 0%.

SAWYER FALDUTO ASSET MANAGEMENT, LLC – INVESTMENT PERFORMANCE REVIEW: Mr. Sawyer presented the Investment Performance Review for the period ending March 31, 2022. Post transfer of the Fund's assets to FPIF, the ending market value held in the Schwab money market account is \$28,147. Mr. Sawyer reviewed the market commentary. A motion was made by Trustee Mastandrea and seconded by Trustee Majercik 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 that all assets were transferred to IFPIF.

FPIF Monthly Investment Summary (January 31, 2022): The Board reviewed the IFPIF Statements of Results for the periods ending December 31, 2021 and March 31, 2022. The beginning value for the period ending February 28, 2022 was \$7,756,550.16, the ending value was \$8,062,825.23 and the net return was (1.90%).

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* The Board was reminded that the Statements of Economic Interest were due by May 1, 2022.

Affidavits of Continued Eligibility: The Board noted Affidavits of Continued Eligibility will not be sent as the Board does not currently have pensioners.

FIREFIGHTERS' PENSION INVESTMENT FUND OF ILLINOIS (FPIF): *Review of Monthly Allocation Account Statements (December and January):* This item was discussed under *FPIF Monthly Investment Summary (January 31, 2022)*.

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. 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 a ruling will be issued May 20, 2022. Further updates will be provided as they become available.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE PENSION FUND:
Contribution Refund – Aaron Krejci: The Board reviewed the contribution refund request submitted by Aaron Krejci. A motion was made by Trustee Majercik and seconded by Trustee Wolter to approve Aaron Krejci's contribution refund in the amount of \$8,995.54 paid directly to himself. Motion carried by roll call vote.

AYES: Trustees Spraker, Diercks, Majercik, Mastandrea and Wolter

NAYS: None

ABSENT: None

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

OLD BUSINESS: *Status of Collateralization Agreement on Local Account(s):* The Board discussed the opportunity to collateralize the BMO Harris Bank operating account and determined collateralization is not needed at this time as they do not have a BMO Harris Bank account.

NEW BUSINESS: *Certify Board Election Results – Active Member Position:* L&A conducted an election for one of the active member positions on the McHenry Township FPD Firefighters' Pension Fund Board of Trustees. Ryan Mastandrea ran unopposed and was re-elected by acclamation for a three-year term expiring April 30, 2025. A motion was made by Trustee Wolter and seconded by Trustee Majercik to certify the active member election results. Motion carried unanimously by voice vote.

Amended Resolution to Recognize the Disability of Adult Dependent Child of Joseph Krueger: The Board discussed amending Resolution 2022-P01 recognizing the Disability of Adult Dependent Child of Joseph Krueger. Further discussion will be held at the next regular meeting.

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

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

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 4:46 p.m. Motion carried unanimously by voice vote.

The next Board meeting is scheduled for August 17, 2022 at 4:00 p.m.


Board Secretary

Minutes approved by the Board of Trustees on 8/17/2022

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