

**MINUTES OF A REGULAR MEETING OF
THE HIGHWOOD FIREFIGHTERS' PENSION FUND
BOARD OF TRUSTEES
APRIL 7, 2022**

A regular meeting of the Highwood Firefighters' Pension Fund Board of Trustees was held via videoconference on Thursday, April 7, 2022 at 7:00 a.m., pursuant to notice and in accordance with Section 7(e) of the Open Meetings Act (5 ILCS 120/7(e)), as the result of the COVID-19 pandemic disaster declaration by the Governor and a determination by the Board President that an in-person meeting is not feasible or prudent.

CALL TO ORDER: Trustee Mohry called the meeting to order at 7:00 a.m.

ROLL CALL:

PRESENT: Trustees David Mohry, Wedge Lazenby and Rosa Stefani

ABSENT: Trustee Dennis Baker

ALSO PRESENT: Keri O'Brien and Jessica Foust, Lauterbach & Amen, LLP (L&A); John Falduto and Tom Sawyer, Sawyer Falduto Asset Management, LLC; Attorney Carolyn Clifford, Ottosen DiNolfo; Brian LeFevre, Sikich, LLP

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *January 6, 2022 Regular Meeting:* The Board reviewed the January 6, 2022 regular meeting minutes. A motion was made by Trustee Mohry and seconded by Trustee Lazenby to approve the January 6, 2022 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby

NAYS: None

ABSENT: Trustee Baker

ACCOUNTANT'S REPORT – SIKICH, LLP: *Monthly Financial Report:* Mr. LeFevre presented the Monthly Financial Report for the ten-months ended February 28, 2022 as prepared by Sikich, LLP. As of February 28, 2022, the net position held in trust for pension benefits is \$4,703,228.57.

Presentation and Approval of Bills: The Board reviewed the Disbursement Warrant for the period January 14, 2022 through April 14, 2022 for total disbursements of \$14,595.50. A motion was made by Trustee Stefani and seconded by Trustee Mohry to approve the Disbursement Warrant in the amount of \$14,595.50. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby

NAYS: None

ABSENT: Trustee Baker

A motion was made by Trustee Mohry and seconded by Trustee Stefani to approve the Monthly Financial Report as presented. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby

NAYS: None

ABSENT: Trustee Baker

Additional Bills, if any – 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 Mohry and seconded by Trustee Stefani to approve payment of the IDOI Compliance Fee, upon receipt of the invoice. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby
NAYS: None
ABSENT: Trustee Baker

INVESTMENT REPORTS: *Sawyer Falduto Asset Management, LLC Investment Performance Review:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending March 31, 2022. As of March 31, 2022, the first quarter net return is (6.0%) versus the first quarter account benchmark of (5.4%). The investment return for the quarter is (\$284,625) for an ending market value of \$4,645,662. The current asset allocation is as follows: fixed income at 56.9%, equities at 41.4% and cash equivalents at 1.7%. Mr. Sawyer 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 Stefani and seconded by Trustee Mohry to accept the Quarterly Investment Performance Report as presented. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby
NAYS: None
ABSENT: Trustee Baker

FPIF Investment Summaries from Marquette Associates (January 2022): The Board reviewed the FPIF Monthly Summary prepared by Marquette Associates for the period ending January 31, 2022. As of January 31, 2022, the one-month total net return is (4%) and the year-to-date total net return is (4%) for an ending market value of \$6,546,992,851. The current asset allocation is as follows: Total Equity at 63.6%, Fixed Income at 12.6%, Real Estate at 5.1%, Cash 0.2%, Transition 17.8% and Member Funds at 0.7%.

COMMUNICATIONS AND REPORTS: *Statements of Economic Interest:* Attorney Clifford apprised the Board of the modified Statements of Economic Interest. The Board was reminded that the Statements of Economic Interest are due by May 1, 2022.

Affidavits of Continued Eligibility: The Board noted that Affidavits of Continued Eligibility will be mailed to all pensioners with the April payroll cycle. A status update will be provided at the next regular meeting.

FIREFIGHTERS' PENSION INVESTMENT FUND OF ILLINOIS (FPIF) (FEBRUARY 2022 TRANCHE): *Review of FPIF Checklist:* Attorney Clifford provided the Board with an update on consolidation and reviewed the next steps regarding the asset transfer.

Status of Arlington Heights PPF v. Pritzker: Attorney Clifford provided the Board with an update of the *Arlington Heights PPF v. Pritzker* lawsuit.

