

**BOARD OF TRUSTEES**  
**DOWNERS GROVE FIREFIGHTERS PENSION FUND MEETING**  
**Downers Grove Fire Department Station 2, 5420 Main,**  
**Fire Station 102 (Primary) and Electronic Conference**  
**November 10, 2022 – 1700 hrs.**

**Agenda Item – 1**

Trustee Campbell called the meeting to order at 1703 hrs.

**Agenda Item – 2**

Trustee Campbell made a recommendation that a motion be made to allow electronic attendance.

**MOTION:** A motion was made by Trustee Campbell to conduct the November 10, 2022 Quarterly Pension Board meeting electronically. Seconded by Trustee Moy.

Roll Call vote:

Trustee Kuchta	Aye
Trustee Moy	Aye
Trustee Bacidore,	Aye
Trustee Nash	Aye
Trustee Campbell	Aye

**Motion carried by a vote of 5-0.**

Trustee Campbell made a motion requesting consent by each participant in the meeting to be recorded during the November 10, 2022 Downers Grove Firefighter Pension Board Quarterly meeting. Seconded by Trustee Bacidore.

**Members**

Trustee Kuchta	Consents	(in person)
Trustee Moy	Consents	(in person)
Trustee Bacidore,	Consents	
Trustee Campbell	Consents	(in person)
Trustee Nash	Consents	(in person)

**Member Absent**

None

**Guests**

Robin Lahey – VDG Director of Finance	(in person)	Consents
Amanda Secor - Lauterbach & Amen, LLP	(in person)	Consents

Trinette Gardner – Lauterbach & Amen, LLP (in person) Consents  
Atty Vincent Mancinni - Reimer & Karlson LLC (electronically) Consents

**Agenda Item – 3**  
**Approval of Minutes**

Trustee Campbell would like approval of the minutes for both the Quarterly Meeting Minutes from August 11, 2022.

**MOTION:** A motion was made by Trustee Campbell to approve the Quarterly Meeting Minutes of August 11, 2022. Seconded by Trustee Moy.  
**Motion carried by a vote of 5-0.**

**Roll call was taken:**

Trustee Campbell	Aye
Trustee Moy	Aye
Trustee Kuchta	Aye
Trustee Bacidore	Aye
Trustee Nash	Aye

**Approval of Minutes**

Trustee Campbell would like approval of the minutes for the Special Meeting on October 13, 2022.

**MOTION:** A motion was made by Trustee Campbell to approve the Special Meeting Minutes of October 13, 2022. Seconded by Trustee Moy.  
**Motion carried by a vote of 5-0.**

**Roll call was taken:**

Trustee Campbell	Aye
Trustee Moy	Aye
Trustee Kuchta	Aye
Trustee Bacidore	Aye
Trustee Nash	Aye

**Agenda Item 4 - A**  
**Report from Lauterbach & Amen, LLP**

**ATTACHMENT**  
Lauterbach & Amen, LLP

Monthly Financial Report  
For the Month Ended September 30, 2022

The Laterbach representative reviewed the September Monthly Financial Report. She advised the total cash and cash equivalent as of September 30, 2022 is just over \$1.75 million and the pooled investments of \$62,942,000. Taking into account accruals, the net position as of the end of September 30 the Fund’s Net Position was is \$62,928,000.

Net position for the 9 months of the year so far: Municipal contributions of \$4,773,000 and active member contributions \$550,000. Administrative expense were \$28,000 as well as Pension Benefits in the amount of \$4,697,000. For the 9 months ended September 30, the Fund was down \$14,482,000.

The Cash Analysis Report shows the non-investment income for the rolling 12 month period. There was a large deposit of tax contributions in September of \$1,812,000.

Pages 11-1 to 11-2 show the invoices paid out for this quarter through the end of September.

