

MINUTES

CITY OF DEKALB

Special Meeting of the DeKalb Firefighters Pension Fund

January 30, 2023

The DeKalb Firefighters Pension Board of Trustees held a special Meeting on January 30, 2023, at DeKalb Police Headquarters, 700 W. Lincoln Hwy., 2nd Floor, Training Classroom, DeKalb, IL 60115.

ROLL CALL

At 11:04 a.m., President Bill Lynch called the roll. Members present were Bob Terry, Carrie Dittman and Bill Lynch. Ray Krueger arrived at 11:06 a.m. after approval of the minutes. Member absent was Bill Kalal.

Also in attendance were Michael May of Lauterbach & Amen, Firefighter/Paramedics Patrick Eriksen and Zakary Prielipp, and Administrative Assistant Jill Voight, as recording secretary. Attorney Jerry Marzullo of Asher, Gittler & D'Alba arrived at 11:13 a.m.

APPROVAL OF AGENDA

Bob Terry moved to approve the agenda. Carrie Dittman seconded the motion. A voice vote was conducted. Aye votes were voiced by all present members. The motion passed.

PUBLIC PARTICIPATION

Firefighter/Paramedic Patrick Eriksen was present and spoke later in the meeting about prior elections.

APPROVAL

1. Minutes of Special Meeting – October 13, 2022

Carrie Dittman moved to approve the special meeting minutes from October 13, 2022. Bob Terry seconded the motion. A voice vote was conducted. Aye votes were voiced by all present members. The motion passed.

2. Expenses Incurred

Carrie Dittman stated that documentation should specifically note what was approved as opposed to how approval has been done previously. Carrie Dittman made a motion to approve expenses incurred on the handout which includes checks paid by Lauterbach & Amen September 1, 2022 – November 30, 2022 and for month of January 2023. Bob Terry seconded the motion. Carrie Dittman then made an amended motion to approve four additional expenses incurred including December dates found on page 11.2 in the accountant's compilation report that was distributed at the meeting. Bob Terry seconded the amended motion. A roll call vote was conducted. Aye votes were cast by Terry, Dittman, Krueger and Lynch. No nay votes were cast. The motion passed.

Accountant's Compilation Report (Lauterbach & Amen – Michael May)

Michael May distributed the report ending December 31, 2022. He directed everyone's attention to the statement of net position (page 2.1), statement of changes in net position (page 2.2), then the quarterly vendor check report (pages 11.1 and 11.2). He explained the rest of the pages were supplemental information.

Bob Terry made a motion to approve the Accountant's Compilation Report. Ray Krueger seconded the motion. A roll call vote was conducted. Aye votes were voiced by Terry, Dittman, Krueger and Lynch. No Nay Votes were cast. The motion passed.

Attorney's Report

Attorney Jerry Marzullo emphasized upcoming due dates to be mindful of such as February 1st due date of list of those needing to file statements of economic interest, May 1st (Statements of Economic Interest). Discussion was had as to how the former was to be sent to the county.

Marzullo then asked if there was any review of closed session meeting minutes discussed. Bill Lynch made a motion to keep closed meeting session minutes closed. Bob Terry seconded the motion. A voice vote was conducted. Aye votes were voiced by all present members. The motion passed.

Marzullo mentioned that while COLA acceptance is a necessary agenda item, based on statute it is not something that can be denied.

Marzullo then asked about Trustee term expirations to be discussed below.

Marzullo inquired as to where members were at with Trustee Training and clarified the requirements. 1st year being 16 hours and subsequent years being 8 hours. Bob Terry needs to complete 4 hours for 2022 and Ray Krueger needs to complete 8 hours for 2022. Training is a requirement to remain on the board.

Regarding term expiration dates, it was discovered that terms for Ray Krueger and Bill Kalal expire in 2023. Because Ray is an appointed member technically, he remains a member until removed. Carrie Dittman will have Ray Krueger's position addressed at an upcoming city council meeting. Bill is a retiree elected member, and there will need to be a formal election held for his position.

Marzullo asked how the retiree position had been handled in the past. Patrick Eriksen informed the board that in the past letters had been sent out to all retirees inviting them to run for the retiree spot. For the upcoming term the term dates will be May 2023 to May 2026.

Marzullo updated the board on the consolidation lawsuit. The briefs are filed, and the 2nd district court denied the request to hear oral arguments. Ruling is expected in the next 30 to 45 days.

Marzullo relayed that funds seem to be moving in and out of the downstate fund smoothly and reports from Northern Trust are supposed to get timelier.

OLD BUSINESS

Agenda Item H. (Old Business) occurred prior to Agenda Item G. (Attorney's Report) to give Attorney Marzullo time to get settled after his late arrival

1. APPROVAL – Account Opening/Closure – IL Funds account/ Fidelity

Carrie Dittman referenced her email to Bill Lynch on December 8, 2022 that explained Craig Larsen was able to remove Mission Wealth from the Fidelity account and she was able to get access. However, we would have to close the account and apply for a new account. Requested paperwork has not been received from Fidelity in order to accomplish any of it. Another option would be to open an IL Funds account for the Fire Pension Fund the current rate now over 4%.

