



**MINUTES OF A REGULAR MEETING OF THE
WHEELING POLICE PENSION FUND BOARD OF TRUSTEES
JANUARY 30, 2023**



A regular meeting of the Wheeling Police Pension Fund Board of Trustees was held on Wednesday, January 30, 2023 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 9:03 a.m.

ROLL CALL:

PRESENT: Trustees Troy Musolf, Michael Bieschke, John Connolly, Michael Kaplan and Keith MacIsaac

ABSENT: None

ALSO PRESENT: Attorney Jeff Goodloe, Puchalski Goodloe LLC; John Falduto, Sawyer Falduto Asset Management, LLC (*arrived at 9:07 a.m.*); Lora Murphy, Lauterbach & Amen, LLP (L&A)

PUBLIC COMMENT: There was no public comment.

APPROVAL OF MEETING MINUTES: *October 26, 2022 Regular Meeting:* The Board reviewed the October 26, 2022 regular meeting minutes. A motion was made by Trustee MacIsaac and seconded by Trustee Bieschke to approve the October 26, 2022 regular meeting minutes as written. Motion carried by roll call vote.

AYES: Trustees Musolf, Bieschke, Connolly, Kaplan and MacIsaac

NAYS: None

ABSENT: None

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

AYES: Trustees Musolf, Bieschke, Connolly, Kaplan and MacIsaac

NAYS: None

ABSENT: None

ACCOUNTANTS REPORT – LAUTERBACH & AMEN, LLP: *Monthly Financial Report:* The Board reviewed the Monthly Financial Report for the twelve-month period ending December 31, 2022 prepared by L&A. As of December 31, 2022, the net position held in trust for pension benefits is \$60,348,885.22 for a change in position of (\$12,416,645.43). The Board also reviewed the Cash Analysis Report, Revenue Report, Expense Report, Member Contribution Report and Payroll Journal. A motion was made by Trustee Kaplan and seconded by Trustee Connolly to accept the Monthly Financial Report as presented. Motion carried unanimously by voice vote.

Mr. Falduto arrived at 9:07 a.m.

Presentation and Approval of Bills and Additional bills, if any: The Board reviewed the Vendor Check Report for the period October 1, 2022 through December 31, 2022 for total disbursements in the amount of \$548,616.91. The Board also reviewed Puchalski Goodloe LLC invoice #0000356 in the amount of \$2,340 for the first quarter retainer fee and miscellaneous legal services rendered. A motion was made by Trustee MacIsaac and seconded by Trustee Kaplan to approve the disbursements shown on the Vendor Check Report in the amount of \$548,616.91 and the additional bill as presented. Motion carried by roll call vote.

AYES: Trustees Musolf, Bieschke, Connolly, Kaplan and MacIsaac

NAYS: None

ABSENT: None

Discussion/Possible Action – Cash Reserve Balance/Cash Management Policy/Guidelines: The Board discussed the current cash reserve balance and cash management policy/guidelines and determined that no changes are required at this time.

INVESTMENT REPORTS: *Sawyer Falduto Asset Management, LLC – Quarterly Report:* Mr. Falduto presented the Quarterly Report and reviewed the Cash Flow and Performance for the period ending December 31, 2022. As of October 1, 2022 the beginning market value within the Schwab cash account was \$674,424 and as of December 31, 2022 the ending market value in the cash account was \$788,946. Mr. Falduto reviewed the Market Commentary with the Board. A motion was made by Trustee MacIsaac and seconded by Trustee Bieschke to accept the Quarterly Report as presented. Motion carried unanimously by voice vote.

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

IPOIF – Verus Investment Advisory, Inc: The Board reviewed the IPOIF Investment Performance Report Monthly Statement prepared by Verus Investment Advisory, Inc. for the period ending November 30, 2022. As of November 30, 2022, the one-month total net return is 5.5% and the year-to-date total net return is (6.5%) for an ending market value of \$7,720,073,550.

Summary Review – State Street: The Board reviewed the Market Value Summary and Statement of Transaction Detail prepared by State Street for the periods ending October 31, 2022, November 30, 2022 and December 31, 2022. As of December 31, 2022, the ending balance is \$58,812,825.28, the month to date net return is (1.92%) and the quarter to date net return is 6.75%.

The Board acknowledged receipt and review of the most recent IPOIF Investment Performance Report Monthly Statement as prepared by Verus Investment Advisory, Inc. and the Fund's Market Value Summaries and State of Transaction Detail prepared by State Street.

The Board discussed IPOIF's investment performance and Trustee MacIsaac reported to the Board that the Wheeling Firefighters' Pension Fund Board requested Attorney Goodloe draft correspondence to IFPIF (Illinois Firefighters' Pension Investment Fund), on behalf of the Fund, addressing investment concerns and allocations and discussed if this was something that the Police Pension Fund would want to do with IPOIF. The Board noted that at this time, they will not request to have Attorney Goodloe draft correspondence to IPOIF, but may want to review the correspondence that Attorney Goodloe drafts for the Wheeling Firefighters' Pension Fund Board.

