



**MINUTES OF A REGULAR MEETING OF THE
WHEELING POLICE PENSION FUND BOARD OF TRUSTEES
JANUARY 5, 2022**



A regular meeting of the Wheeling Police Pension Fund Board of Trustees was held on Wednesday, January 5, 2022 at 9:00 a.m. in the Wheeling Village Hall Scanlon Conference Room located at 2 Community Blvd, Wheeling, Illinois 60090, pursuant to notice.

CALL TO ORDER: Trustee Musolf called the meeting to order at 9:00 a.m.

ROLL CALL:

PRESENT: Trustees Troy Musolf, Keith MacIsaac, Michael Kaplan and John Connolly
(arrived at 9:03 a.m.)

ABSENT: Trustee Michael Bieschke

ALSO PRESENT: Attorney Jeff Goodloe, Puchalski Goodloe LLC; John Falduto and Ed Lavin, Sawyer Falduto Asset Management, LLC; Amanda Secor, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *October 6, 2021 Regular Meeting:* The Board reviewed the October 6, 2021 regular meeting minutes. A motion was made by Trustee MacIsaac and seconded by Trustee Kaplan to approve the October 6, 2021 regular meeting minutes as written. Motion carried unanimously by voice vote.

Semi-Annual Review of Closed Session Meeting Minutes: The Board reviewed the closed session meeting minutes. A motion was made by Trustee Musolf and seconded by Trustee MacIsaac to not release these minutes at this time due to pending matters subject to semi-annual reviews of closed session meeting minutes. Motion carried unanimously by voice vote.

Trustee Connolly arrived at 9:03 a.m.

ACCOUNTANT’S REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report and Presentation and Approval of Bills:* The Board reviewed the Monthly Financial Report for the eleven-month period ending November 30, 2021 prepared by L&A. As of November 30, 2021, the net position held in trust for pension benefits is \$71,042,307.12 for a change in position of \$5,318,985.62. The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Connolly and seconded by Trustee MacIsaac to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

The Board also reviewed the Vendor Check Report for the period September 1, 2021 through November 30, 2021 for total disbursements in the amount of \$209,202.34. A motion was made by Trustee Kaplan and seconded by Trustee MacIsaac to approve the disbursements shown on the Vendor Check Report in the amount of \$209,202.34. Motion carried by roll call vote.

AYES: Trustees Musolf, Connolly, Kaplan and MacIsaac
NAYS: None
ABSENT: Trustee Bieschke

Additional Bills, if any: The Board reviewed Puchalski Goodloe LLC invoice #0000071 in the amount of \$1,752.50 for the quarterly retainer fee and miscellaneous legal services. A motion was made by Trustee MacIsaac and seconded by Trustee Connolly to approve the additional bill as presented. Motion carried by roll call vote.

AYES: Trustees Musolf, Connolly, Kaplan and MacIsaac
NAYS: None
ABSENT: Trustee Bieschke

INVESTMENT REPORT – SAWYER FALDUTO ASSET MANAGEMENT, LLC: *Quarterly Investment Performance Report:* Mr. Falduto presented the Quarterly Investment Performance Report for the period ending December 31, 2021. As of December 31, 2021, the fourth quarter net return is 4.3% versus the fourth quarter account benchmark of 4.9%. The investment return for the quarter is \$3,001,013 for an ending market value of \$72,148,136. The current asset allocation is as follows: fixed income at 36.9%, equities at 61.7% and cash equivalents at 1.4%. Mr. Lavin 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 Connolly and seconded by Trustee MacIsaac to accept the Quarterly Investment Performance Report as presented. Motion carried unanimously by voice vote.

Review/Update Investment Policy: The Board discussed the Investment Policy and determined that no changes are required at this time.

Post Consolidation Services Proposal: Mr. Falduto presented an overview of post-consolidation services offered by Sawyer Falduto Asset Management, LLC. A motion was made by Trustee Musolf and seconded by Trustee MacIsaac to accept the proposal for Sawyer Falduto Asset Management, LLC for post-consolidation services at the monthly rate of \$500 on a month-to-month basis effective at the time of the consolidation of assets. Motion carried by roll call vote.

AYES: Trustees Musolf, Connolly, Kaplan and MacIsaac
NAYS: None
ABSENT: Trustee Bieschke

Consolidation Related Matters: Sawyer Falduto Asset Management, LLC had no additional consolidation related matters to discuss.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners with the December payroll cycle and a due date of January 31, 2021. An update will be provided at the next regular meeting.

Statements of Economic Interest: The Board noted that the List of Filers must be submitted to the County by the Village 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.

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 registrations or reimbursable expenses presented for approval.

APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM FUND: *Application for Membership – Martha Marquez:* The Board reviewed the Application for Membership submitted by Martha Marquez. A motion was made by Trustee Connolly and seconded by Trustee Kaplan to accept Martha Marquez into the Wheeling Police Pension Fund effective December 13, 2021, as a Tier II participant. Motion carried by roll call vote.

