



## McHENRY TOWNSHIP FIREFIGHTERS PENSION FUND

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### MINUTES OF A REGULAR MEETING OF THE PENSION FUND BOARD OF TRUSTEES AUGUST 17, 2022

A regular meeting of the McHenry Township FPD Firefighters Pension Fund Board of Trustees was held on Wednesday, August 17, 2022 at 4:00 p.m. in the McHenry Township FPD 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, Ryan Mastandrea and Mark Wolter

**ABSENT:** Trustee Michael Majercik

**ALSO PRESENT:** Attorney James Wargo (*via teleconference*), Ottosen Dinolfo Hasenbalg & Castaldo, LTD; Tom Sawyer, Sawyer Falduto Asset Management LLC; Board Treasurer Chris Bennett, McHenry Township FPD; Al Robel, Member of the Public; Cristina Argumedo, Richard Lamb and Ian Irvine, Lauterbach & Amen, LLP (L&A)

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

**APPROVAL OF MEETING MINUTES:** *May 18, 2022 Regular Meeting:* The Board reviewed the May 18, 2022 regular meeting minutes. A motion was made by Trustee Wolter and seconded by Trustee Mastandrea to approve the May 18, 2022 regular meeting minutes as written. Motion carried unanimously by voice vote.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the one-month period ending May 31, 2022 prepared by L&A. As of May 31, 2022, the net position held in trust for pension benefits is \$7,736,245.31 for a change in position of \$33,371.05. 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 March 1, 2022 through May 31, 2022 for total disbursements of \$9,515.20. A motion was made by Trustee Mastandrea and seconded by Trustee Wolter to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

*Presentation and Approval of Bills – Disbursement Warrant Report:* The Board reviewed the Disbursement Warrant Report through July 31, 2022 for total disbursements of \$15,251.54. 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 \$15,251.54. Motion carried by roll call vote.

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

**NAYS:** None

**ABSENT:** Trustee Majercik

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

**INVESTMENT REPORT:** *Sawyer Falduto Asset Management, LLC – Quarterly Report:* Mr. Sawyer presented the Quarterly Report for the period ending June 30, 2022. Post transfer of the Fund's assets to FPIF, the ending market value held in the Schwab money market account is \$37,286. Mr. Sawyer reviewed the market commentary and answered all questions.

*FPIF – Statement of Results:* The Board reviewed the FPIF Statement of Results for the periods ending April 30, 2022 and May 31, 2022. The beginning net value assets (NAV) for the period ending May 31, 2022 was \$7,653,907.03, the ending value was \$7,695,412.18 and the net return was 0.33%.

*Marquette Associates – FPIF Monthly Summary:* The Board reviewed the FPIF Monthly Summary prepared by Marquette Associates for the periods ending March 31, 2022, April 30, 2022 and May 31, 2022. As of May 31, 2022, the one-month total net return is 0.3% and the year-to-date total net return is (10.5%) for an ending market value of \$6,935,295,186. The current asset allocation is as follows: Total Equity at 63.9%, Fixed Income at 30.2%, Real Estate at 5.2%, Cash 0.5% and Transition 0.1%.

A motion was made by Trustee Mastandrea and seconded by Trustee Wolter to accept the Investment Report as presented. Motion carried unanimously by voice vote.

**COMMUNICATIONS AND REPORTS:** *Active Member File Maintenance:* The Board noted that L&A has prepared Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents.

**FIREFIGHTERS' PENSION INVESTMENT FUND OF ILLINOIS (FPIF):** *FPIF Third Quarter Update:* Attorney Wargo provided the Board with an update on consolidation and reviewed the checklist regarding the asset transfer.

*Discussion/Possible Action – Cash Management Policy:* The Board discussed the Cash Management Policy. Further discussion will be held at the next regular meeting.

*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.