Review/Approval – Certified Transfer Task Resolution: The Board reviewed the Transfer Task Resolution. A motion was made by Trustee Lazenby and seconded by Trustee Stefani to adopt Resolution 2022-1 as prepared. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby
NAYS: None
ABSENT: Trustee Baker

Review/Approval – Transferal Notice Letter to Sawyer Falduto and Schwab: Attorney Clifford reviewed the Transferal Notice Letter with the Board. A motion was made by Trustee Lazenby and seconded by Trustee Stefani to approve the Transferal Notice Letter to Sawyer Falduto and Charles Schwab. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby
NAYS: None
ABSENT: Trustee Baker

Review/Approval – Letters of Direction to Sawyer Falduto and Schwab: The Board reviewed the Letter of Direction to Sawyer Falduto Asset Management, LLC and Schwab. A motion was made by Trustee Lazenby and seconded by Trustee Mohry to direct Authorized Agents Trustees Lazenby and Mohry to execute the document as prepared and have it submitted with the transfer date of June 1, 2022. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby
NAYS: None
ABSENT: Trustee Baker

Review/Approval – Resolution Appointing Account Representatives for the Global Cash Movement (GCM) Portal and GCM New Setup Authorization Form: The Board noted that this item was approved by the Board at the November 24, 2021 special meeting.

Review of Cash Flow Projections and Review/Conformation – Transition Cash Retention: The Board reviewed the cash flow projections. A motion was made by Trustee Mohry and seconded by Trustee Lazenby to increase the cash retention amount to \$150,000 in order to pay pension benefits and administrative expenses during the freeze period. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby
NAYS: None
ABSENT: Trustee Baker

The Board discussed submitting necessary consolidation documents to IFPIF. A motion was made by Trustee Mohry and seconded by Trustee Stefani to direct Attorney Clifford to submit all required documentation to IFPIF on behalf of the Board on April 15, 2022. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby
NAYS: None
ABSENT: Trustee Baker

Review/Approval – FPIF Cash Flow Projection Chart for Remainder of 2022: The Board discussed the Cash Flow Projections prepared by Sikich, LLP. A motion was made by Trustee Stefani and seconded by Trustee Lazenby to approve the 2022 Cash Flow Projection as prepared and to direct Sikich, LLP to submit it to FPIF on behalf of the Board by June 1, 2022. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby
NAYS: None
ABSENT: Trustee Baker

Review/Approval – Cash Management Policy and Review/Approval – GCM Recurring Withdrawal Instructions Form: The Board will discuss these items at the next regular meeting.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Combined Creditable Service Inquiry – Carlos Rivera:* The Board noted that Carlos Rivera's combined creditable service calculation has been sent to Mr. Rivera, but no response has been received to date. Updates will be provided as they become available.

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

OLD BUSINESS: *Status Update – Pieri Matter:* Attorney Clifford informed the Board that the briefing on Ron Pieri's appeal of his termination from service by the City of Highwood Commission is currently in process and a hearing date has been scheduled for mid-May. Updates will be provided to the Board as they become available.

NEW BUSINESS: *Review/Approve – Revised MCR for Fiscal Year Ending April 30, 2021:* The Board reviewed the updated Municipal Compliance Report for the prior fiscal year prepared by Sikich. A motion was made by Trustee Lazenby and seconded by Trustee Mohry to adopt the updated MCR as prepared and to authorize signatures by the Board President and Secretary. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby
NAYS: None
ABSENT: Trustee Baker

Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter: The Board reviewed the L&A three-year engagement letter for actuarial services. A motion was made by Trustee Mohry and seconded by Trustee Lazenby to engage L&A in the annual amounts as follows: \$5,590 for the year ended April 30, 2022; \$5,760 for the year ended April 30, 2023; and \$5,930 for the year ended April 30, 2024. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby
NAYS: None
ABSENT: Trustee Baker

Discussion/Possible Action – Sikich, LLP Engagement Letter: The Board reviewed the one-year engagement letter with Sikich, LLP for accounting and benefits administration for the fiscal year

ending April 30, 2023. A motion was made by Trustee Mohry and seconded by Trustee Lazenby to approve the engagement letter with Sikich, LLP as presented. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby

NAYS: None

ABSENT: Trustee Baker

ATTORNEY'S REPORT – OTTOSEN DINOLFO: Attorney Clifford provided updates on legal issues, as well as case law updates and information on the status of the consolidation.

TRUSTEE TRAINING UPDATES: *Status of Trustee Training Hours:* The Board 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: The Board discussed the upcoming 2022 IPPFA Illinois Pension Conference. A motion was made by Trustee Mohry and seconded by Trustee Lazenby to approve the registration fees for trustees interested in attending the 2022 IPPFA Illinois Pension Conference and to direct L&A to register Trustee Lazenby for the event. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby

NAYS: None

ABSENT: Trustee Baker

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

ADJOURNMENT: A motion was made by Trustee Stefani and seconded by Trustee Mohry to adjourn the meeting at 7:59 a.m. Motion carried by roll call vote.

AYES: Trustees Stefani, Mohry and Lazenby

NAYS: None

ABSENT: Trustee Baker

The next regular meeting is scheduled for July 8, 2022 at 7:00 a.m.

Board Secretary

Minutes approved by the Board of Trustees on _____

Minutes prepared by Keri O'Brien, Pension Services Administrator, Lauterbach & Amen, LLP