**Agenda Item 4 - B**  
**Municipal Compliance Report**

The Laterbach representative advised that this report contains all info already reviewed by the actuaries. Page 1 shows the recommended Municipal contribution from the Tax Levy of \$4,467,606. Page 3 will require Pension Board President and Secretary Signatures. This will be the formal request to the Village of Downers Grove to Levy Taxes in this amount. A draft, unsigned letter was submitted to the Village but a signed request must now be submitted.

**MOTION:** A motion was made by Trustee Campbell to accept the Quarterly Report from Lauterbach & Amen. Seconded by Trustee Moy.  
**Motion carried by a vote of 5-0.**

**Roll call was taken:**

- |                  |     |
|------------------|-----|
| Trustee Campbell | Aye |
| Trustee Moy      | Aye |
| Trustee Kuchta   | Aye |
| Trustee Bacidore | Aye |
| Trustee Nash     | Aye |

**Agenda Item 4 - C**  
**Letter of Engagement for Affidavits for Continued Eligibility**                   **AND**  
**Agenda Item 4 - D**  
**Letter of Engagement for Affidavits for Continued Eligibility**

**were presented and discussed at the same time**

Due to an outstanding overpayment of benefits issue. When investigating the issue and best practices to avoid the issue moving forward it was requested of Lauterbach & Amen to present to the Board a Letter of Engagement for Affidavits for Continued Eligibility explanation as well as PSA Services and Proposal Fees.

Lauterbach rep advised that the Engagement letter did cover Affidavits which is part of the PSA Services and also offer a la carte as outlined in the Engagement letter.

The Laterbach rep referred to the bound copy of proposal beginning on Page 4 – Scope of Services.

- 1) PSA stands for a Professional Services Administrator
  - a. Does all administrative work – preparing meeting agenda, board packet, minutes, maintaining active member files; taking care of training including sign up of classes, log of training, training certificates for DOI; doing minutes; conducting Board Elections both for retirees and active members and producing ballots; preparing the Affidavits of Eligibility for beneficiaries; assisting with DOI compliance audits; preparing notice of upcoming Board meetings; all functions of the PSA for a set fee of \$25,000 per year.
  - b. Also included is the Portal Service with each Trustee having a log in to all Fund information which can be accessed by desk top, iPad or phone (there is an app NET Client CS- cloud based system).

A Trustee asked if this was a renewal of services. Ms. advised that currently Lauterbach is retained for accounting (monthly financial report as well as year-end auditor reports, municipal compliance report, and benefits administration which is paying out the pension benefits, preparing the benefit calculations, any service purchases. PSA has an administrative piece with the Affidavit being a small piece of it as a letter that goes out to the membership – Quildro recipient, a service retiree, surviving spouse once a year to ensure that everyone who is receiving a benefit is still alive and well. The is a separate piece that is a notarized form that goes out coinciding with the Fiscal Year End so that the information can be included with the DOI annual statement.

Trustee Campbell reiterated the Lauterbach is providing accounting services, actuarial service and benefit administration. But does not include additional administrative services such as affidavits, minutes, agendas, record keeping.

Ms. Explained that with a Letter of Engagement the PSA could send out the Affidavits of Eligibility annual mailing with the tracking of data included a la carte for a \$650.00 annual fee.

**OLD BUSINESS**

**Agenda Item 6 - A**  
**Overpayment of Benefits Update**

Trustee Campbell gave an overview of some previous overpayment issue which was originally found by Lauterbach when the Pension Fund signed on with them as part of their intake process. There was a process to correct the issue. The current issue is that continued to pay a member who had a surviving spouse who was entitled to his pension benefit but she is also now deceased since January 2021. Lauterbach at the time was not providing services such as what is included in the PSA as an Affidavit. The way we discovered the surviving spouse was deceased was by receiving a “Return to Sender” mail with pay stubs. Once discovered the widow was deceased also, payment was stopped. Trustee Campbell advised that the he feels the Board was not aware the service was not in place.

Lauterbach advised that the a la carte service of Affidavit form mailing once a year, collection of forms and data included in those forms

Discussion regarding PSA package services (\$25,000 year) cost and how to compare it to what is already being done in house (and at what cost) to make a fair comparison.

