MINUTES OF A REGULAR MEETING OF THE WHEELING FIREFIGHTERS' PENSION FUND BOARD OF TRUSTEES DECEMBER 9, 2022

A regular meeting of the Wheeling Firefighters' Pension Fund Board of Trustees was held on Friday, December 9, 2022 at 9:00 a.m. in Fire Station 24 located at 499 S. Milwaukee Avenue, Wheeling, Illinois 60090, pursuant to notice.

CALL TO ORDER: Trustee Cremins called the meeting to order at 9:03 a.m.

ROLL CALL:

PRESENT:	Trustees Matt Cremins, Dan Caruso, Keith MacIsaac and Emmett Gribbens *(arrived at 9:37 a.m.)*
ABSENT:	Trustee Michael Kaplan
ALSO PRESENT:	Attorney Jeff Goodloe, Puchalski Goodloe LLC; John Falduto and Ed Lavin *(via teleconference)* Sawyer Falduto Asset Management, LLC; Declan Harkin and Lora Murphy *(via teleconference)*, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *September 30, 2022:* The Board reviewed the September 30, 2022 regular meeting minutes. A motion was made by Trustee MacIsaac and seconded by Trustee Cremins to approve the September 30, 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 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 $48,626,556.92 for a change in position of ($11,156,321.54). The Board reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Cremins and seconded by Trustee Caruso to accept the October 31, 2022 Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Trustee MacIsaac noted that since the FPIF investment consolidation and the State began managing the Fund's money, the Fund's performance has been the worst since 2008 (which a recession was taking place during that time). As of October 31, 2022, the Fund is down 18.66% year to date.

Presentation and Approval of Bills and Additional Bills, if any: The Board reviewed the Vendor Check Report for the period August 1, 2022 through October 31, 2022 for total disbursements of $389,548.66. The Board also discussed the following additional bills:

- Puchalski Goodloe LLC invoice #0000332 in the amount of $1,052.23 for the 2022 fourth quarter retainer fee and additional legal services rendered
- IPPFA Invoice #110 in the amount of $550 for 2021 online trustee training completed by Trustee Caruso and Trustee Cremins

A motion was made by Trustee MacIsaac and seconded by Cremins to approve the disbursements shown on the Vendor Check Report in the amount of $389,548.66 and the additional bills as presented. Motion carried by roll call vote.

AYES:	Trustees Cremins, Caruso and MacIsaac
NAYS:	None
ABSENT:	Trustees Gribbens and Kaplan

Discussion/Possible Action – Cash Management Policy: The Board discussed the current Cash Management Policy/Guidelines being executed and determined that no changes are needed at this time.

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report and reviewed the Cash Flow and Performance for the period ending September 30, 2022. As of July 1, 2022 the beginning market value within the Schwab cash account was $189,933 and as of September 30, 2022 the ending market value in the cash account was $146,157. Mr. Lavin reviewed the Market Commentary with the Board. A motion was made by Trustee MacIsaac and seconded by Trustee Cremins to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

Trustee Gribbens arrived at 9:37 a.m.

Consolidation Related Matters: There were no additional consolidated related matters presented.

FPIF Investment Report – Marquette Associates: The Board acknowledged receipt and reviewed the FPIF Monthly Summary prepared by Marquette Associates for the period ending October 31, 2022. As of October 31, 2022, the one-month total net return is 3.4% and the year-to-date total net return is (18.2%) for an ending market value of $6,952,824,020. The current asset allocation is as follows: Total Equity at 63.6%, Fixed Income at 30.0%, Real Estate at 5.2%, Cash at 1.2% and Transition at 0%.

The Board discussed their frustration with the FPIF consolidated Board's decision on their choices of investment direction, specifically within the international market. It was noted that the last ten years the Board has made a concerted effort to reduce the allocation within the international market and is extremely disappointed, based on performance, with the amount that is currently allocated to international – there is a war going on in Europe and the Board is questioning why the allocation is so significant when the performance is bad. Trustee MacIsaac commented that based on the billions that the consolidated Fund is currently managing; collectively, FPIF has lost over $3 billion year to date, which is a worse performance than many private citizens' portfolios.

The Board requested Attorney Goodloe draft correspondence to FPIF, on behalf of the Fund, addressing the investment concerns that were discussed by the Board and to forward it to Trustee Cremins, who will forward it to the Board to review and make any changes, prior to the Board mailing it to the FPIF Board.

The Board acknowledged receipt and reviewed the Pension Fund's monthly FPIF Statement of Results prepared by Northern Trust for the periods ending August, September and October 2022. As of August 1, 2022, the beginning net asset value (NAV) was $52,478,821.17 and the October 31, 2022 ending NAV was $47,756,012.94. The year-to-date net return is (18.53%).

