

**MINUTES
CITY OF DEKALB
DeKalb Firefighters Pension Fund
January 9, 2020**

The Board of Trustees of the DeKalb Firefighters Pension Fund held a Regular Meeting on January 9, 2020, in the Haish Conference room at 200 S. Fourth St., DeKalb, Illinois.

Pat Eriksen, President of the Board, called the meeting to order at 8:05 AM.

ROLL CALL

President Pat Eriksen called the roll. Members of the DeKalb Firefighters Pension Fund present were Pat Eriksen, Chris Ziola, Bill Kalal, and Jeff McMaster. Ray Krueger arrived at 8:07. No members were absent.

Also present were Fifth Ward Alderman Scott McAdams, Investment Manager Craig Larsen, Pension Board Attorney Cary Collins, David Mejia, Assistant City Manager Ray Munch, and Recording Secretary Natalie Nelson.

APPROVAL OF AGENDA

Chris Ziola motioned to approve the agenda, Bill Kalal seconded the motion, and the motion passed by unanimous voice vote.

PUBLIC PARTICIPATION

No comments.

APPROVAL OF MINUTES

October 10, 2019 – Chris Ziola motioned to approve the minutes from the regular meeting, as presented, Bill Kalal seconded the motion. The motion passed by unanimous voice vote.

December 18, 2019 – Chris Ziola motioned to approve the minutes from the special meeting. as presented, Bill Kalal seconded the motion. The motion passed by unanimous voice vote.

OLD BUSINESS

Seminars – Cary Collins stated seminars are forthcoming shortly. The IPAC meeting will likely occur around June 1, 2020. Pat Eriksen stated he would share with the other members any information about this event when he receives it.

NEW BUSINESS

1. Investment Manager Report

Craig Larsen distributed the quarterly report to the members. He reported a quarterly increase of 5.5% and an annual increase of 16% for 2019, compared to the annual decrease of 8% experienced in 2018. He noted that fluctuations year-to-year are anticipated, and outcomes over 20 years show the real performance. Consequently, the effects of the Illinois pension consolidation will not be known for at least a decade. He summarized the 2019 performance of the funds compared to prior fiscal years. He also discussed the national economic issues and their possible effects upon investments returns. He warned that growth in 2019 may not be duplicated in 2020.

2. Update on Downstate Pension Coalition

Craig Larsen stated his company will continue to perform administrative tasks for the pension board through the quarter after the consolidation transition is finalized. He discussed the process by which existing pension funds would become comingled, with each original pension fund retaining a proportional share. He explained his company would ensure no numerical errors occur. He expressed approval for the legislation's language, processes, and timeframes.

Cary Collins stated that the consolidation of the 675 pensions will change this pension board's responsibilities. He anticipated that regular meetings will be shorter, but fiduciary responsibilities will still need to be discussed by the board. One benefit of the consolidation is individual pension funds will not be subject to trading costs. The state will set the tax levy, with a provision to allow municipalities to assess a different levy amounts in some situations. He said this pension fund is likely to benefit from the consolidation. The state will develop committees to handle issuing of government bonds as necessary.

Mr. Larsen and Mr. Collins requested pension members forward to them any communications from the State of Illinois. Business will continue as usual until the state issues further instruction. Discussion followed regarding the state board membership composition, the asset transfer timeline, the development of investment boards, board members' training requirements, grievance procedures, and the goal of 100% funding.

Bill Kalal asked if Lauderbach & Amen will continue to handle pension payouts. Mr. Collins stated that the City would begin handling payouts. Mr. Kalal recalled that the City did not previously want that responsibility. He expressed concern about errors that could affect future payouts. It has not yet been decided who will be responsible for the accounting aspects, and who will write payout checks.

Pat Eriksen reported speaking to Jeff Keicher in Springfield in October. He said that time will tell if the consolidation is beneficial. Mr. Larsen stated that Lauderbach & Amen is competing for the state's contract to manage the state pension's investment, but there is competition from other firms.

3. Required Investment Transactions

Mr. Larsen explained that cash flow appears to be sufficient through May. Motion to authorize raising \$500,000 if necessary. investments to cover expenses if needed. Motion by Ziola, second by Eriksen. Roll call vote. All aye.

4. Approval of Financial Transactions and Financial Report

Chris Ziola motioned to authorize raising \$500,000 in investments to cover expenses if needed, Pat Eriksen seconded the motion, and a roll call vote was conducted. Aye votes were cast by Eriksen, Ziola, Kalal, McMaster, and Krueger. No Nay votes were cast. The motion passed.

5. Review and Update Asset Allocation

No changes were discussed.

6. Accounts Payable – Review of Invoices and Expenses

No invoices or expenses were discussed.

Ray Munch left the meeting at 9:01 AM.

7. New Members

None at this time. However, two new members will begin in the next several weeks.

8. Discuss Jeff Jossendal Retirement Plan

Jeff Jossendal's last day will be March 29. Paperwork is forthcoming. His buy-back has already been approved

9. Request for Benefits

None.

10. Military Service Time Buyback

None.

11. Discussion of Topics for Next Meeting Agenda

A special meeting will be held in late February or early March to finalize Jeff Jossendal's retirement.

Further discussion of consolidation will occur. Cary Collins offered to relay concerns from the board to Springfield.

Two new hires will be discussed. A third new hire will replace Jeff Jossendal.

Mr. Krueger will write a letter to Mayor Smith to express his interest in continuing in his membership the board. He will submit the letter to Pat Eriksen, who will forward it to the Mayor.

Pat Eriksen left the meeting at 9:24 AM.

ADJOURNMENT

Bill Kalal motioned to adjourn, Ray Kreuger seconded the motion, and the motioned passed by unanimous voice vote. The meeting adjourned at 9:27 AM.

The next regular meeting of the DeKalb Firefighters Pension Board is scheduled to occur on April 9, 2020, at 8:00 AM, in the training room on the second floor of the Police Station, located at 700 W. Lincoln Hwy. in DeKalb.

Natalie Nelson, Recording Secretary

Minutes approved by DeKalb Firefighters Pension Board on July 9, 2020.