Mr. Falduto agreed to provide the Board with historical data through December 2022 (and may also include first quarter 2023) that illustrates the IPOIF allocations and performance and what the volatility or risk has been and compare it to more conservative and aggressive allocations to review at the next regular meeting.

COMMUNICATIONS AND REPORTS: *Affidavits of Continued Eligibility:* The Board noted that L&A mailed Affidavits of Continued Eligibility to all pensioners in December and a due date of January 31, 2023. 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, 2023. Statements of Economic Interest will be sent to all registered filers who will need to respond by the deadline of May 1, 2023.

TRUSTEE TRAINING UPDATES: The Board discussed Trustee Training opportunities and were reminded to submit any certificates 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: There were no applications for membership or withdrawals from the Fund.

APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS: *Status Update – Surviving Spouse Benefit – Nancy Conley:* Attorney Goodloe noted that P.A. 102-811 that was discussed at the April 6, 2022 meeting went into effect on January 1, 2023 and noted that the surviving spouse, Nancy Conley, of deceased member James Haeger, waived her right to (possibly) collect a surviving spouse benefit under P.A. 102-811.

Discussion/Possible Action – Application for James Haeger’s Survivor’s Pension Benefit Pursuant to 40 ILCS 5/3-112(a): Attorney Goodloe reported that he recently provided each Trustee fourteen exhibits in the deceased member James Haeger matter regarding an adult disabled dependent of Mr. Haeger’s that may be entitled to a benefit. A special meeting may be required to adjudicate the matter. An update will be provided at the next regular meeting.

IPOPIF: *Discussion/Possible Action – Additional IPOPIF Requests Pertaining to Consolidation:* There were no additional IPOPIF requests pertaining to consolidation presented.

OLD BUSINESS: There was no old business presented.

NEW BUSINESS: *Contribution Refund – David Puma:* The Board reviewed the contribution refund request submitted by David Puma. A motion was made by Trustee Bieschke and seconded by Trustee Connolly to approve David Puma’s contribution refund in the amount of \$14,487.10 paid directly to himself issued on January 24, 2023. Motion carried by roll call vote.

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

Approve Annual Cost of Living Adjustments for Pensioners: The Board reviewed the 2023 Cost of Living Adjustments calculated by L&A. A motion was made by Trustee Kaplan and seconded by Trustee Bieschke 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 Musolf, Bieschke, Connolly, Kaplan and MacIsaac
NAYS: None
ABSENT: None

Update Local Bank Account Collateralization Agreement: The Board reviewed the memorandum prepared by L&A regarding the successor of the third-party custodian from Bank of America to The Bank of New York Mellon to continue collateralization of the BMO Harris Bank operating account. A motion was made by Trustee Kaplan and seconded by Trustee MacIsaac to execute the updated tri-party pledge depository agreement. Motion carried by roll call vote.

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

Review Trustee Term Expirations and Election Procedures: The Board noted that the active member term currently held by Trustee Bieschke and the retired member term currently held by Trustee Connolly are expiring on May 9, 2023. Trustees Bieschke and Connolly expressed their interest to remain on the Board

if nominated. L&A will conduct an election on behalf of the Pension Fund for one of the two active member Trustee positions and the retired member Trustee position.

ATTORNEY’S REPORT – PUCHALSKI GOODLOE LLC: *Update of Complaint of Administrative Review regarding Non-Duty Disability Pension – Stephen Hull:* Attorney Goodloe reported that the Hull matter was fully briefed by all parties and the written decision by the Judge was to be issued on July 1, 2022, although it has not been received. Attorney Goodloe continues to contact the Clerk’s office and informed the Board that the new Judge that has been assigned to this case has still not provided a written decision at this time. Attorney Goodloe will continue to follow up with the Clerk and provide an update to the Board at the next regular meeting.

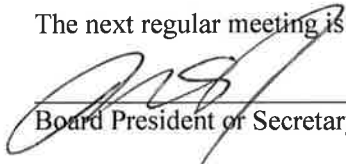
Annual Independent Medical Examination – Stephen Hull: Attorney Goodloe noted that Stephen Hull attended his annual independent medical examination (IME) on June 27, 2022 and the physician opined that Mr. Hull has recovered from his disability based on the results of his IME. Attorney Goodloe noted the Board will need to set this matter for a hearing to obtain testimony by the opining physician and will be sending a set of exhibits to each of the Trustees to review. 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 MacIsaac and seconded by Trustee Kaplan to adjourn the meeting at 10:17 a.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for Wednesday, April 5, 2023 at 9:00 a.m.



Board President or Secretary

Minutes approved by the Board of Trustees on 04/05/2023

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