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM THE PENSION FUND:** *Applications for Membership – Luke Brinkmann, Andrew Calhoun, Marcus Huemann, Adam Jayko, Paul Kubiak, Jack Logan, Ryan Moor, Joseph Ryan, Joseph Winkie and James Younger:* The Board reviewed the Applications for Membership submitted by Luke Brinkmann, Andrew Calhoun, Marcus Huemann, Adam Jayko, Paul Kubiak, Jack Logan, Ryan Moore, Joseph Ryan, Joseph Winkie and James Younger. A motion was made by Trustee Diercks and seconded by Trustee Wolter to accept Luke Brinkmann, Andrew Calhoun, Marcus Huemann, Adam Jayko, Paul Kubiak, Jack Logan, Ryan Moore, Joseph Ryan, Joseph Winkie and James Younger into the

McHenry Township FPD Firefighters' Pension Fund effective June 26, 2022, as Tier II participants. Motion carried unanimously by voice vote.

**OLD BUSINESS:** *Discussion/Possible Action – Resolution 2022-P02 Acknowledgement of Dependent Child – Joseph Krueger:* The Board reviewed the amended Resolution 2022-P02 recognizing the Disability of Adult Dependent Child of Joseph Krueger. A motion was made by Trustee Wolter and seconded by Trustee Mastandrea to adopt Resolution 2022-P02 as discussed. Motion carried by roll call vote.

AYES: Trustees Spraker, Diercks, Mastandrea and Wolter

NAYS: None

ABSENT: Trustee Majercik

**NEW BUSINESS:** *Reciprocity Update – Thomas Medlyn:* The Board noted that the balance due from Thomas Medlyn to the McHenry Township FPD Firefighters' Pension Fund to combine service under reciprocity has been received in full. A motion was made by Trustee Mastandrea and seconded by Trustee Diercks to accept this payment and recognize the purchase as paid in full. Motion carried unanimously by voice vote.

*Review of Preliminary Actuarial Valuation:* Mr. Irvine reviewed the preliminary Actuarial Valuation prepared by L&A with the Board. The final report will be reviewed by the Board at the next regular meeting.

*Board Officer Elections – President and Secretary:* The Board discussed Board Officer Elections and nominated the slate of Officers as follows: Trustee Spraker as President and Trustee Mastandrea as Secretary. A motion was made by Trustee Diercks and seconded by Trustee Wolter to elect the slate of Officers as stated. Motion carried by roll call vote.

AYES: Trustees Spraker, Diercks, Mastandrea and Wolter

NAYS: None

ABSENT: Trustee Majercik

*FOIA Officer and OMA Designee:* The Board discussed maintaining Trustee Spraker as the FOIA Officer and OMA Designee. A motion was made by Trustee Wolter and seconded by Trustee Diercks to maintain the FOIA Officer and OMA Designee as stated. Motion carried unanimously by voice vote.

*IDOI Annual Statement:* The Board noted that the IDOI Annual Statement is in process and the final report will be sent to the Board for review upon completion.

*Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter:* The Board reviewed the revised L&A three-year engagement letter with the addition of benefits administration starting July 2022. A motion was made by Trustee Wolter and seconded by Trustee Diercks to engage L&A 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 \$11,550 for the year ended April 30, 2023. Motion carried by roll call vote.

AYES: Trustees Spraker, Diercks, Mastandrea and Wolter  
NAYS: None  
ABSENT: Trustee Majercik

*Discussion/Possible Action – BMO Harris Bank Signature Cards and Resolution Update:* L&A provided the Board with the necessary forms to update the signers on the BMO Harris Bank account with the current Board members and municipal representative. A motion was made by Trustee Wolter and seconded by Trustee Mastandrea to designate Trustees Spraker, Mastandrea, Majercik and Diercks and Treasurer Chris Bennett as signers on the BMO Harris Bank account. Motion carried by roll call vote.

AYES: Trustees Spraker, Diercks, Mastandrea and Wolter  
NAYS: None  
ABSENT: Trustee Majercik

**ATTORNEY'S REPORT – OTTOSEN, DINOLFO, HASENBALG & CASTALDO, LTD:**  
*Status of Arlington Heights PPF v. Pritzker:* Attorney Wargo provided the Board with an update on the Arlington Heights PPF v. Pritzker lawsuit.

*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.

**TRUSTEE TRAINING UPDATES:** 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 Diercks to adjourn the meeting at 4:59 p.m. Motion carried unanimously by voice vote.

The next Board meeting is scheduled for November 16, 2022 at 4:00 p.m.

[Redacted Signature]

Board Secretary

Minutes approved by the Board of Trustees on 11/16/22

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