Trustee Kuchta asked if the PSA service is also liable if something like the current overpayment problem occurs. Lauterbach representatives advised that the PSA service is not fiduciary and therefore it would be hard to pinpoint who was at fault. The PSA did due there duty by sending out the annual Affidavit form. It was pointed out that they are asking for an “Engagement” letter not a contract and this can be cancelled with a 30 day notice if the service is no longer wanted and then reviewed the rest of the booklet.

Trustee Campbell inquired if the \$2100.00 monthly fee is not inclusive of the services the Board receives from Lauterbach. Trustee Campbell inquired what was the last charge from Lauterbach to the Board’s monthly charges. She responded that the Board was charge \$1,355.00 for Accounting Benefits. Trustee Campbell that approximately \$3500.00 engagement to Lauterbach per month. Trustee Campbell tabled the vote regarding this service until the next quarterly meeting for further review and investigation.

Trustee Campbell suggested that a pending RFP in conjunction with the PD – revised to include accounting, benefits and administrative fees. Trustee Campbell then offered that the RFP could be just for Administrative purposes without Accounting and Actuarial services which can be reviewed at a later time. Or, do an RFP for all three. Or, just an RFP for just the FD PSA.

Trustee Kuchta asked about just employing Lauterbach for just the Affidavit portion.

Trustee Campbell suggested that just the FD issue an RFP for Accounting-Actuarial and Benefits Services could be back by the end of January. If the PD chooses to do the same thing then we will have

that discount retroactively. If we meet in February to review the RFP and the PD has met in January to consider if they are interested or not and the FD could review in February.

**MOTION:** A motion was made by Trustee Campbell to go to an RFP for Accounting, Actuarial Benefits and PSA. Seconded by Trustee Kuchta

**Motion carried by a vote of 5-0.**

**Roll call was taken:**

Trustee Campbell	Aye
Trustee Moy	Aye
Trustee Kuchta	Aye
Trustee Bacidore	Aye
Trustee Nash	Aye

## **TREASURER'S REPORT**

### **Agenda Item 5 - A**

#### **Payment of Bills**

Finance Director Lahey requested that the DGFDP Pension Fund Board approve as reported by Lauterbach & Amen on Pages 11-1 and 11-2 the Vendor Check Report for the period of June 1, 2022 through September 30, 2022 in the amount of \$286,580.89. Everything on this list is related to either Payroll or previously approved by the Board. It is different that the Lauterbach & Amen report due to timing. Last meeting expenses were through May 31, 2022. My report does include the June expenses were \$64,000.00. Lauterbach will furnish a report showing expenses including June for the meeting minutes.

**MOTION:** A motion was made by Trustee Campbell to approve the expenses in the amount of \$286,580.89. Seconded by Trustee Moy.

**Motion carried by a vote of 5-0.**

**Roll call was taken:**

Trustee Campbell	Aye
Trustee Moy	Aye
Trustee Kuchta	Aye
Trustee Bacidore	Aye

Trustee Nash                      Aye

**Agenda Item 5 – B**

**New Employee's / Retirees / Issuance of a refund**

Trustee Campbell advised the Fund has received a request for inclusion into the Fund by the three newest members. Morgan Clark has submitted her completed paperwork, Vladan Malinovic has not submitted his paperwork yet. And, John Theriault.

**MOTION:** A motion was made by Trustee Campbell to admit Morgan Clark into the Pension Fund. She is a new hire who started on August 8, 2022 and will be a Tier II employee. Seconded by Trustee Moy.

**Motion carried by a vote of 5-0.**

**Roll call was taken:**

Trustee Campbell	Aye
Trustee Moy	Aye
Trustee Kuchta	Aye
Trustee Bacidore	Aye
Trustee Nash	Aye

Trustee Campbell advised that Vladan Malinovic is contributing to the Fund and should submit his paperwork by the next meeting.