Bill Lynch moved to move forward with closing the Fidelity Account. Ray Krueger seconded the motion. A roll call vote was conducted. Aye votes were cast by Terry, Dittman, Krueger and Lynch. No nay votes were cast. The motion passed.

Bill Lynch made a motion to move forward and with opening an Illinois Funds Account. Bob Terry seconded the motion. A roll call vote was conducted. Aye votes were cast by Terry, Dittman, Krueger and Lynch. No nay votes were cast. The motion passed.

Signers to be as listed on other accounts – Bill Lynch, Bob Terry and Carrie Dittman.

NEW BUSINESS

1. DISCUSSION AND APPROVAL – Cash Management/Investments

Carrie Dittman referred to both the 2022 Cashflow Sheet and 2023 Cashflow Projection Sheet. The 2022 sheet reflected the October \$1.6 million dollar transfer to the downstate fund discussed at the October 13, 2022 meeting. Both Cashflow sheets reflected the decision to maintain at least 1 month of benefits/expenses also decided at the October 13, 2022 meeting. In 2022 there was almost 2 million in the account every month until October when the funds were transferred. Bill Lynch asked at what point should the funds be moved to which Jerry Marzullo replied that it is the boards fiduciary responsibility to get the maximum return. *(Bob Terry stepped out at 11:55 and returned at 12:01)*. Michael May added that most places are keeping a month of benefits back and setting up recurring transfers the 15th of the month. Jerry Marzullo recommended keeping a minimum/maximum dollar amount setting on automatic transfers. Carrie Dittman inquired as to when the vendor/benefit payments go out. May replied that vendor payments go out as they come in and Benefit payments are done at the end of the month. Lynch recommended discussing again at the April Meeting. Marzullo added that the amounts can be changed quarterly.

2. APPROVAL – Termination of Mission Wealth

Bill Lynch made a motion to terminate Mission Wealth effective immediately. Mission Wealth has now removed themselves from all Fire Pension accounts. Bob Terry seconded the motion. A voice vote was conducted. Aye votes were voiced by all present members. The motion passed.

3. APPROVAL – Benefit COLA Increases effective 1-1-2023

Bill Lynch moved to accept COLA Increases effective January 1, 2023 as shown on the handout attached to the agenda. Ray Krueger seconded the motion. Carrie Dittman noted that she recalculated all increases and agreed with the amounts. A roll call vote was conducted. Aye votes were cast by Terry, Dittman, Krueger and Lynch. No nay votes were cast. The motion passed.

4. DISCUSSION – Elections

Occurred under agenda item G (Attorney's Report)

5. DISCUSSION – Trustee Training

Occurred under agenda item G (Attorney's Report)

6. DISCUSSION AND APPROVAL – Transfer accounting related work from L & A to City Finance Director

In summary Carrie Dittman relayed that most of the accounting related work that Lauterbach & Amen are being paid for is work that she is already doing internally. Her background has included auditing and she is familiar with DOI reports. She can also pay the vendors that L & A currently pay for us except that L & A would continue to remit the payroll related fees withheld from pension benefits (taxes and insurance). The effective start date was discussed and agreed as February 1, 2023. Lauterbach would complete the 12/31/2022 year-end adjustments as they are already underway. Bill Lynch inquired as to the feasibility of having L & A taking back the accounting responsibilities should the need arise. Michael May said that it would not be a problem. May outlined the pricing for benefit payments (\$675 p/month) and tax forms (\$540 p/year). L & A would just do benefit related work. Carrie Dittman would do the accounting work, including the municipal compliance report with the assistance of the actuary. Discussion took place about affidavits of eligibility, whether they were being done and that they should be done on an annual basis. It was decided that the revised engagement letter from Lauterbach & Amen should include this as well, with a cost to be determined. The Board will also need to determine who is the Department of Insurance security administrator so that they can grant access to Carrie Dittman to complete the DOI report.

Bob Terry moved to approve services of Lauterbach & Amen to include Benefit payments at \$675 per month, tax forms at \$540 per year and a dollar amount not to exceed \$1,750 for annual affidavits of eligibility. Bill Lynch seconded the motion. A

roll call vote was conducted. Aye votes were cast by Terry, Dittman, Krueger and Lynch. No nay votes were cast. The motion passed.

Bob Terry left the meeting at 12:20 p.m.

TOPICS FOR NEXT MEETING

none

ADJOURNMENT

Ray Krueger moved to adjourn the meeting. Carrie Dittman seconded the motion. A voice vote was conducted. All members present voiced aye votes. The meeting adjourned at 12:24 p.m.

Jill Voight, Recording Secretary

Minutes approved by the DeKalb Firefighters Pension Board April 20, 2023