Mr. Lavin left the meeting at 10:33 a.m.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A will mail Affidavits of Continued Eligibility to all pensioners this month. Further discussion will be held at the next regular meeting.

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: The Board discussed Trustee Gibbens completing the mandatory 4-hour consolidation training. A motion was made by Trustee MacIsaac and seconded by Trustee Cremins to approve the registration fee for Trustee Gribbens to complete the mandatory 4-hour consolidation training in an amount not to exceed $125. Motion carried by roll call vote.

AYES: Trustees Cremins, Caruso, MacIsaac and Gribbens
NAYS: None
ABSENT: Trustee Kaplan

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Applications for Membership – Jack Lewis and Dylan Schroeder:* The Board reviewed the Application for Membership submitted by Jack Lewis. A motion was made by Trustee Cremins and seconded by Trustee MacIsaac to accept Jack Lewis into the Wheeling Firefighters' Pension Fund effective January 3, 2022, as a Tier II participant. Motion carried by roll call vote.
AYES: Trustees Cremins, Caruso, MacIsaac and Gribbens
NAYS: None
ABSENT: Trustee Kaplan

The Board reviewed the Application for Membership submitted by Dylan Schroeder. A motion was made by Trustee Cremins and seconded by Trustee Caruso to accept Dylan Schroeder into the Wheeling Firefighters' Pension Fund effective July 1, 2022, as a Tier II participant. Motion carried by roll call vote.
AYES: Trustees Cremins, Caruso, MacIsaac and Gribbens
NAYS: None
ABSENT: Trustee Kaplan

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *QILDRO Update – Randall Haubold:* The Board noted that Randall Haubold's QILDRO Calculation Order and two $50.00 processing fee checks were received and reviewed by Attorney Goodloe. A motion was made by Trustee Caruso and seconded by Trustee Gribbens to accept the Calculation Order and the two $50.00 processing fee payments regarding the Randall Haubold QILDRO and to commence the alternate payee's benefit payment effective with the December 2022 payroll. Motion carried by roll call vote.
AYES: Trustees Cremins, Caruso, MacIsaac and Gribbens
NAYS: None
ABSENT: Trustee Kaplan

OLD BUSINESS: *Establish 2023 Board Meeting Dates:* The Board established the 2023 Board meeting dates as March 30, 2023; June 22, 2023; September 28, 2023; and December 15, 2023 at 9:00 a.m. at Fire Station 24 located at 499 S. Milwaukee Avenue, Wheeling, Illinois 60090.

NEW BUSINESS: *Local Account Collateralization Update:* The Board reviewed the changes of collateralization with BMO Harris Bank from Bank of America to Bank of New York to continue collateralizing the BMO Harris Bank operating account in excess of the standard $250,000 FDIC insurance coverage. A motion was made by Trustee MacIsaac and seconded by Trustee Gribbens to authorize Trustee Kaplan to execute the updated tri-party pledgee depository agreement on behalf of the Fund.
AYES: Trustees Cremins, Caruso, MacIsaac and Gribbens
NAYS: None
ABSENT: Trustee Kaplan

Approve Annual Cost of Living Adjustments (COLAs) for Pensioners: The Board reviewed the 2023 Cost of Living Adjustments (COLAs) as calculated by L&A. A motion was made by Trustee Cremins and seconded by Trustee Caruso 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 Cremins, Caruso, MacIsaac and Gribbens
NAYS: None
ABSENT: Trustee Kaplan

Fiduciary Liability Insurance Renewal: The Board reviewed the fiduciary liability insurance provided by Arthur J. Gallagher & Co. through Great American Insurance Company. A motion was made by Trustee MacIsaac and seconded by Trustee Gribbens to approve payment of the fiduciary liability insurance effective December 31, 2022 through December 31, 2023 in the amount of $8,650. Motion carried by roll call vote.

AYES:	Trustees Cremins, Caruso, MacIsaac and Gribbens
NAYS:	None
ABSENT:	Trustee Kaplan

ATTORNEY'S REPORT – PUCHALSKI GOODLOE LLC: *Legal Updates:* Attorney Goodloe provided legislative updates pertaining to Article 4 Pension Funds; including consolidation and general pension matters.

Attorney Goodloe noted that a disability application was provided to active member John Bielik and his Attorney in October 2022, however nothing has been received to date. Updates will be provided as they become available.

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

ADJOURNMENT: A motion was made by Trustee Cremins and seconded by Trustee Caruso to adjourn the meeting at 11:09 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for March 30, 2023 at 9:00 a.m.

Board President

Board Secretary

Minutes approved by the Board of Trustees on 03/30/2023

Minutes prepared by Lora Murphy, Pension Services Administrator, Lauterbach & Amen, LLP