Trustee Campbell advised that John Theriault is 24 years old and had 1 year and 3 months in a previous Fund. He is a Tier II employee. He has reached out to Board members asking for advice on what he should do as to reciprocity or not because he is aware of his requirements to notify each Fund of reciprocity. Since he was with a prior Fund, he could take credit for time served in that Pension Fund and receive credit as time here. In order for that to happen, he has leave his money in that previous Fund, pay an extra 1% in pension contributions for the time he was there, and the entire time he was here. When he retires, his years of service would be his time here plus his 1 year 3 months there. His final salary would be based off of here. He would receive a very small pension check from his prior pension fund and the majority of his funds from the DG Pension Fund. The issue with John is that because he is Tier II and he is 24 years old he is going to work here for 31 years which will be a year longer than maximum benefit. The Pension Board cannot advise him.

The Pension Board attorney advised that the Board should not give any advice.

Trustee Campbell advised that he has 21 months to notify former and current Pension Funds.

## **OLD BUSINESS**

### **Agenda Item 6 - A**

#### Overpayment of Benefits Update

Trustee Campbell requested that Lauterbach & Amen give a review of the issue.

Lauterbach & Amend discovered on September 28, 2022 when they received an envelope back with a direct deposit receipt on behalf of the pensioner saying he was deceased. After further review it was discovered that the member passed away on October 15, 2020. His surviving spouse passed away on January 28, 2021. At that time the benefit would have gone to her, but also she would not be entitled to the COLA increase which was an added amount of money she would not have been entitled to that benefit. As of January 28, 2021, the benefit was still being paid to the deceased. Lauterbach was able to reverse the September 2022 payment but the total amount paid was \$86,344.70.

Since then the Fund attorney has contacted the DG Police. They did an investigation and decided not to pursue charges. They spoke to Cynthia Braley who was the executer of the widow's estate. The Atty. Introduced the case to the Asst. State Atty of DuPage County because of the feeling that a more in depth investigation was warranted. They looked at agreed not to follow up with any charges. They actually felt that Will County might be the proper jurisdiction because Ms. Braley resides in Will County. The Fund's Atty. Own investigation showed there was an estate open for the widow. It was closed March 21, 2022. The proceeds of the pension benefits were never accounted for within the estate or listed as an assist of the estate. The Fund atty believes that it is an indication of intent – or hiding something. But, there does not appear to be criminal charges being pursued.

The Fund Atty reviewed the Fund insurance policy and believes there is coverage for that. Per instructions from the October meeting he did submit notice of claim advising the insurance company, sent on November 2, 2022. There is proof that it was received but the Board has not received a reply to date. Because a claim has been submitted when the insurance company reimburses the Fund it would be up to the insurance company to civilly pursue repayment from Ms. Braley.

Trustee Campbell advised that this will be on the Agenda for the next quarterly meeting under “Old Business” to track insurance company response and what action needs to be taken.

Lauterbach questioned whether she would need to talk with Ms. Braley is she called back but Fund Atty. Advised that Lauterbach should have Ms. Braley should contact him.

Fund Atty. Also brought up Baldwin Survivors Benefit issue. All points of this are still pending. It was decided to notify the 18 year old that she does have benefits that have accumulated but that monthly benefit payments will cease when she turns 18. Atty will send letter to her directly advising of this.



Trustee Campbell asked if Madison when she turns 18 if should could submit her own claim. Atty. Mancinni advised that it would be prudent to send correspondence to Madison after the November Quarterly Board Meeting advising her to submit her claim as an adult. There is a time limit to claim once the child reaches the age of majority.

Atty. Mancinni advised that it would be prudent for the Pension Board to keep this issue on the Agenda until it is resolved so that there is no misconception of impropriety by the Board. He advised the first letter sent to the mothers of the minors regarding the benefit due the minor and the Pension Board's rules that a trust must be set up to receive the funds. Was June 1, 2022.

