

MINUTES

CITY OF DEKALB

DeKalb Firefighters Pension Fund

July 8, 2021

The DeKalb Firefighters Pension Board of Trustees ("Pension Board") held a regular meeting on July 8, 2021, at DeKalb Police Headquarters, 700 W. Lincoln Hwy., 2nd Floor, Training Classroom, DeKalb, IL 60115.

ROLL CALL

President Eriksen called the meeting to order at 8:05 AM and conducted roll call. Pension Board trustees present were Chief Jeff McMaster, Bill Kalal, Pat Eriksen, and Chris Ziola. Ray Krueger was absent. Also present were newly elected trustees of the Pension Board Bill Lynch and Bob Terry.

Guests in attendance were attorney Tom Hartwell, representing Collins Radja & Hartwell; Assistant City Manager Josh Boldt; Firefight/Paramedic Chris Krupa; Administrative Assistant Natalie Nelson, as recorder; and financial consultant Craig Larsen, representing Mission Wealth, participating remotely by phone.

APPROVAL OF AGENDA

Chris Ziola motioned to approve the agenda as presented, Bill Kalal seconded the motion, and a voice vote was conducted. The motion passed unanimously.

PUBLIC PARTICIPATION

Pat Eriksen introduced the guests in attendance. No other comments occurred.

BOARD MEMBER ELECTION RESULTS, DUTIES

Pat Eriksen introduced newly elected Pension Board members Bill Lynch and Bob Terry, who assume the Pension Board roles of President and Secretary, respectively. Pat Eriksen offered to continue to run this meeting to allow the new trustees to observe how business is conducted and participated. No objections were voiced. As of the seating of the new trustees, Pat Eriksen and Chris Ziola would no longer participate in any action items requiring trustee voting.

Bill Lynch and Bob Terry will receive from Christy Wempe at Mission Wealth paperwork to remove Pat Eriksen and Chris Ziola from the authorized signees and add Bill Lynch

and Bob Terry to be authorized signees. She will also provide to them guidance for performing transactions.

APPROVAL OF MINUTES

Bob Terry motioned to approval of the minutes from the April 8, 2021, regular meeting minutes as presented, Chief McMaster seconded the motion, and a voice vote was conducted. The motion passed unanimously.

OLD BUSINESS

Seminars

The Annual Illinois Public Pension Advisory Committee (IPPAC) conference was held June 2-3, 2021. Bill Kalal attended in-person, and Chief McMaster attended remotely. Tom Hartwell announced upcoming training seminars in September (Princeton, IL), in October (Schaumburg, IL), and at various times at Judson University. Trustees can also complete the required annual training using self-study books. Natalie Nelson will send Tom Hartwell the contact information for the newly elected trustees, so he can communicate to them training opportunities. She will also provide the new trustees' contact information to Ruth Scott in the City Manager's Office. Ruth Scott will be emailing the new trustees instructions for the required Open Meetings Act training to be completed online.

NEW BUSINESS

Investment Manager Report

Craig Larsen presented the Second Quarter DeKalb Firefighters Pension Fund report. He summarized the quarterly returns and reflected upon the 1-year and 5-year returns, all of which have been strong. He recommended remaining steady with the current investment strategy. He discussed the Market Value of Investments (page 36 of the report) and recommended not selling off any stocks. He discussed the economy's improvement since 2020, potential inflation, the Fed's bond buying, and jobs and unemployment figures situation throughout the nation.

The Illinois pension consolidation process was discussed. On January 4, 2022, the DeKalb Fire Pension fund transfer of assets is due. The firms that hold Pension Board's funds must be contacted regarding transferring the funds to the State. An online questionnaire is the first step for the transfers. Craig Larsen stated his firm will assist the Pension Board in any way they are allowed, but his firm cannot complete any documentation for the State. The Pension Board must complete this.

Tom Hartwell shared his knowledge of the pension transfer process for his clients in Alsip, Sycamore, Sauk Village, which were scheduled to transfer by October 1, 2021. The process was not completely clear for those departments. He said the State is anticipating

adjustments will be necessary to ensure every pension fund complies with the consolidation requirements, but nothing has been rescheduled yet.

Craig Larsen stated that the consolidation will allow DeKalb Pension to invest more in stocks, which will likely lead to higher returns. The transfer from custodian to custodian has an established process that must be followed.

Pat Eriksen reported speaking with Steve Zahn at the State, who has also reported that the transfer process is not completely clear.

At 9:00 AM, Bill Kalal motioned to move into unscheduled Executive Session to discuss pending litigation, citing *Open Meetings Act, Exception (11)*

Litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting. *5 ILCS 120/2, Sec. 2. Open Meetings, (c) Exceptions.*

Bob Terry second the motion. A roll call vote was conducted. Aye votes were cast by Kalal, Lynch, Terry, and McMaster. No nay votes were cast. The motion passed.

The Regular Meeting resumed at 9:16 AM

Deliberation and Approval of Updated Rules and Regulations

Tom Hartwell discussed the updated DeKalb Fire Pension Rules and Regulations, highlighting Section 2.05.3, which allows remote hearings in accordance with the Open Meetings Act, and Sections 2.13.3 and 2.13.4, which reflect changes to the required trustee training and education. He explained that the remote meetings attendance procedure is spelled out in detail and must be followed.

Bill Kalal recommended the new trustees consider attending training seminars in-person to encourage them to network and learn from other pension fund members' experiences.

Bob Terry Motioned to approve the updated sections of the DeKalb Fire Pension Rules and Regulations as presented. Bill Kalal seconded the motion. A roll call vote was conducted. Aye votes were cast by McMaster, Kalal, Terry, and Lynch. The motion passed unanimously.

Required Investment Transactions

None.

Approval of Financial Transactions and Financial Reports

None.

Review and Update Asset Allocation

None. This will no longer be a routine item on the agenda.

Accounts Payable – Review of Invoices and Expenses

None.

Retirements

Jim Ruhl is anticipating retiring in fall, but he has confirmed the date. Pat Eriksen will assist him with paperwork. For the benefit of the new trustees, Pat Eriksen summarized the retirement process. No special meeting is necessary to approve a retirement.

Discussion followed regarding annual pensioner statements, which Lauterbach & Amen typically provides to the Pension Board president in March or April each calendar year. The president then distributes each member's two-page statement separately.

New Members

Multiple new firefighter/paramedics will begin by late summer/early fall. Pat Eriksen stated that they will meet with a Pension Board trustee during their one-week orientation. Fire Pension membership begins first duty day. The Pension Board will vote them in at the regular meeting following their start dates.

Request for Benefits

None.

Military Service Time Buyback

None.

Service Breaks and Pension Funding

None.

Discussion of Agenda Topics for Next Meeting – October 14, 2021

- Pension Consolidation Status
- New Hires

ADJOURNMENT

Chief McMaster motioned to adjourn, Bill Kalal seconded the motion, a voice vote conducted, all trustees present voiced aye votes. The motion passed. The meeting adjourned at 9:23 AM.

Natalie Nelson, Recording Secretary

Minutes approved by DeKalb Firefighters Pension Board on October 14, 2021.