AYES: Trustees Musolf, Connolly, Kaplan and MacIsaac
NAYS: None
ABSENT: Trustee Bieschke

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Review/Approve Deferred Regular Retirement Benefit – Ian Frey:* The Board reviewed the deferred regular retirement benefit calculation for Ian Frey prepared by L&A. Officer Frey had an entry date of January 8, 2007, retirement date of August

31, 2021, effective date of pension of November 3, 2043, 37 years of age at date of retirement, 14 years of creditable service, applicable salary of \$107,394, applicable pension percentage of 35%, amount of originally granted monthly pension of \$3,132.33 and amount of originally granted annual pension of \$37,587.96. A motion was made by Trustee Connolly and seconded by Trustee MacIsaac to approve Ian Frey's deferred regular retirement benefit calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Musolf, Connolly, Kaplan and MacIsaac
NAYS: None
ABSENT: Trustee Bieschke

Review/Approve Decision and Order and Certificate of Payment – Ian Frey: The Board reviewed the Decision & Order and Certificate of Payment for Ian Frey prepared by Puchalski Goodloe LLC. A motion was made by Trustee Connolly and seconded by Trustee Kaplan to approve the Decision & Order and Certificate of Payment for Ian Frey as prepared. Motion carried by roll call vote.

AYES: Trustees Musolf, Connolly, Kaplan and MacIsaac
NAYS: None
ABSENT: Trustee Bieschke

OLD BUSINESS: There was no old business to discuss.

NEW BUSINESS: *Acknowledge IPOPIF Notice of Transfer Date, Adopt Resolution of Notice and Execute Exhibits:* The Board acknowledged the IPOPIF Notice of Transfer Date as May 2, 2022. A motion was made by Trustee Musolf and seconded by Trustee MacIsaac to acknowledge the transfer date, to adopt Resolution 2022-01 appointing Trustees Musolf and Kaplan as authorized agents and to accept Exhibit B notifying Sawyer Falduto Asset Management, LLC of the transfer of investment assets as presented. Motion carried by roll call vote.

AYES: Trustees Musolf, Connolly, Kaplan and MacIsaac
NAYS: None
ABSENT: Trustee Bieschke

Discussion/Possible Action – Interim Cash Management Policy: The Board reviewed the cash analysis projection prepared by L&A and discussed interim cash requisite for the purpose of remitting pension benefits and expenses during the transition period for the consolidation of investment assets.

Discussion/Possible Action – Cash Reserve Balance: The Board noted that due to the lack of guidance provided by IPOPIF regarding the interim cash management policy and the cash reserve balance, this item will be tabled until the next regular meeting.

Discussion/Possible Action – Local Account Collateralization: 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 and authorized Trustee Kaplan to execute the tri-party pledge depository agreement. A motion was made by Trustee MacIsaac and seconded by Trustee Connolly to authorize Trustee Kaplan to execute the tri-party pledge depository agreement on behalf of the Fund. Motion carried by roll call vote

AYES: Trustees Musolf, Connolly, Kaplan and MacIsaac
NAYS: None
ABSENT: Trustee Bieschke

Discussion/Possible Action – Additional IPOPIF Requests Pertaining to Consolidation: Mr. Falduto acknowledged receipt of a request for a certified asset list from IPOPIF's Custodian, State Street Bank. Mr. Falduto will inform State Street Bank that the certified asset list is not readily available in the requested format. Sawyer Falduto Asset Management, LLC will contact the Board for authorization prior to fulfilling any requests from IPOPIF or State Street Bank.

Approve Annual Cost of Living Adjustments for Pensioners: The Board reviewed the 2022 Cost of Living Adjustments calculated by L&A. A motion was made by Trustee Kaplan and seconded by Trustee Connolly to approve the 2022 Cost of Living Adjustments as required by statute and calculated by L&A. Motion carried by roll call vote.

AYES: Trustees Musolf, Connolly, Kaplan and MacIsaac

NAYS: None

ABSENT: Trustee Bieschke

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

Post Meeting Note: Trustee Musolf expressed his interest to remain on the Board if nominated.

Securities Class Action Recovery: Trustee MacIsaac discussed a service offered by Chicago Clearing Company and will procure additional information regarding the service. The Board will discuss the service at the next regular meeting.

Fiduciary Responsibility & Cybersecurity: The Board discussed fiduciary responsibility and cybersecurity. The Board noted that due to increased, criminal cyber activity, the additional coverage is difficult to obtain. The Board will research potential vendors and review options at the next regular meeting.

ATTORNEY'S REPORT – PUCHALSKI GOODLOE LLC: *Update of Complaint of Administrative Review regarding Non-Duty Disability Pension – Stephen Hull:* Attorney Goodloe reviewed the briefing schedule for the complaint of administrative review regarding Stephen Hull's non-duty disability application for pension benefits and noted that the court is scheduled to rule on April 22, 2022 at 10:00 a.m. An update will be provided at the next regular meeting.

Attorney Goodloe noted that Stephen Hull is due to attend an annual independent medical examination (IME). Attorney Goodloe will send Mr. Hull an affidavit and correspondence directing him to attend his annual IME. An update will be provided at the next regular meeting.

Legal Updates: Attorney Goodloe provided legislative updates pertaining to Article 3 Pension Funds; including recent court cases and decisions, as well as general pension matters including consolidation and transfer updates.

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

ADJOURNMENT: A motion was made by Trustee Kaplan and seconded by Trustee Connolly to adjourn the meeting at 10:25 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for Wednesday, April 6, 2022 at 9:00 a.m.



Board President or Secretary

Minutes approved by the Board of Trustees on _____

04/06/2022

Minutes prepared by Amanda Secor, Pension Services Administrator, Lauterbach & Amen, LLP