**MOTION:** A motion was made by Trustee Campbell to direct Pension Fund Council to draft an additional letter to the guardians of FF Baldwin's surviving children reminding them of the requirement to establish a Trust prior to benefits being distributed. And so send a letter to Madison Baldwin will turn 18 on 11/2/22 to complete the forms so she can claim monies being held for her. Seconded by Trustee Kuchta.  
Motion carried by a vote of 5-0.

Roll call was taken:

Trustee Campbell	Aye
Trustee Kuchta	Aye
Trustee Bacidore	Aye
Trustee Moy	Aye
Trustee Nash	Aye

Trustee Campbell would like to take action immediately regarding the Affidavit Form he feels that at a minimum to protect against further problems with overpayments that the Board should direct Lauterbach to send out an Affidavit Form mailing as quickly as possible to all members of the Fund. For initial letter Trustee Campbell will send an email to all members that this this is a form that needs to be completed.

**MOTION:** A motion was made by Trustee Campbell to approve an Engagement Letter to Lauterbach & Amend for the purpose of sending out to the Affidavit Form to the Retired members and Spouses for a one-time charge of \$650.00 which can be renewed each year. Seconded by Trustee Kuchta.  
Motion carried by a vote of 5-0.

**Roll call was taken:**

Trustee Campbell	Aye
Trustee Kuchta	Aye
Trustee Bacidore	Aye
Trustee Moy	Aye
Trustee Nash	Aye

## **NEW BUSINESS**

### **Agenda Item 7 - A**

Discussion of Request for Proposals

Trustee Campbell advised that this issue has been discussed previously in this meeting.

### **Agenda Item 7 - B**

Cash Management Policy

Trustee Campbell asked Ms. Lahey to review what problems were found regarding cash management. She advised that at the last meeting there was directions to leave the cash at about \$1 million. Her direction was that if it went over she was to move it out and back in if it falls below that level. Her question to the Board is regarding if that will need to be done monthly because the benefit payments are around \$500,000 but because of timing to be sure payments are made and the amount in the account is low she would like to suggest that the cash leave be slightly higher.

**MOTION:** A motion was made by Trustee Campbell to authorize a monthly withdrawal of \$500,000 from FPIF and to set a dollar threshold of \$1.5 million in cash reserves. Any monies exceeding that amount can be transferred back to FPIF. Seconded by Trustee Moy.

Motion carried by a vote of 5-0.

#### **Roll call was taken:**

Trustee Campbell	Aye
Trustee Kuchta	Aye
Trustee Bacidore	Aye
Trustee Moy	Aye
Trustee Nash	Aye

Atty. advised that a draft of a Cash Management Policy is ready to be circulated to Trustee Campbell and others.

### **Agenda Item 7 - C**

Scheduling of 2023 Quarterly Meetings

February 07, 2023

May 16, 2023

August 16, 2023

November 14, 2023

**MOTION:** A motion was made by Trustee Campbell to approve the following dates for the 2023 Quarter Meetings: February 7, May 16, August 16 and November 14, 2023. Seconded by Trustee Moy.

**Motion carried by a vote of 5-0.**

**Roll call was taken:**

Trustee Campbell	Aye
Trustee Bacidore	Aye
Trustee Moy	Aye
Trustee Kuchta	Aye
Trustee Nash	Aye

**PUBLIC COMMENT**

None

**ADJOURN**

**MOTION:** Trustee Campbell made a motion to adjourn.  
Trustee Bacidore seconded the motion.

**Motion carried 5-0.**

**Roll call was taken:**

Trustee Campbell	Aye
Trustee Kuchta	Aye
Trustee Bacidore	Aye
Trustee Moy	Aye
Trustee Nash	Aye

The meeting adjourned at 1905 hrs.

Respectfully submitted.

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Firefighter/Paramedic Anthony Bacidore, Secretary

AB: pp All Files/Pension/2022 – 11-10-22 Quarterly Meeting Minutes